NOTICE

THIS OFFERING CIRCULAR IS AVAILABLE ONLY TO INVESTORS WHO ARE EITHER (1) QUALIFIED INSTITUTIONAL BUYERS WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE "U.S. SECURITIES ACT") OR (2) PERSONS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE U.S. SECURITIES ACT) AND WHO ARE OUTSIDE OF THE UNITED STATES IN ACCORDANCE WITH REGULATION S UNDER THE U.S. SECURITIES ACT (AND, IF INVESTORS ARE RESIDENT IN A MEMBER STATE OF THE EUROPEAN ECONOMIC AREA, A QUALIFIED INVESTOR).

IMPORTANT: You must read the following before continuing. The following applies to the offering circular following this notice, whether received by email or otherwise received as a result of electronic communication. You are advised to read this disclaimer carefully before reading, accessing or making any other use of the offering circular. In accessing the offering circular, you agree to be bound by the following terms and conditions, including any modifications to them, each time you receive any information from us as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE IN ANY JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE SECURITIES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE U.S. SECURITIES ACT OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION AND THE SECURITIES MAY NOT BE OFFERED OR SOLD WITHIN THE UNITED STATES EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS. THE FOLLOWING OFFERING CIRCULAR MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE U.S. SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

Confirmation of your representation: In order to be eligible to view the offering circular or make an investment decision with respect to the notes, investors must be either (1) qualified institutional buyers within the meaning of Rule 144A under the U.S. Securities Act ("QIBs") or (2) persons who are not U.S. persons (as defined in Regulation S under the U.S. Securities Act) and who are outside of the United States in offshore transactions in reliance on Regulation S under the U.S. Securities Act; provided that investors resident in a Member State of the European Economic Area must be a qualified investor (within the meaning of Article 2(1)(e) of Directive 2003/71/EC and any relevant implementing measure in each Member State of the European Economic Area). The offering circular is being sent at your request. By accepting this e-mail and by accessing the offering circular, you shall be deemed to have represented to us and the initial purchasers set forth in the attached offering circular (collectively, the "Initial Purchasers") that: (1) you consent to delivery of such offering circular by electronic transmission, and (2) either you and any customers you represent are: (a) QIBs, or (b) outside the United States and the e-mail address that you gave us and to which this e-mail has been delivered is not located in the United States, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands), any State of the United States or the District of Columbia (and if you are resident in a Member State of the European Economic Area, you are a qualified investor). Prospective purchasers that are QIBs are hereby notified that the seller of the notes offered under the offering circular may be relying on the exemption from the provisions of Section 5 of the U.S. Securities Act provided by Rule 144A under the U.S. Securities Act.

You are reminded that the offering circular has been delivered to you on the basis that you are a person into whose possession the offering circular may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorized to, deliver the offering circular to any other person. Under no circumstances shall the offering circular constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful. If a jurisdiction requires that the offering be made by a licensed broker or dealer and any initial purchaser of the notes offered under the offering circular or any affiliate of any such initial purchaser is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by such an initial purchaser or affiliate on behalf of the issuer in such jurisdiction.

The offering circular has not been approved by an authorized person in the United Kingdom. The notes may not be offered or sold other than to persons whose ordinary activities involve these persons in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the notes would otherwise constitute a contravention of Section 19 of the Financial Services and Markets Act 2000 (the "FSMA") by us. In addition, no person may communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of the notes other than in circumstances in which Section 21(1) of the FSMA does not apply to us.

The offering circular has been sent to you in an electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Initial Purchasers, any person who controls any joint lead manager, or any of their respective directors, officers, employees or agents accepts any liability or responsibility whatsoever in respect of any difference between the offering circular distributed to you in electronic format and the hard copy version available to you from the Initial Purchasers upon your request.

GlencoreXstrata

Glencore Funding LLC

(Incorporated with limited liability under the laws of Delaware)

U.S.$1,000,000,000 3.125 per cent. Notes due 2019

Issue price: 99.674 per cent.

U.S.$1,000,000,000 4.625 per cent. Notes due 2024

Issue price: 99.596 per cent.

Fully and unconditionally guaranteed as to Payment of Principal and Interest by Glencore Xstrata plc, Glencore International AG and Glencore (Schweiz) AG

The 3.125 per cent. Notes due 2019 (the "2019 Notes") and the 4.625 per cent. Notes due 2024 (the "2024 Notes" and, together with the 2019 Notes, the "Notes") are being offered by Glencore Funding LLC (the "Issuer"). Upon issue, payment of the principal and interest on the Notes will, subject to the limitations described in "Risk Factors" and "Description of the Notes and Guarantees", be fully and unconditionally guaranteed on a senior, unsecured, and joint and several basis by Glencore Xstrata plc (the "Company"), Glencore International AG ("GIAG") and Glencore (Schweiz) AG ("Glencore Schweiz" and, together with the Company and GIAG, the "Guarantors") pursuant to the guarantees relating to the Notes (the "Guarantees") as set forth in the indenture under which the Notes will be issued (the "Indenture"). The Notes and the Guarantees will rank *pari passu* with all other direct, unsecured and unsubordinated obligations (except for certain limited exceptions and those obligations preferred by statute or operation of law) of the Issuer and the Guarantors, respectively.

The Issuer will pay interest on the 2019 Notes semi-annually in arrears on 29 April and 29 October of each year, commencing on 29 October 2014. The Issuer will pay interest on the 2024 Notes semi-annually in arrears on 29 April and 29 October of each year, commencing on 29 October 2014.

The Notes are redeemable in whole or in part at any time at the option of the Issuer or the Guarantors at a redemption price equal to the make-whole amounts described in "Description of the Notes and Guarantees". In addition, the Notes are redeemable in whole but not in part at the option of the Issuer upon the occurrence of certain changes in taxation at their principal amount with accrued and unpaid interest to the date of redemption.

The Notes will be issued initially in fully registered form as beneficial interests in one or more Global Notes (as defined in this offering circular (the "Offering Circular"). Except as set forth in this Offering Circular, Global Notes will not be exchangeable for Definitive Notes (as defined in this Offering Circular).

Investing in the Notes involves certain risks. For a discussion of certain factors that should be considered in connection with an investment in the Notes, see "Risk Factors".

The Notes and the Guarantees have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws and are being offered and sold within the United States only to "qualified institutional buyers" ("QIBs") as defined in Rule 144A under the Securities Act ("Rule 144A") and outside the United States to, or for the account or benefit of, persons other than U.S. persons (within the meaning given in Regulation S under the Securities Act ("U.S. persons")) in reliance on Regulation S under the Securities Act ("Regulation S"). For further details about eligible offerees, deemed representations and transfer and resale restrictions, please see "Plan of Distribution" and "Transfer Restrictions".

The Notes are being offered subject to various conditions and are expected to be delivered on or about 29 April 2014 through the facilities of The Depository Trust Company ("DTC") and its direct and indirect participants, or through Euroclear Bank, S.A./N.V. ("Euroclear") and Clearstream Banking, S.A. ("Clearstream, Luxembourg"), and their participants, as applicable.

Joint Book-Running Managers

Barclays **Citigroup** **J.P. Morgan** **Morgan Stanley**

Co-Managers

CIBC **Mizuho Securities** **Scotiabank**

22 April 2014

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Offering Circular and, if given or made, any such information or representation must not be relied upon as having been authorized by the Issuer or the Guarantors, any of their respective affiliates or the Initial Purchasers. This Offering Circular does not constitute an offer of any securities other than those to which it relates or an offer to sell, or a solicitation of an offer to buy, to any person in any jurisdiction where such an offer or solicitation would be unlawful. Neither the delivery of this Offering Circular nor any sale made under it shall, under any circumstances, create any implication that there has been no change in the affairs of the Issuer or the Guarantors since the date of this Offering Circular or that there has been no adverse change in the consolidated statement of financial position of the Company and its consolidated subsidiaries (collectively the "Group") since the date hereof or that the information contained in this Offering Circular is correct as of any time subsequent to that date.

This Offering Circular is being provided on a confidential basis to certain prospective holders of Notes inside and outside the United States (together the "Noteholders") for use solely in connection with the offer and sale of the Notes (the "Offering"). Its use for any other purpose is not authorized. This Offering Circular may not be copied or reproduced in whole or in part, nor may it be distributed nor may any of its contents be disclosed to any person other than the prospective Noteholders to whom it is being provided. You agree to the foregoing by accepting delivery of this Offering Circular.

In making an investment decision, prospective Noteholders must rely on their own examination of the Issuer and the Guarantors and their respective affiliates, the terms of the Notes and the financial information contained in this Offering Circular and their own assessment of the merits and risks involved.

Prospective Noteholders acknowledge that they have not relied, and will not rely, on the Initial Purchasers in connection with their investigation of the accuracy of any information or their decision to invest in the Notes. The contents of this Offering Circular are not to be considered as legal, business, financial, investment or tax advice. Prospective Noteholders should consult their own counsel, accountants and other advisors as to legal, tax, business, financial, investment and related aspects of a purchase of the Notes.

The laws of certain jurisdictions may restrict the distribution of this Offering Circular and the offer and sale of the Notes. You should inform yourself about and observe any applicable restrictions. This Offering Circular does not constitute, and may not be used in connection with, an offer to sell or a solicitation of an offer to buy Notes in any jurisdiction in which the offer or solicitation is not authorized or in which the person making the offer or solicitation is not qualified to do so, and it does not constitute, and may not be used in connection with, an offer to sell Notes to, or a solicitation of an offer to buy Notes from, any person to whom it is unlawful to make the offer or solicitation. For a further description of certain restrictions on the Offering and sale of the Notes and the distribution of this Offering Circular, prospective Noteholders should read "Plan of Distribution" and "Transfer Restrictions".

The Notes will be issued in fully registered form and only in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes that are to be offered and sold initially to QIBs in reliance on Rule 144A will be represented by one or more global notes in registered form without interest coupons attached (collectively the "Rule 144A Global Notes"), and the Notes that are to be offered and sold initially to, or for the account or benefit of, persons other than U.S. persons in reliance on Regulation S will be represented by one or more global notes in registered form without interest coupons attached (collectively the "Regulation S Global Notes").

The Rule 144A Global Notes will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC. The Regulation S Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg. The Rule 144A Global Notes and the Regulation S Global Notes together comprise the "Global Notes". For further information, prospective Noteholders should read "Book-Entry, Delivery and Form".

CERTAIN U.S. MATTERS

This Offering is being made in reliance upon an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. By purchasing the Notes, investors are deemed to have made the acknowledgements, representations, warranties and agreements set forth under "Transfer Restrictions".

Neither the United States Securities and Exchange Commission (the "SEC") nor any state securities commission has approved or disapproved of the Notes and the Guarantees or passed upon the accuracy or adequacy of this Offering Circular or any supplement thereto. Any representation to the contrary is a criminal offense in the United States. The Notes may only be offered and sold in the United States to QIBs within the meaning of and in reliance on Rule 144A and outside the United States to persons other than U.S. persons in reliance on Regulation S.

The Notes and the Guarantees have not been and will not be registered under the Securities Act. Subject to certain exceptions, the Notes and the Guarantees may not be offered or sold in the United States. For further information, prospective Noteholders should read "Plan of Distribution" and "Transfer Restrictions". Prospective Noteholders should be aware that they may be required to bear the financial risks of their investment in the Notes for an indefinite period of time. Prospective Noteholders are hereby notified that the seller of any Note may be relying on the exemption from the provisions of Section 5 of the Securities Act provided by Rule 144A.

Notwithstanding anything herein to the contrary, potential purchasers may disclose to any and all persons, without limitation of any kind, the U.S. federal or state income tax treatment and tax structure of the Offering and all materials of any kind (including opinions or other tax analyses) that are provided to the investors relating to such tax treatment and tax structure. However, any information relating to the U.S. federal income tax treatment or tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent reasonably necessary to enable any person to comply with applicable securities laws. For this purpose, "tax structure" means any facts relevant to the U.S. federal or state income tax treatment of the Offering but does not include information relating to the identity of the issuer of the securities, the issuer of any assets underlying the securities, or any of their respective affiliates that are offering the securities.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES ("RSA 421-B") WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY, OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER, OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

AVAILABLE INFORMATION

The Company has agreed that, so long as any Notes are "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, it will, during any period in which it is neither subject to Section 13 or 15(d) of the U.S. Securities Exchange Act of 1934, as amended (the "Exchange Act") nor exempt from reporting under the Exchange Act pursuant to Rule 12g3-2(b) thereunder, make available to any holder or beneficial owner of any such restricted securities, or to any prospective purchaser of such restricted securities designated by such holder or beneficial owner, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

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FORWARD LOOKING STATEMENTS

This Offering Circular (including the information incorporated by reference into this Offering Circular) contains statements which are, or may be deemed to be, "forward looking statements" which are prospective in nature. All statements other than statements of historical fact are forward looking statements. They are based on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward looking statements. Often, but not always, forward looking statements can be identified by the use of forward looking words such as "plans", "expects", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates", "believes", "targets", "aims", "projects" or words or terms of similar substance or the negative thereof, as well as variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "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 include statements relating to the following: (i) future capital expenditures, expenses, revenues, earnings, synergies, economic performance, indebtedness, financial condition, dividend policy, losses and future prospects; (ii) business and management strategies and the expansion and growth of the Group's operations; and (iii) the effects of global economic conditions on the Group's business.

Such forward looking statements involve known and unknown risks and uncertainties that could significantly affect expected results and are based on certain key assumptions. Many factors may cause the actual results, performance or achievements of the Group to be materially different from any future results, performance or achievements expressed or implied by the forward looking statements. Important factors that could cause actual results, performance or achievements of the Group to differ materially from the expectations of the Group include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulations, including in relation to the environment, health and safety and taxation, labor relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganization activities, interest rate and currency fluctuations, the Group's ability to integrate new businesses and recover its reserves or develop new reserves and changes in business strategy or development plans and other risks, including those described in "Risk Factors". Such forward looking statements should therefore be construed in light of such factors.

Neither the Company nor any of its associates or directors, officers or advisors provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward looking statements in this document will actually occur. These forward looking statements speak only as at the date of this document.

Investors should specifically consider the factors identified in this document which could cause actual results to differ before making an investment decision. Such risks, uncertainties and other factors are set out more fully in the section headed "Risk Factors". To the extent required by the Disclosure and Transparency Rules or applicable law, the Company will update or revise the information in this document. Otherwise, the Company expressly disclaims any obligations or undertakings to release publicly any updates or revisions to any forward looking statements contained in this document to reflect any change in the expectations of the Group with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

No statement in this document or incorporated by reference into this document is intended to constitute a profit forecast or profit estimate for any period, nor should any statement be interpreted to mean that earnings or earnings per share will necessarily be greater or lesser than those for the preceding financial periods.

ENFORCEABILITY OF CIVIL LIABILITIES

The Issuer is a company incorporated in Delaware, United States. The Company is incorporated in Jersey. The other Guarantors are companies incorporated in Switzerland. The assets of the Issuer and the Guarantors are located in various jurisdictions and the majority of these assets are located in jurisdictions outside the United States.

The directors and key managers of the Issuer and the Guarantors are citizens of various countries, and most are not citizens of the United States. All or a substantial portion of the assets of such persons, as well as the assets of the Group are located outside the United States. As a result, it may not be possible for investors in the Notes to effect service of process in jurisdictions outside the United States against the Issuer, the Guarantors or their respective directors or to enforce in such jurisdictions the judgment of a court outside such jurisdictions. It may be difficult for investors in the Notes to enforce, in original actions or in actions for enforcement brought in jurisdictions located outside the United States, judgments of U.S. courts or civil liabilities predicated upon U.S. federal securities laws. Furthermore, it may be difficult for investors in the Notes to enforce judgments of this nature in many of jurisdictions in which the Group operates and in which its assets are situated and in the countries of which most of the directors and key managers of the Issuer and the Guarantors are citizens.

PRESENTATION OF INFORMATION AND INCORPORATION BY REFERENCE

Presentation of financial information

On 2 May 2013, Glencore International plc, now known as Glencore Xstrata plc (the "Company" or "Glencore") (together with its subsidiaries, the "Group") acquired Xstrata plc, now Xstrata Limited (together with its subsidiaries "Xstrata") (the "Acquisition").

Unless otherwise specified, all financial information contained in this Offering Circular is historical and based upon (i) the consolidated financial statements of the Group or (ii) the individual financial statements of Glencore and Xstrata.

Information incorporated by reference

The following documents are incorporated by reference into this Offering Circular:

- Audited consolidated financial statements, including the notes thereto, of the Group as of and for the year ended 31 December 2013 (which includes restated 2012 comparatives for the impact of adoption of IAS 19 Employee Benefits revised), prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the European Union, and International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board ("IASB") (together, "IFRS"), and audited by Deloitte LLP, an independent auditor, together with the audit report in respect thereof (the "2013 Group Audited Financial Statements"), which appear on pages 117 through 199 of the Group's 2013 Annual Report;
- Audited consolidated financial statements, including the notes thereto, of Glencore as of and for the years ended 31 December 2012 and 31 December 2011, prepared in accordance with IFRS and audited by Deloitte LLP, an independent auditor, together with the audit reports in respect of such years (the "2012 Group Audited Financial Statements" and the "2011 Group Audited Financial Statements", respectively, and, together with the 2013 Group Audited Financial Statements, the "Group Audited Financial Statements"), which appear on pages 109 through 163 of Glencore's 2012 Annual Report;
- Audited consolidated financial statements, including the notes thereto, of Xstrata as of and for the years ended 31 December 2012 and 31 December 2011, prepared in accordance with IFRS and audited by Ernst & Young LLP, an independent auditor, together with the audit reports in respect of each such years (the "Xstrata 2012 Audited Financial Statements" and the "Xstrata 2011 Audited Financial Statements", respectively, and, together, the "Xstrata Audited Financial Statements"), which appear on pages 65 through 137 of Xstrata's 2012 Annual Report;
- The Group Production Report for the 12 Months ended 31 December 2013; and
- The Group Resources and Reserves as of 31 December 2013.

All of these documents may be accessed from http://www.glencorexstrataplc.com/. The other content of the Company's website does not form part of this Offering Circular.

The information incorporated by reference is an important part of this Offering Circular.

Historical financial information – the Group

Unless otherwise indicated, financial information presented in this Offering Circular relating to the Group as of and for the years ended 31 December 2011, 2012 and 2013 is presented in U.S. dollars, has been prepared in accordance with IFRS and has been extracted without material adjustment from the Group Audited Financial Statements.

2012 restatement

Due to the adoption of certain accounting policies as detailed in Note 1 to the 2013 Group Audited Financial Statements, the 2012 comparatives included in the Group's financial statements for the year ended 31 December 2013 have been retrospectively restated.

Non-IFRS measures

In this Offering Circular, we presented certain financial measures, including Adjusted EBIT, Adjusted EBITDA and net debt, that are not presented in accordance with IFRS and which are not IFRS measures.

Adjusted EBIT

Adjusted EBIT consists of revenue less cost of goods sold and selling and administrative expenses plus share of income from associates and joint ventures, dividend income adjusted to exclude the impact of significant items and amounts attributable to the share of underlying interest and tax of certain associates and joint ventures. Although Adjusted EBIT is not typically a measure of operating income, operating performance or liquidity under IFRS, it is presented in this Offering Circular because the Group believes it is used by some investors to determine a company's ability to service indebtedness and fund on-going capital expenditure and dividends. Adjusted EBIT should not, however, be considered in isolation or as a substitute for income from operations as determined in accordance with IFRS, or for cash flows from operating activities as determined in accordance with IFRS, or as an indicator of operating performance.

Adjusted EBITDA

Adjusted EBITDA consists of Adjusted EBIT (as defined above) plus depreciation and amortization and share of certain associates' and joint ventures' depreciation and amortization. Although Adjusted EBITDA is not typically a measure of operating income, operating performance or liquidity under IFRS, it is presented in this Offering Circular as the Group believes that it is used by some investors to determine a company's ability to service indebtedness and fund on-going capital expenditure and dividends.

Adjusted EBITDA has limitations as an analytical tool, and an investor should not consider these measures in isolation from, or as a substitute for, analysis of the Group's results of operations. Some of the limitations of Adjusted EBITDA are that:

- it does not reflect the Group's cash expenditures or future requirements for capital expenditure or contractual commitments;
- it does not reflect changes in, or cash requirements for, the Group's working capital needs (as applicable);
- it does not reflect the significant interest expense or the cash requirements necessary to service interest or principal payments in respect of any borrowings;
- although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and Adjusted EBITDA does not reflect any cash requirements for such replacements; and
- other companies in the Group's industry may calculate these measures differently from how the Group do, limiting their usefulness as a comparative measure.

Adjusted EBIT and Adjusted EBITDA may not be indicative of the Group's historical operating results, nor are they meant to be a projection or forecast of its future results.

The following table reconciles the key line items on the face of the consolidated statement of income that comprise Adjusted EBIT and reconciles Adjusted EBIT to the income/(loss) for the years indicated:

	Year ended 31 December		
	2011[1]	2012[2]	2013
	(in U.S.$ millions)		
Revenue	186,152	214,436	232,694
Cost of goods sold	(181,938)	(210,435)	(227,145)
Selling and administrative expenses	(857)	(997)	(1,206)
Share of income from associates and jointly controlled entities	1,972	367	846
Dividend income	24	17	39
Significant items[3]	45	1,082	407
Share of certain associates and joint ventures interest and tax	—	—	335
Adjusted EBIT	5,398	4,470	5,970
Depreciation and amortization	1,066	1,473	4,049
Share of certain associates and joint ventures depreciation and amortization	—	—	447
Adjusted EBITDA	6,464	5,943	10,466
Deduct:			
Depreciation and amortization	(1,066)	(1,473)	(4,049)
Impact of presenting certain associates and jointly controlled entities on a proportional consolidated basis	—	—	(782)
Significant items excluded above	(45)	(1,082)	(407)
Interest expense – net	(847)	(970)	(1,388)
Gain/(loss) on sale of investments – net	9	(128)	(40)
Other (expense) – net	(511)	(1,214)	(10,844)
Income tax credit/(expense)	264	76	(254)
Income/(loss) for the year	4,268	1,152	(7,298)

Notes:

(1) The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

(2) Certain amounts shown here reflect the adoption of new and revised standards as detailed in Note 1 to the 2013 Group Audited Financial Statements.

(3) Significant items represent:

	Year ended 31 December		
	2011	2012	2013
		(in U.S.$ millions)	
Share of associates' exceptional items	45	875	51
Mark-to-market valuation of certain natural gas forward contracts	—	123	95
Unrealized intergroup profit elimination adjustments	—	84	261
	45	1,082	407

Net debt

The Group defines net debt as total current and non-current borrowings less cash and cash equivalents, marketable securities and readily marketable inventory and the Group includes marketable securities and readily marketable inventory in its internal definition of cash equivalents. Readily marketable inventory comprises inventory that is readily convertible into cash due to its liquid nature, widely available markets and the fact that any associated price risk is covered. This includes, for example, LME approved inventory (such as copper or aluminum) held at LME warehouses. Given the liquid nature of these inventories and associated funding, which represents a significant share of current assets and liabilities, the Group believes it is appropriate to consider them as cash equivalents.

The Group believes this non-IFRS measure is a valuable tool in analyzing its net debt levels and computing certain debt coverage ratios. This measure is intended to provide additional information to investors and analysts, does not have any standardized meaning prescribed by IFRS and should not be considered in isolation or a substitute for measures of performance prepared in accordance with IFRS.

Historical financial information – Xstrata

Unless otherwise indicated, financial information presented in this Offering Circular relating to Xstrata as of and for the years ended 31 December 2012 and 2011 is presented in U.S. dollars, has been prepared in accordance with IFRS, and has been extracted without material adjustment from the Xstrata Audited Financial Statements.

EBITDA and EBIT

Although IFRS neither recognizes nor defines the measures EBITDA and EBIT, they are measures that are widely used in the natural resources sector to evaluate a company's operating performance. Nevertheless, EBITDA and EBIT should not be considered in isolation from or as a substitute for operating profit, cash flows from operating activities or any other measure for determining Xstrata's operating performance or liquidity that is calculated in accordance with IFRS. As EBITDA and EBIT are not measures of performance defined by IFRS, these measures may not be comparable to similarly titled measures employed by other companies.

Unless otherwise indicated, EBITDA represents, when used in this Offering Circular in relation to Xstrata, operating profit before interest, taxation, depreciation and amortization. Unless otherwise indicated, EBIT represents profit before interest and taxation.

"EBITDA (before exceptional items)" and "EBIT (before exceptional items)" in relation to Xstrata are EBITDA and EBIT, respectively, before material items of income and expense which have been presented separately due to their nature or expected infrequency of the events giving rise to them.

The following table sets forth a reconciliation from profit/(loss) for the year to EBIT and EBITDA based on information extracted without material adjustment from Xstrata's historical financial statements:

	Year ended 31 December	
	2011	**2012**
	(in U.S.$ millions)	
Profit/(loss) for the year	5,933	1,372
Add back:		
Income tax charge/(credit)	2,215	635
Finance costs	471	409
Share of results from associates	(41)	944
Less:		
Finance income	(137)	(184)
Other exceptional items	(16)	636
EBIT before exceptional items	**8,425**	**3,812**
Add back:		
Depreciation and amortization	3,217	3,332
Impairment of assets	6	978
EBITDA before exceptional items	**11,648**	**8,122**

Pro forma financial information

In this Offering Circular, any reference to "pro forma" financial information is to information which has been extracted without material adjustment from the unaudited pro forma financial information contained in "Pro Forma Financial Information". The unaudited pro forma statement of (loss)/income contained in "Pro Forma Financial Information" has been prepared on the basis of the notes set out therein to illustrate the effect on the results of operations of the Company as if the Acquisition had taken place on 1 January 2013. A pro forma statement of financial position is not presented as the Acquisition has already been reflected in the audited 31 December 2013 statement of financial position of the Group.

The pro forma financial information included in this Offering Circular, together with the related schedules and notes, constitutes a reasonable presentation of the information shown therein and has been compiled on the basis described therein, and the assumptions used in the preparation thereof are, in the opinion of management of the Group, reasonable and the adjustments used therein are reasonable to give effect to the transactions and circumstances referred to therein, and the adjustments used therein have been properly applied to the historical amounts in the compilation of the pro forma financial information.

The unaudited pro forma financial information has been prepared for illustrative purposes only and are based upon available information and assumptions that we believe are reasonable but are not necessarily indicative of the results that actually would have been achieved if the Acquisition had been completed on the dates indicated or that may be achieved in the future.

Rounding

Percentages and certain amounts included in this Offering Circular have been rounded for ease of presentation. Accordingly, figures shown as totals in certain tables may not be the precise sum of the figures that precede them.

Currencies

In this Offering Circular: references to "pounds sterling", "£", "GBP", "pence" or "p" are to the lawful currency of the United Kingdom; references to "U.S. dollars", "dollars", "U.S.$", "USD" or "cents" are to the lawful currency of the United States; references to "Hong Kong dollars", "HK$" or "HKD" are to the lawful currency of Hong Kong; references to "Euros", "€" or "EUR" are to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty establishing the European Community, as amended; references to "Swiss Francs", "Swiss francs" or "CHF" are to the lawful currency of Switzerland; references to "South African Rand" or "ZAR" are to the lawful currency of South Africa; references to "Argentine Pesos" or "ARS" are to the lawful currency of Argentina; references to "Australian dollars", "A$" or "AUD" are to the lawful currency of Australia; references to "Canadian dollars", "C$" or "CAD" are to the lawful currency of Canada; references to "Chilean Peso" or "CLP" are to the lawful currency of Chile; references to "Colombian Pesos" or "COP" are to the lawful currency of Colombia; references to "yen" or "JPY" are to the lawful currency of Japan; references to "Kroner" or "NOK" are to the lawful currency of Norway; references to "Peruvian Sol" or "PEN" are to the lawful currency of Peru; references to "BOB" are to the lawful currency of Bolivia; references to "CDF" are to the lawful currency of the DRC; references to "Kazakhstani Tenge" or "KZT" are to the lawful currency of Kazakhstan; references to the "PHP" are to the lawful currency of the Philippines; and references to "Zambian kwacha" or "ZMK" are to the lawful currency of Zambia.

The Group, Glencore and Xstrata prepare their financial statements in U.S. dollars. The basis of translation of foreign currency for the purpose of inclusion of the financial information is set out in the notes to the financial statements of each of the Group, Glencore and Xstrata. Information derived from such financial statements has been translated on the same basis.

Unless otherwise indicated, the financial information relating to the Group contained in this document has been expressed in U.S. dollars and indicative exchange rates comprising the average rate used for income statement information and the period end rate used for balance sheet information are shown below:

	Year ended 31 December 2011		Year ended 31 December 2012		Year ended 31 December 2013	
	Average rate	**Period end rate**	**Average rate**	**Period end rate**	**Average rate**	**Period end rate**
Currencies						
USD:ARS	4.13	4.30	4.55	4.92	5.48	6.52
AUD:USD	1.03	1.02	1.04	1.04	0.97	0.89
USD:BOB	6.95	6.96	6.91	6.91	6.91	6.91
USD:CAD	0.99	1.02	1.00	0.99	1.03	1.06
USD:CDF	919	911	919	915	919	920
USD:CHF	0.89	0.94	0.94	0.92	0.93	0.89
USD:CLP	484	520	486	479	495	525
USD:COP	1,848	1,939	1,797	1,767	1,869	1,930
EUR:USD	1.39	1.30	1.29	1.32	1.33	1.37
GBP:USD	1.60	1.55	1.59	1.63	1.56	1.66
USD:HKD	7.78	7.77	7.76	7.75	7.76	7.75
USD:JPY	79.70	76.90	79.82	86.62	97.61	105
USD:KZT	147	148	149	150	152	154
USD:NOK	5.61	5.98	5.82	5.56	5.88	6.06

	Year ended 31 December 2011		Year ended 31 December 2012		Year ended 31 December 2013	
	Average rate	Period end rate	Average rate	Period end rate	Average rate	Period end rate
USD:PEN	2.75	2.70	2.64	2.55	2.70	2.80
USD:PHP	43.30	43.80	42.20	41.06	42.46	44.38
USD:ZAR	7.26	8.09	8.21	8.47	9.65	10.49
USD:ZMK	4,862	5,125	5,143	5,190	5,391	5,545

Unless otherwise indicated, the financial information relating to Xstrata contained in this document has been expressed in U.S. dollars and indicative exchange rates comprising the average rate used for income statement information and the period end rate used for balance sheet information are shown below:

	Year ended 31 December	
Average	**2011**	**2012**
USD:ARS	4.13	4.55
AUD:USD	1.03	1.04
USD:CAD	0.99	1.00
USD:CHF	0.89	0.94
USD:CLP	484	486
USD:COP	1,848	1,797
USD:PEN	2.75	2.64
EUR:USD	1.39	1.29
GBP:USD	1.60	1.59
USD:ZAR	7.26	8.21

Presentation of ore reserves and mineral resources information

Ore reserves and mineral resources information contained in and incorporated by reference into this Offering Circular has been compiled in accordance with internationally recognized mineral standards (including the JORC Code, SAMREC, the CIM Definition Standards and the CIM Estimation Guidelines) based on information compiled by Competent Persons (as defined by the JORC Code, SAMREC and the CIM Definition Standards, as applicable).

Mineral resources are based on mineral occurrences quantified on the basis of geological data and an assumed cut-off grade, and are divided into "measured", "indicated" and "inferred" categories reflecting decreasing confidence in geological and/or grade continuity. No allowances are included for dilution and losses during mining, but the reporting of resource estimates carries the implication that there are reasonable prospects for eventual economic exploitation. Measured and indicated resources may therefore be viewed as the estimation stage prior to the application of more stringent economic criteria for the reserve definition, such as a rigorously defined cut-off grade and mine design outlines, along with allowances for dilution and losses during mining. It is common practice, for example, for companies to include in the resources category material with a reasonable expectation of being converted to reserves, but for which either the detailed mine planning work has not been undertaken or for which an improvement in economic conditions or exploitation efficiencies would be required to enable the company to exploit the resources economically. An inferred resource is that part of a mineral resource for which tonnage, grade and mineral content can be estimated with a low level of confidence. This categorization is inferred from geological evidence and assumed, but not verified, geological and/or grade continuity. It is based on information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes which may be limited or of uncertain quality and reliability. Mineral reserves are designated as "proved" and "probable", and are derived from the corresponding measured and indicated resource estimates by including allowances for dilution and losses during mining. It is an explicitly stated further requirement that other modifying economic, mining, metallurgical, marketing, legal, environmental, social and governmental factors must also be taken into account. The measured and indicated mineral resources can be reported as either being inclusive of those mineral resources modified to produce the ore reserves or additional to the ore reserves. Unless otherwise indicated in this Offering Circular, in relation to the Group's assets, measured and indicated resources are stated inclusive of reserves but with no allowance for ore loss or dilution, and inferred resources are stated on an exclusive basis.

Oil and gas reserves and resources information

Oil and gas reserves and resources information contained in and incorporated by reference into this Offering Circular relating to the Group's oil and gas assets has been compiled in accordance with the definitions and guidelines set forth in the 2007/SPE/AAPG/WPC/SPEE Petroleum Resource Management System (the "PRMS"), which is approved by the Society of Petroleum Engineers as the standard for classification and reporting. As set out in the PRMS, "reserves" are "those quantities of petroleum anticipated to be commercially recoverable by application of development projects to known accumulations from a given date forward under defined conditions". Reserves must further satisfy four criteria: they must be: (i) discovered; (ii) recoverable; (iii) commercial; and (iv) remaining (as of the evaluation date) based on the development project(s) applied. Reserves are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by development and production status. "Contingent resources" are defined by the PRMS as "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from known accumulations, but the applied project(s) are not yet considered mature enough for commercial development due to one or more contingencies". Contingent resources may include, for example, projects for which there are currently no viable markets, or where commercial recovery is dependent on technology under development, or where evaluation of the accumulation is insufficient to clearly assess commerciality. Contingent resources are further categorized in accordance with the level of certainty associated with the estimates and may be sub-classified based on project maturity and/or characterized by their economic status. "Prospective resources" are defined by the PRMS as "those quantities of petroleum estimated, as of a given date, to be potentially recoverable from undiscovered accumulations by application of future development projects". Prospective resources have both an associated chance of discovery and a chance of development. Prospective resources are further subdivided in accordance with the level of certainty associated with recoverable estimates assuming their discovery and development and may be sub-classified based on project maturity.

Metric/Imperial conversion table

The imperial equivalents of the metric units of measurement used in this Offering Circular are as follows:

Metric unit	Metric symbol	Imperial equivalent	Imperial symbol
Tonne	t	1.102311 tons	ton
Kilogram	kg	2.20462 pounds	lbs
Gram	g	0.032151 troy ounces	oz
Meter	m	3.2808 feet	ft

Metric unit	Metric symbol	Imperial equivalent	Imperial symbol
Cubic meter	m^3	3 35.315 cubic feet	ft^3
Kilometer	km	0.6214 miles	–
Hectare	ha	2.4711 acres	–

No profit forecast

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

Sources of information

Unless the source is otherwise stated and except as described above in relation to other third party information:

- the industry and market data in this Offering Circular have been extracted without material amendment from the management records of the Group and Xstrata;
- the non-financial operating data included in this Offering Circular have been extracted without material amendment from the Group's 2013 Annual Report, Glencore's 2012 Annual Report and Xstrata's 2012 Annual Report;
- the historical financial information included in this Offering Circular in respect of the Group has been extracted without material amendment from the 2013 Group Audited Financial Statements and the 2012 and 2011 Group Audited Financial Statements; and
- the historical financial information included in this Offering Circular in respect of Xstrata has been extracted without material amendment from the Xstrata Audited Financial Statements.

Definitions

Certain terms used in this Offering Circular, including capitalized terms, are defined and explained in "Definitions and Glossary of Technical Terms".

SUMMARY

Any decision to purchase the Notes should be based on consideration by the prospective Noteholder of this Offering Circular, and the information incorporated by reference into this Offering Circular, as a whole.

Overview of the Group

The Group is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of those products. The Group operates globally, marketing and distributing physical commodities sourced from third party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. The Group also provides financing, logistics and other services to producers and consumers of commodities.

The Group benefits from its scale and diversity. The Group's portfolio of diversified industrial assets comprise over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities. The Group's growth prospects are underpinned by volume increases in its industrial base, which in turn, will enhance marketing opportunities.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality product on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

On 2 May 2013, Glencore completed the Acquisition, which was effected by way of a scheme of arrangement of Xstrata under Part 26 of the UK Companies Act, pursuant to which Glencore acquired the entire issued and to be issued ordinary share capital of Xstrata not already owned by Glencore.

The Group's consolidated revenue for the financial year ended 31 December 2013 was U.S.$232,694 million, its loss for the year was U.S.$7,298 million and as at 31 December 2013, its total assets were U.S.$154,932 million.

The Group's consolidated revenue for the financial year ended 31 December 2012 was U.S.$214,436 million, its income for the year was U.S.$1,152 million and as at 31 December 2012, its total assets were U.S.$105,564 million.

The Group's consolidated revenue for the year ended 31 December 2011 was U.S.$186,152 million, its income for the year was U.S.$4,268 million[1] and as at 31 December 2011, its total assets were U.S.$86,165 million.

Xstrata's consolidated revenues for the financial years ended 31 December 2012 and 31 December 2011 were U.S.$31,618 million and U.S.$33,877 million, respectively, and income for the financial years ended 31 December 2012 and 31 December 2011 was U.S.$1,372 million and U.S.$5,933 million, respectively. As of 31 December 2012, Xstrata's total assets amounted to U.S.$83,113 million.

[1] This amount is not restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

The Company's ordinary shares are traded on the London Stock Exchange, the Hong Kong Stock Exchange and the Johannesburg Stock Exchange. As of 31 March 2014, the market capitalization of the Company was approximately £41.59 billion (approximately U.S.$69.26 billion). The Company is a member of the FTSE 100.

The Group's three business segments focus on the following commodities:

- The Metals and Minerals business segment focuses on the following commodity divisions: copper, zinc, nickel, ferroalloys, aluminum/alumina and iron ore.
- The Energy Products business segment focuses on coal and oil.
- The Agricultural Products business segment focuses on grains, oils/oilseeds, sugar and cotton.

Each of the Group's business segments undertakes both industrial and marketing asset investment activities and is responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities in each business segment.

Competitive strengths

The Group believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world's largest diversified and vertically-integrated producers, processors and marketers of natural resources. The Acquisition was the logical next step for two highly complementary businesses and combining the industrial mining and metal assets of Xstrata with the marketing skills and asset base of Glencore enhances the Group's key competitive strengths, which include the Group's:

- scale and commodity diversity;
- unique business model, which is fully-integrated along the supply chain to capture value in an evolving competitive landscape;
- ability to respond to changing industry dynamics;
- core competence in commodity marketing, logistics, risk management and financing;
- leading industrial asset portfolio of diversified operations with strong growth prospects;
- diversified position across multiple commodities, suppliers and customers;
- world-class management team, entrepreneurial culture and track record of value creation; and
- resilient financial performance and marketing.

Strategy

The Group's strategy is to maintain and build upon its position as one of the world's largest diversified natural resources companies. The Group's key strategic objectives include to:

- capitalize on strategic investments in industrial assets;
- continue to leverage geographic scope and diversification of operations;
- use capital and liquidity to grow the business, as appropriate opportunities arise;
- focus on cost management and further enhancing logistical capabilities;

- maintain a conservative financial profile and investment grade ratings;
- conduct disciplined risk management; and
- place highest priority on employees, the environment and local communities.

History

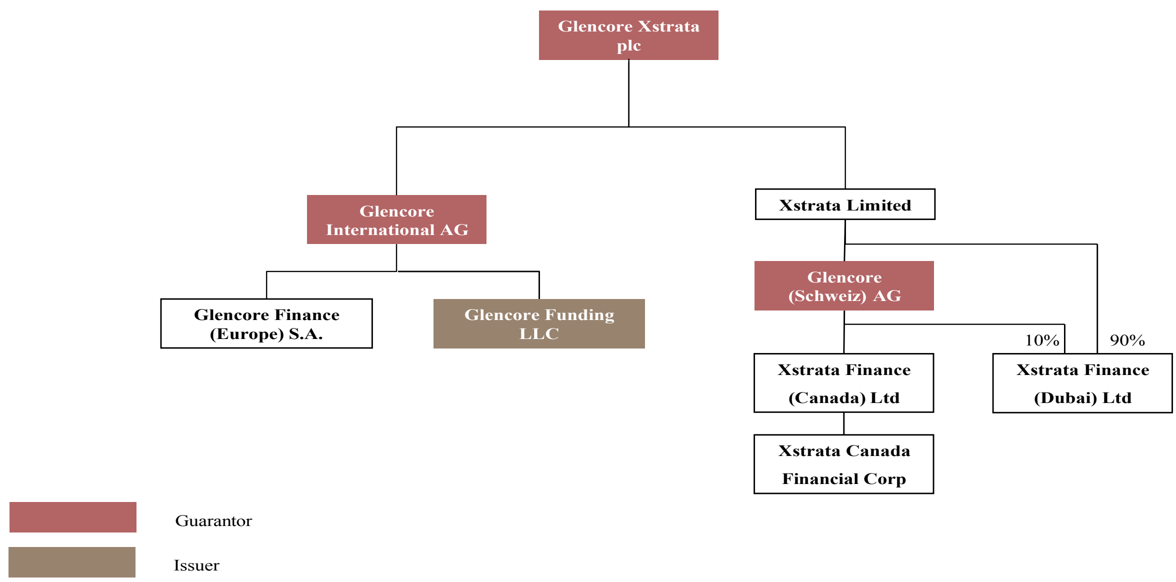
Glencore's business commenced in 1974 (previously known as Marc Rich + Co AG) and initially focused on the physical marketing of ferrous and non-ferrous metals and minerals and crude oil, and shortly thereafter expanded into oil products. In 1981, Glencore acquired an established Dutch grain trading company, which created the basis for its Agricultural Products business segment, and later added coal to its Energy Products business segment.

Starting in 1987, Glencore developed from a purely commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing in the three principal business segments. In 1994, the founder of Glencore sold his stake by way of a management buyout. The shares of Glencore International plc were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the Hong Kong Stock Exchanges in May 2011.

The roots of Xstrata date back to 1926 when Swiss infrastructure investment company Südelektra AG was established. Beginning in 1990, the company (which was renamed Xstrata AG in 1999) built a portfolio of businesses operating in the natural resources sector. On 25 March 2002, Xstrata plc was created through an initial public offering on the London Stock Exchange and the shares of Xstrata plc were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the SIX.

The Acquisition was completed on 2 May 2013, following which Glencore International plc was renamed "Glencore Xstrata plc". The Company's shares were admitted to trading on the Johannesburg Stock Exchange in November 2013.

The condensed structure chart below shows the position of the Issuer and Guarantors within the Group.



Summary financial information on the Group

The Group

The selected financial data presented below as of and for the years ended 31 December 2012 and 2013 has been extracted, without material adjustment, from the 2013 Group Audited Financial Statements. The selected financial data presented below as of and for the year ended 31 December 2011 has been extracted, without material adjustment, from the 2011 Group Audited Financial Statements.

The following table sets out the Group's consolidated statement of income for the years ended 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011[(1)]	**2012**[(2)]	**2013**
	(in U.S.$ millions)		
Revenue	186,152	214,436	232,694
Cost of goods sold	(181,938)	(210,435)	(227,145)
Selling and administrative expenses	(857)	(997)	(1,206)
Share of income from associates and jointly controlled entities	1,972	367	846
Gain/(loss) on sale of investment	9	(128)	(40)
Other expense – net	(511)	(1,214)	(10,844)
Dividend income	24	17	39
Interest income	339	401	393
Interest expense	(1,186)	(1,371)	(1,781)
Income/(loss) before income taxes	4,004	1,076	(7,044)
Income tax credit/(expense)	264	76	(254)
Income/(loss) for the year	4,268	1,152	(7,298)

Note:

(1) The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

(2) Certain amounts shown here reflect the adoption of new and revised standards as detailed in Note 1 to the 2013 Group Audited Financial Statements.

The following table summarizes the Group's cash flow statement for the years ended 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011	**2012**	**2013**
	(in U.S.$ millions)		
Net cash flow (used)/generated by operating activities	(343)	4,381	9,184

	Year ended 31 December		
	2011	2012	2013
	(in U.S.$ millions)		
Net cash flow used by investing activities	(3,690)	(9,539)	(6,695)
Net cash flow generated/(used) by financing activities	3,875	6,635	(2,422)
Net increase/(decrease) in cash and cash equivalents	(158)	1,477	67

The following table sets out the Group's statement of financial position as at 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011(1)	2012(2)	2013
	(in U.S.$ millions)		
Assets			
Non-current assets	40,434	51,452	96,390
Current assets	45,731	51,287	53,656
Assets held for sale	0	2,825	4,886
Total assets	86,165	105,564	154,932
Total equity	32,335	34,173	53,149
Other non-current liabilities	22,354	24,248	55,741
Current liabilities	31,476	46,441	45,766
Liabilities held for sale	—	702	276
Total equity and liabilities	86,165	105,564	154,932

Note:

(1) The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

(2) Certain amounts shown here reflect the adoption of new and revised standards as detailed in Note 1 to the 2013 Group Audited Financial Statements and for revisions to the previously reported fair values associated with the acquisitions made in 2012, which relate mainly to Viterra.

Xstrata

The selected financial data presented below as of and for the years ended 31 December 2011 and 2012 have been extracted, without material adjustments, from the Xstrata Audited Financial Statements.

The following table sets out Xstrata's consolidated statement of income for the years ended 31 December 2011 and 2012:

	Year ended 31 December	
	2011	**2012**
	(in U.S.$ millions)	
Revenue	33,877	31,618
Operating costs[(1)]	(22,213)	(24,132)
Operating profit before interest, taxation, depreciation and amortization	11,664	7,486
Depreciation and amortization	(3,217)	(3,332)
Impairment of assets	(469)	(978)
Reversal of assets previously impaired	463	—
Operating profit	8,441	3,176
Share of results from associates	41	(944)
Profit before interest and taxation	8,482	2,232
Finance income	137	184
Finance costs	(471)	(409)
Profit before taxation	8,148	2,007
Income tax (charge)/credit	(2,215)	(635)
Profit/(loss) for the year	5,933	1,372

Note:

(1) Before depreciation, amortization and impairment charges.

The following table summarizes Xstrata's cash flow statement for the periods indicated:

	Year ended 31 December	
	2011	**2012**
	(in U.S.$ millions)	
Net cash flow from operating activities	9,358	4,995
Net cash flow used in investing activities	(8,620)	(10,321)
Net cash flow from/(used in) financing activities	(490)	5,369
Net increase/(decrease) in cash and cash equivalents	**248**	**43**

The following table sets out Xstrata's statement of financial position as at 31 December 2011 and 2012:

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Non-current assets	63,457	70,683
Current assets	11,375	12,430
Total assets	74,832	83,113
Total equity	45,701	46,791
Non-current liabilities	20,528	29,131
Current liabilities	8,603	7,191
Total liabilities	29,131	36,322
Total equity and liabilities	74,832	83,113

The Offering

For a more complete description of the terms of the Notes, see “Description of the Notes and Guarantees”.

Issuer	Glencore Funding LLC, a company incorporated as a limited liability company in Delaware.
Guarantors	Glencore Xstrata plc, Glencore International AG, Glencore (Schweiz) AG.
Notes	U.S.$1,000,000,000 3.125 per cent. Notes due 2019. U.S.$1,000,000,000 4.625 per cent. Notes due 2024.
Ratings	As of the date of this Offering Circular, the expected ratings of the Notes are BBB by S&P and Baa2 by Moody’s. A credit rating is not a recommendation to buy, sell or hold securities and may be subject to revisions, suspension or withdrawal at any time by the relevant rating organization.
Issue Date	29 April 2014
Issue Price	2019 Notes: 99.674 per cent. 2024 Notes: 99.596 per cent.
Guarantees	Upon issue, the obligations of the Issuer under the Notes will, subject to the limitations described in “Risk Factors” and “Description of the Notes and Guarantees”, be unconditionally and irrevocably guaranteed on a senior, unsecured and joint and several basis by the Guarantors pursuant to the Guarantees.
Ranking	The Notes will rank as direct, unsecured and unsubordinated indebtedness of the Issuer. The Guarantees are unconditional and the obligations of the Guarantors under the Guarantees will rank equally with all present and future direct, unsecured and unsubordinated obligations (except for certain limited exceptions and those obligations preferred by statute or operation of law) of the Guarantors.
Maturity	Unless previously purchased or redeemed in accordance with the Indenture, the principal amount of the Notes will mature and become due and payable as follows, with accrued and unpaid interest at such date: 2019 Notes: 29 April 2019. 2024 Notes: 29 April 2024.
Interest Rate	2019 Notes: 3.125 per cent. 2024 Notes: 4.625 per cent.
Interest Payment Dates	2019 Notes: semi-annually in arrears on 29 April and 29 October of each year, commencing on 29 October 2014. 2024 Notes: semi-annually in arrears on 29 April and 29 October of each year, commencing on 29 October 2014.
Form and denomination	The Notes will be in registered form in principal amounts of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

	The Notes will be issued in the form of Global Notes in registered form and may be exchanged into Definitive Notes only under the circumstances described in the Global Notes. The Notes sold to QIBs in the United States in reliance on Rule 144A will be represented by the Rule 144A Global Notes. The Rule 144A Global Notes will be deposited with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC. The Notes sold outside the United States to persons other than U.S. persons in reliance on Regulation S will be represented by the Regulation S Global Notes. The Regulation S Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg. Investors will hold beneficial interests in the Notes through DTC and its direct and indirect participants or through Euroclear, Clearstream, Luxembourg and their participants, as applicable. See *"Book-Entry, Delivery and Form"*.
Further issues	The Issuer may from time to time without the consent of the Noteholders issue further securities having identical terms and conditions as any series of Notes so that any further issue is consolidated and forms a single series of securities with such Notes.
Redemption at the option of the Issuer	The Notes are redeemable in whole or in part at any time at the option of the Issuer or the Guarantors at a redemption price equal to the make-whole amounts described in "Description of the Notes and Guarantees".
Redemption for tax reasons	The Issuer may redeem all but not part of the Notes outstanding at their principal amount with accrued and unpaid interest to the date of redemption if the Issuer or a Guarantor is required to pay Additional Amounts upon the occurrence of certain changes in taxation in the jurisdiction of the Issuer or the jurisdiction of such Guarantor.
Repurchase on Change of Control	Unless the Notes are otherwise subject to redemption as described under "Description of the Notes and Guarantees – Optional redemption" and "Description of the Notes and Guarantees – Redemption for tax reasons" and the Issuer has elected to exercise its right to redeem the Notes, if a Change of Control Repurchase Event occurs, the Issuer will make an offer to each Noteholder to repurchase the Notes as described under "Description of the Notes and Guarantees — Repurchase on Change of Control Repurchase Event".
Taxation	All payments in respect of Notes by the Issuer or the relevant Guarantor will be made without withholding or deduction for, or on account of, tax of the jurisdiction of tax residence and the

	jurisdiction of incorporation of the Issuer or relevant Guarantor, unless required by law. In that event, the Issuer or relevant Guarantor will, subject to certain exceptions, pay such additional amounts as will result, after the withholding or deduction of such tax, in the payment of the amounts which would have been payable had no such withholding or deduction been required, as described in "Description of the Notes and Guarantees". Also see "Taxation".
Transfer restrictions	The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and in compliance with all applicable laws. The Notes are subject to certain restrictions on transfer. See "Transfer Restrictions".
Use of proceeds	The Group will use the net proceeds of the Offering to repay part of the amounts outstanding under certain indebtedness and for general corporate purposes. Some of the Initial Purchasers and/or their affiliates may be lenders under such indebtedness and may accordingly receive a portion of the proceeds from the Offering. See "Use of Proceeds".
Governing law	The Notes and the Indenture governing the Notes will be governed by the laws of the State of New York. The Guarantee provided by the Company will be governed by English law. The Guarantees provided by GIAG and Glencore Schweiz will be governed by Swiss law.

Security Codes

2019 Notes	*Rule 144A Global Note* CUSIP: 378272 AG3 ISIN: US378272AG37	*Regulation S Global Note* ISIN: XS1028955760
2024 Notes	*Rule 144A Global Note* CUSIP: 378272 AH1 ISIN: US378272AH10	*Regulation S Global Note* ISIN: XS1028955844

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Accordingly, investors and prospective investors should consider carefully the risks and uncertainties described below and all of the other information set out in this Offering Circular and incorporated by reference herein before making an investment decision. The Group's business, results of operations, financial condition and/or prospects could be materially and adversely affected by any of these risks. The market price of the Notes may decline due to any of these risks or other factors, and investors may lose all or part of their investment.

The risks described below are not the only ones which the Group faces. The risks described below are those that the Group currently believes may materially affect it and the Notes. These risks should not be regarded as a complete and comprehensive statement of all potential risks and uncertainties. Additional risks and uncertainties that are not currently known to the Group, or those that it currently deems to be immaterial, may become material and adversely affect the Group's business, results of operations, financial condition, prospects and/or the value of the Notes. This Offering Circular also contains estimates and projections that involve risks and uncertainties. The Group's results may differ significantly from those previously projected as a result of certain factors, including the risks which it faces, as described below and in other sections of this Offering Circular.

The information given is as of the date of this Offering Circular and, except as required by legal or regulatory obligation, including the Disclosure and Transparency Rules, will not be updated. Any forward looking statements are made subject to the reservations specified in the section headed "Forward looking statements".

Risks relating to the Group

The Group is exposed to fluctuations in the expected volumes of supply and demand for commodities.

The expected volumes of supply and demand for the commodities in which the Group is active vary over time, based on changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions, demand in end markets for products in which the commodities are used, technological developments, including commodity substitutions, fluctuations in global production capacity, global and regional weather conditions, natural disasters and diseases, all of which impact global markets and demand for commodities. Furthermore, changes in expected supply and demand conditions impact the expected future prices (and thus the price curve) of each commodity.

Fluctuations in the volume of each commodity produced by the Group or marketed by the Group could materially impact the business, results of operations and earnings of the Group. These fluctuations could result in a reduction or increase in the income generated in respect of the volumes handled by the Group's marketing activities, or a reduction or increase in the volume and/or margin in respect of commodities produced by the Group's industrial assets.

The Group is exposed to fluctuations in commodity prices and to deterioration in economic and financial conditions.

The revenue and earnings of the Group's industrial asset activities and, to a lesser extent, the Group's marketing activities are dependent upon prevailing commodity prices. Commodity prices are influenced by a number of external factors, including the supply and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. Fluctuations in the price of commodities produced or marketed by the Group could materially impact the Group's business, results of operations and earnings.

The impacts that fluctuating commodity prices have on the Group's business differ between its marketing activities and industrial activities.

In a market environment in which prices for a particular commodity are higher on average, the premiums/margins that the Group generates in its physical marketing operations relating to such commodity as a result of geographical, time and quality imbalances tend to be higher. The Group's marketing activities also generally benefit from fluctuating market prices, rather than long periods of stable prices, as it seeks to physically arbitrage such resulting price differentials. As prices of commodities rise, the Group generally has higher working capital financing requirements over the same quantity of commodities in question. During periods of falling commodity prices, the opposite applies in that the Group will require less working capital financing for its marketing activities.

Higher prices will be particularly favorable to the profitability of the Group in respect of those commodities which the Group produces at its industrial assets or are produced by its associated companies and other investees. Similarly, low prices will negatively impact the Group's industrial activities and could result in such activities incurring losses.

A significant downturn in the price of commodities generally results in a decline in the Group's profitability during such a period and could potentially result in a devaluation of inventories and impairments. Although the impact of a downturn on commodity prices affects industrial and marketing activities differently, the negative impact on its industrial activities is generally greater, as the profitability in the industrial activities is more directly exposed to price risk due to its higher level of fixed costs, while the Group's marketing activities are ordinarily substantially hedged in respect of price risk and principally operate a service-like margin-based model. The Group has not historically engaged in meaningful hedging against declines in commodity prices related to industrial production and, as a result, volatility in commodity prices has directly impacted its results of operations. If the Group does not engage in meaningful hedging against declines in commodity prices, its business and results of operations could also be impacted by volatility in commodity prices.

In addition, a decline in economic and financial conditions globally or in a specific country, region or sector may have a material adverse effect on the business, results of operations or earnings of the Group. For example, although most commodities' fixed pricing periods are relatively short, a significant reduction or increase in commodity prices could result in customers or suppliers, as the case may be, being unwilling or unable to honor their contractual commitments to purchase or sell commodities on pre-agreed pricing terms. In addition, a tightening of available credit may make it more difficult to obtain, or may increase the cost of obtaining, financing for the Group's marketing activities and capital expenditures at the Group's industrial assets. Given the persisting uncertainty about a global economic recovery and concerns about credit risk (including that of sovereigns), forward planning is difficult. Changing production levels in response to current price levels or estimates of future price levels imposes costs, and, if mistimed, could adversely affect the results of the Group's operations or financial condition. In addition, the default, or a significant decline in the credit rating, of one or more sovereigns or financial institutions could cause severe stress in the financial system generally and could adversely affect the markets in which the Group operates and the businesses and economic condition and prospects of its counterparties, customers, suppliers or creditors, directly or indirectly, in ways which it is difficult to predict. The impact of this could be detrimental to the Group and could have a material adverse effect on the business, results of operations or earnings of the Group.

The Group is exposed to significant geopolitical risk.

The Group operates and owns assets in a large number of geographic regions and countries, some of which are categorized as developing and have unstable political or social climates and, as a result, is exposed to a wide range of political, regulatory and tax environments. These environments are subject to change in a manner that may be materially adverse for the Group, including changes to government policies and regulations governing industrial production, foreign investment, price controls, import and export controls, tariffs, subsidies, income and other forms of taxation (including policies relating to the granting of advance rulings on taxation matters), nationalization or expropriation of property, repatriation of income, royalties, the environment and health and safety.

Relatively high commodity prices and other factors in recent years have resulted in increased resource nationalism in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Many of the commodities that the Group produces and markets are considered strategic resources for particular countries. Governments in these countries may decide not to recognize previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic (such as oil or wheat) or place restrictions on foreign ownership of industrial assets. Renegotiation or nullification of existing agreements, leases, permits or tax rulings, changes in fiscal policies (including new or increased taxes or royalty rates or the implementation of windfall taxes which have recently been seen in several jurisdictions in which the Group has industrial assets) and currency restrictions imposed by the governments of countries in which the Group operates could all have a material adverse effect on the Group.

Following the global financial crisis, some governments have faced increased debt and funding obligations and have sought additional sources of revenue by increasing rates of taxation, royalties or resource rent taxes such as the Minerals Resource Rent Tax (MRRT) and Petroleum Resource Rent Tax (PRRT) extension in Australia. Such taxes may negatively impact the financial results of existing assets and projects and reduce anticipated future returns and overall level of prospective investment in those countries. In addition, there may be uncertainty around changes in and the enforcement of such taxes, which can make planning of future investments challenging.

The Group transacts business in locations where it is exposed to a greater-than-average risk of overt or effective expropriation or nationalization, including in countries where the government has previously (and, in some cases, recently) expropriated assets held within the jurisdiction of other companies or where members of the government have publicly proposed that such action be taken.

By way of example of increased governmental intervention of the type referred to in this risk factor, Prodeco (which is 100 per cent. owned by the Company) and the Colombian Institute for Geology and Mining ("Ingeominas") signed the eighth amendment in connection with the proposed Calenturitas mine expansion project in 2010. In reliance upon the commitments agreed with Ingeominas in this eighth amendment, Prodeco has undertaken the Calenturitas mine expansion project, which has resulted in significant investment in the expansion of the Calenturitas mine, generating new jobs in the region. A writ of initiation of proceedings has been served on Prodeco alleging that the eighth amendment is null and void on the grounds that it has harmed the Colombian state's interest. Prodeco and the Company disagree with Ingeominas' allegations and claims and Prodeco will vigorously defend itself against these as, having taken legal advice, it believes these are without merit.

The Group's operations may also be affected by political and economic instability in the countries in which it operates. Such instability could be caused by, among other things, terrorism, civil war, guerrilla activities, military repression, civil disorder, crime, workforce instability, change in government policy or the ruling party, economic or other sanctions imposed by other countries, extreme fluctuations in currency exchange rates or high inflation.

The geopolitical risks associated with operating in a large number of regions and countries, if realized, could affect the Group's ability to manage or retain interests in its industrial activities and could have a material adverse effect on the profitability, ability to finance or, in extreme cases, viability of one or more of its industrial assets. Although the Group's industrial assets are geographically diversified across various countries, disruptions in certain of its industrial operations at any given time could have a material adverse effect on the business and results of operations and financial condition of the Group.

Liquidity risk and a failure to obtain funds could limit the Group's ability to engage in desired activities and grow its business.

Liquidity, or ready access to funds, is essential to the Group's businesses. A lack of liquidity may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities.

The Group's marketing activities employ significant amounts of working capital to fund purchases of commodities for future delivery to its end customers, to meet margin requirements under derivative contracts and to fund the acquisition and maintenance of certain transport and storage assets which complement its marketing activities.

The Group's industrial activities are capital intensive and the continued funding of such activities is critical to maintain its ownership interests in its industrial assets, to maintain production levels in periods when net operating cash flow is negative or insufficient to cover capital expenditures, to increase production levels in the future in accordance with its business plans and to grow its industrial activities through the acquisition of new assets.

While the Group adjusts its minimum internal liquidity targets in response to changes in market conditions, these minimum internal liquidity targets may be breached due to circumstances the Group is unable to control, such as general market disruptions, sharp increases or decreases in the prices of commodities or an operational problem that affects its suppliers or customers or the Group, which may require the Group to take remedial action that may have an adverse effect on business, results of operations or earnings.

The Group has significant outstanding indebtedness.

In addition to maintaining a cash position, the Group relies on two other principal sources of liquidity: borrowings under various short-term and long-term bank and asset backed facilities and issuance of notes in the debt capital markets. An inability to refinance or increase existing facilities in the debt markets may mean that the Group will not have funds available to maintain or increase its industrial and marketing activities, which could have a material adverse effect on the Group's earnings and results of operations. The Group's access to debt in amounts adequate to finance its activities could be impaired by factors that affect the Group in particular or the industries or geographies in which it operates. For example, lenders could develop a negative perception of the Group's short-term or long-term financial prospects if the Group incurred large losses, if the level of the Group's marketing activities were to materially decrease due to a market downturn in the demand for commodities, or if its business were otherwise materially adversely affected. Although the Group expects the continued support of financial institutions, there can be no assurance that additional credit or funding will be made available in the future.

The Group has a significant amount of indebtedness, which may impair its operating and financial flexibility and could adversely affect its business and financial position. A high level of indebtedness could potentially cause the Group to dedicate a substantial portion of cash flow from operations to payments to service debt, which could reduce the funds available for working capital, capital expenditure, acquisitions, distributions to shareholders and other general corporate purposes and could limit its ability to borrow additional funds and its flexibility in planning for, or reacting to, changes in technology, customer demand, competitive pressures and the industries in which it operates, placing the Group at a competitive disadvantage compared to those of its competitors that are less leveraged than it is. In addition, a high level of indebtedness together with future debt financing, if accessible, may increase the Group's vulnerability to both general and industry specific adverse economic conditions.

A reduction in its credit ratings could adversely affect the Group.

The Group's borrowing costs and access to the debt capital markets, and thus its liquidity, depend significantly on its public credit ratings. These ratings are assigned by rating agencies, which may reduce or withdraw their ratings or place the Group on "credit watch", which could have negative implications. A deterioration of the Group's credit ratings could increase its borrowing costs and limit its access to the capital markets, which, in turn, could reduce its earnings.

The Group's counterparties, including customers, suppliers and financial institutions, are also sensitive to the risk of a ratings downgrade and may be less likely to engage in transactions with the Group, or may only engage at a substantially higher cost or on increased credit enhancement terms (for example, letters of credit, additional guarantees or other credit support) which carry increased costs, if the Group's ratings were downgraded to below investment grade. While the Group does not anticipate its ratings to be downgraded below investment grade, if such an event was to occur, it could have a material adverse effect on its business, results of operations, financial condition or prospects.

The Group's business depends on its ability to retain and attract key employees.

The Group's success depends on the continued service and performance of its key employees. The loss of services of certain key employees, whether to go to a competitor, to start their own business, to retire or for other reasons, could have a material adverse effect on the Group's operations or financial condition. If the Group fails to retain or attract the necessary caliber of employees or if it fails to maintain compensation awards at an appropriate level for such employees, the Group's business, results of operations or financial condition could be materially adversely affected.

In addition, the Group has previously operated within a private company structure and as an employee-owned company. Following Glencore's initial public offering in May 2011, employees continued to own a sizable share of Glencore's issued share capital. Glencore's employees who acquired Shares in the reorganization undertaken in connection with Glencore's initial public offering were subject to lock-up arrangements with a total duration of between 12 months and five years, in each case from 24 May 2011, such lock-ups not being dependent on continued employment. The first release of locked-up Shares occurred on 24 May 2012, whereafter all Glencore employee shareholders were, for the first time since the initial public offering, able to sell some or all of the Shares acquired by them in the pre-IPO reorganization. The Company, as a listed entity, operates as a public company with the added administration this entails. This cultural change from a private company to a listed company, as well as the Acquisition, and matters relating thereto, could result in certain key employees, whether skilled marketers or otherwise, leaving. There are a number of other reasons why such personnel may leave. The loss of any senior marketer, senior manager or other key personnel, as well as the inability to retain and/or attract new highly skilled personnel, could have a material adverse effect on the Group's business.

The Group is exposed to fluctuations in currency exchange and interest rates.

The vast majority of transactions undertaken by the Group's industrial and marketing activities are denominated in U.S. dollars. However, the Group is exposed to fluctuations in currency exchange rates through its industrial activities, because a large proportion of the operating costs of these assets are denominated in the currency of the country in which each asset is located, including the Australian dollar, the Canadian dollar, the Euro, the Kazakhstani Tenge, the Chilean Peso, the Norwegian Kroner, the South African Rand, the Argentine Peso, the Colombian Peso and the Peruvian Sol. The Group is also exposed to fluctuations in currency exchange rates through its global office network which are denominated largely in the currency of the country in which each office is located, the largest of such currency exposures being to the Swiss Franc, the pound sterling and the Euro. The Group is also exposed to fluctuations in currency exchange rates through its marketing activities, although only a small minority of purchase or sale transactions are denominated in currencies other than U.S. dollars.

In respect of commodity purchase and sale transactions denominated in currencies other than U.S. dollars, the Group's policy is to hedge the specific future commitment through a forward exchange contract. From time to time, the Group may hedge a portion of its currency exposures and requirements in an attempt to limit any adverse effect of exchange rate fluctuations on its results of operations, but there can be no assurance that such hedging will eliminate the potential material adverse effect of such fluctuations. In addition, to the extent that any currency exposures are unhedged or unmatched as a consequence of political risk, such exposure could adversely affect the Group's financial results.

Foreign exchange rates have seen significant fluctuation in recent years, and a depreciation in the value of the U.S. dollar against one or more of the currencies in which the Group incurs significant costs will, therefore, to the extent it has not been hedged, result in an increase in the cost of these operations in U.S. dollar terms and could adversely affect the Group's financial results.

The reporting currency and the functional currency of the majority of the Group's operations is the U.S. dollar, as this is assessed to be the principal currency of the economic environment in which the Group operates. For financial reporting purposes, transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. The resulting exchange differences are recorded in the consolidated statement of income. The exchange rates between relevant local currencies and the U.S. dollar have historically fluctuated, and the translation effect of such fluctuations may have a material adverse effect on Group members' individual and the Group's consolidated results of operations or financial condition.

The Group's exposure to changes in interest rates results from investing and borrowing activities undertaken to manage its liquidity and capital requirements. The majority of the Group's borrowings, other than a portion of long-term, fixed-rate public bonds, bear interest at floating rates. An increase in interest rates would therefore result in a relatively immediate increase in the cost of servicing the Group's indebtedness and could adversely affect its financial results. Although borrowing costs are taken into account when setting marketing transaction terms, there is no assurance that increased financing costs can be passed on to customers and/or suppliers. The Group may elect in the future to enter into interest rate swaps to convert some or all of its floating-rate debt to fixed-rate debt or enter into fixed-rate to floating-rate swaps. There can be no assurance that the Group will not be materially adversely affected by interest rate changes in the future.

The commodities industry is very competitive and the Group may have difficulty effectively competing with other industrial and commodity marketing companies.

The commodities industry is characterized by strong competition. The Group believes that the majority of its competitors tend to focus on a narrower commodity group or geographic area, or concentrate more heavily on industrial activities such as mining, smelting, processing, refining and food processing. Although the Group faces intense competition in each of its business segments, in view of its diversification across different commodity groups and its global geographical presence and scale, the Group does not believe that there is, or will be, a precisely comparable company or peer group that can be defined as competing directly with the Group across all of its business segments. However, some of these competitors or existing producers may, in the future, use their resources to broaden into all of the markets in which the Group operates and therefore compete further against the Group. These competitors may also expand and diversify their commodity sourcing, processing or marketing operations, or engage in pricing or other financial or operational practices that could increase competitive pressure on the Group across each of its business segments. Increased competition may result in losses of market share for the Group and could materially adversely affect its business, results of operations and financial condition.

Risks relating to the Group's industrial activities

The Group holds some of its industrial assets through non-controlling stakes or joint ventures and strategic partnership arrangements.

The Group does not control a number of its significant industrial investments. Although the Group has various structures in place which seek to protect its position where it does not exercise control, the boards of these companies may:

- have economic or business interests or goals that are inconsistent with or are opposed to those of the Group;
- exercise veto rights or take shareholders' decisions so as to block actions that the Group believes to be in its best interests and/or in the best interests of all shareholders;
- take action contrary to the Group's policies or objectives with respect to its investments or commercial arrangements; or

- as a result of financial or other difficulties, be unable or unwilling to fulfil their obligations under any joint venture or other agreement, such as contributing capital to expansion or maintenance projects.

Where projects and operations are controlled and managed by the Group's co-investors or where control is shared on an equal basis, the Group may provide expertise and advice, but has limited or restricted ability to mandate compliance with its policies and/or objectives. Improper management or ineffective policies, procedures or controls of a non-controlled entity could adversely affect the business, results of operations and financial condition of the relevant investment and, therefore, of the Group.

The Group is exposed to the risk of delays in or failure to develop planned expansions or new projects.

The Group has a number of significant expansions planned for its existing operations and plans for certain new projects, the development of which is exposed to a number of risks outside its control, such as technical uncertainties, availability of suitable financing, infrastructure constraints, construction delays, cost overruns, insufficient labor skills or resources and delays in permitting or other regulatory matters.

Any future upward revisions in estimated project costs, delays in completing planned expansions, cost overruns, suspension of current projects or other operational difficulties after commissioning may have a material adverse effect on the business, results of operations, financial condition or prospects of the Group, in turn requiring it to consider delaying discretionary expenditures, including capital expenditures, or suspending or altering the scope of one or more of its development projects.

In addition, there can be no assurance that the Group will be able to effectively manage the risks arising from expansion of its operations. The Group's current systems, procedures and controls may need to be expanded and strengthened to support future operations. Any failure of the Group to effectively manage its expansion plans or expanded operations could have a material adverse effect on the Group's business, results of operations, financial condition or prospects.

Once complete, the results of these projects could differ materially from those anticipated by the Group and the significant capital expenditures related to these projects may not be offset by cash flows or other benefits from these projects in the timeframe anticipated or at all.

The Group is exposed to the risks associated with production curtailment and resumption.

In an effort to avoid over-supplying markets or building up an inventory of unsold products during periods of depressed commodity prices (including those experienced during the global economic downturn), the Group's policy, in common with many other producers, is to curtail production by closing mines and production facilities, placing other mines and production facilities under care and maintenance and deferring or canceling previously planned expansionary capital expenditure. While this practice may contribute to the stabilization of commodity prices and enable the Group to avoid selling products at or below their marginal cost of production, it imposes costs both directly, in the form of redundancy payments, equipment removal, security and other closing costs and the cost of resuming production or a capital expenditure program when prices justify such renewal, and, indirectly, in the form of revenue forgone, deterioration of assets or the resulting increase in unit costs. These costs can adversely affect the Group's business, results of operations, financial condition or prospects.

Given the lead times required to curtail or resume production levels, periods of higher commodity price volatility (including that experienced during the global economic downturn) have exacerbated and may in the future exacerbate the adverse effects of changes in production levels, which has had and may in the future have an adverse effect on the Group's business, results of operations, financial condition or prospects.

The Group's industrial activities involve a number of operating risks and hazards, many of which are outside the Group's control.

The Group's business is subject to numerous operating risks and hazards normally associated with the development and operation of natural resource projects, many of which are beyond the Group's control. These operating risks and hazards include unanticipated variations in grade and other geological problems, seismic activity, climatic conditions such as flooding or drought, metallurgical and other processing problems, technical failures, unavailability of materials and equipment, interruptions to power supplies, industrial actions or disputes, industrial accidents, labor force disruptions, unanticipated logistical and transportation constraints, tribal action or political protests, force majeure factors, environmental hazards, fire, explosions, vandalism and crime. These risks and hazards could result in damage to, or destruction of, properties or production facilities, may cause production to be reduced or to cease at those properties or production facilities, may result in a decrease in the quality of the products, may result in personal injury or death, environmental damage, business interruption and legal liability and may result in actual production differing from estimates of production.

The realization of such operating risks and hazards and the costs associated with them could materially adversely affect the Group's business, results of operations and financial condition, including by requiring significant capital and operating expenditures to abate the risk or hazard, restore their property or third party property, compensate third parties for any loss and/or pay fines or damages.

Title to the land, resource tenure and extraction rights of industrial activities may be challenged.

The Group has industrial activities investments in certain countries where title to land and rights in respect of land and resources (including indigenous title) has not been and may not always be clear, creating the potential for disputes over resource development. Any dispute relating to a material industrial asset of the Group could disrupt or delay relevant extraction, processing or other projects and/or impede the Group's ability to develop new industrial properties and may have a material adverse effect on the Group's business, results of operations and financial condition.

Title to the Group's mining and hydrocarbon rights may be challenged or impugned, and title insurance may not generally be available. In many cases, the government of the country in which a particular asset is located is the sole authority able to grant such rights and, in some cases, may have limited infrastructure and limited resources which may severely constrain the Group's ability to ensure that it has obtained secure title to individual exploration licenses or extraction rights. The Group's title may be affected by, among other things, undetected defects. In addition, the Group may be unable to conduct its activities or operations as permitted or to enforce its rights with respect to its properties. A successful challenge to the Group's mining and/or hydrocarbon extraction rights may result in the Group being unable to proceed with the development or continued operation of a mine or project which, in turn, may have a material adverse effect on the Group's business, results of operations and financial condition.

The production, processing and product delivery capabilities of the Group's industrial assets rely on their infrastructure being adequate and remaining available.

The mining, drilling, processing, development and exploration activities of the industrial assets in which the Group holds an interest depend on adequate infrastructure. Certain of these assets are located in areas that are sparsely populated and are difficult to access. Reliable roads, power sources, transport infrastructure and water supplies are essential for the conduct of these operations and the availability and cost of these utilities and infrastructure affect capital and operating costs and, therefore, the Group's ability to maintain expected levels of production and results of operations. Unusual weather or other natural phenomena, sabotage or other interference in the maintenance or provision of such infrastructure could impact the development of a project, reduce production volumes, increase extraction or exploration costs or delay the transportation of raw materials to the mines and projects and commodities to end customers. Any such issues arising in respect of the infrastructure supporting or on the Group's sites could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Industrial activities are exposed to an increase in production costs, including as a result of increased energy costs or shortages of equipment, spare parts and labor.

As commodity prices themselves are outside the Group's control, the competitiveness and sustainable long-term profitability depends significantly on the Group's ability to reduce costs and maintain a broad spectrum of low-cost, efficient operations. Because it is difficult for the Group to pass increases in production costs on to customers, any increases in input costs will adversely affect the business, results of operations and financial condition of the Group.

Costs associated with the operation of the Group's industrial assets can be broadly categorized into labor costs and other on-site expenses, including power and equipment costs. Production costs are heavily influenced by the extent of on-going development required, resource grades, site planning, processing technology, logistics, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. All of the Group's industrial assets are, to varying degrees, affected by increases in costs for labor and fuel. Unit production costs are also significantly affected by production volumes and, therefore, production levels are frequently a key factor in determining the overall cost competitiveness of the Group's industrial activities. In addition, if certain industrial inputs are unavailable at any price, the Group may find its production of certain commodities to be involuntarily curtailed, which would result in lost revenue and profits, which would adversely affect the results of operations and financial condition of the Group.

The Group's stated mineral, coal and hydrocarbon reserves, resources and mineralized potential are only estimates and the anticipated volumes or grades may not be achieved.

The estimated reserves and resources of the Group should not be interpreted as a statement of the commercial viability, potential or profitability of any future operations. No assurance can be given that the anticipated quantities and grades will be achieved, that the indicated level of recovery will be realized or that mineral, coal and hydrocarbon reserves, resources and mineralized potential can be extracted or processed profitably. Actual reserves, resources or mineralized potential may not conform to geological, metallurgical or other expectations, and the volume and grade of ore or product recovered may be below the estimated levels. Lower market prices, increased production costs, reduced recovery rates and other factors may render the Group's reserves, resources or mineralized potential uneconomical to exploit and may result in revision of its reserve estimates from time to time. Reserve data are not indicative of future results of operations. The Group's future success depends upon conducting successful exploration and development activities or acquiring properties containing economically recoverable reserves. If the Group's actual mineral, coal and hydrocarbon reserves and resources are less than current estimates, or if the Group fails to develop its resource base through the realization of identified or new mineral potential, the business, results of operations and financial condition of the Group may be materially and adversely affected.

The processes and chemicals used in the Group's extraction and production methods, as well as their shipping and storage activities, are subject to environmental hazards.

Where the Group holds or has interests in industrial activities, these assets are generally subject to environmental hazards as a result of the processes and chemicals used in traditional extraction, production, storage, disposal and transportation methods. Environmental hazards may exist on the Group's owned or leased properties or at those of the industrial activities in which it holds an interest, or may be encountered while its products are in transit. In addition, the storage of tailings at the Group's industrial assets may present a risk to the environment, property and persons where there remains a risk of leakage from or failure of the Group's tailings dams, as well as theft and vandalism during the operating life of the assets or after closure.

Additionally, the Group conducts oil exploration and drilling activities and also stores and transports crude oil and oil products around the world. Damage to exploration or drilling equipment, a vessel carrying oil or a facility where it is stored could lead to a spill, causing environmental damage with significant clean-up or remediation costs.

The Group's operations are subject to health, safety and environmental regulations and legislation.

New or amended environmental, health and safety legislation or regulations may result in increased operating costs or, in the event of non-compliance or accidents or incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants, silos, agricultural property or related facilities (such as logistics or storage facilities) or surrounding areas, may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licenses.

The Group may be liable for losses associated with environmental hazards, may have its licenses and permits withdrawn or suspended or may be forced to undertake extensive remedial clean-up action or to pay for government ordered remedial clean-up actions, even in cases where such hazards have been caused by any previous or subsequent owners or operators of the property, by any past or present owners of adjacent properties, by independent third party contractors providing services to the Group or by acts of vandalism by trespassers. Any such losses, withdrawals, suspensions, actions or payments may have a material adverse effect on the Group's business, results of operations and financial condition.

Accidents at the Group's industrial activities, logistics and storage facilities could result in injuries and fatalities.

Any accidents or hazardous incidents causing personal injury or death or property or environmental damage at or to the Group's mines, smelters, refineries, concentrators, drill rigs, processing plants, silos, agricultural property or related facilities (such as logistics and storage facilities) or surrounding areas may result in significant losses, interruptions in production, expensive litigation, imposition of penalties and sanctions or suspension or revocation of permits and licenses. Risks associated with the Group's open pit mining operations include flooding of the open pits, collapses of the open pit walls and accidents or failures in operation of large equipment for open pit mining and material transportation. Risks associated with the Group's underground mining operations include flooding, underground fires and explosions (including those caused by flammable gas), cave-ins or ground falls, discharges of gases or toxic chemicals, sinkhole formation and ground subsidence. Risks associated with the Group's oil exploration and deepwater drilling activities include explosions, spills and potential large-scale environmental pollution. Risks associated with the Group's agricultural operations include food and feed safety (including product handling), transportation, storage and handling of certain hazardous substances, such as crop protection products and fertilizers. Risks associated with the Group's logistics and storage operations may include the risk of: ruptures and spills from crude oil and other product carriers; spillage, leakage or seepage of tailings or other hazardous substances found in storage or disposal facilities; and failure of tailings dams during the operating life of the mines or after closure. Injuries to and deaths of workers and contractors at mines and facilities controlled by the Group have occurred in the past and may occur in the future. If accidents occur in the future, the Group's business and results of operations and financial condition may be adversely impacted.

Risks relating to the Group's marketing activities

The success of the Group's marketing activities depends in part on its ability to identify and take advantage of arbitrage opportunities.

Many of the commodity markets in which the Group operates are fragmented and periodically volatile. As a result, discrepancies generally arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities.

Profitability of the Group's marketing activities is, in large part, dependent on its ability to identify and exploit such arbitrage opportunities. A lack of such opportunities, for example, due to a prolonged period of pricing stability in a particular market, or an inability to take advantage of such opportunities when they present themselves, because of, for example, a shortage of liquidity or an inability to access required logistics, assets or other operational constraints, could adversely impact the Group's business, results of operations and financial condition.

The Group's hedging strategy may not always be effective, does not require all risks to be hedged and may leave an exposure to basis risk.

The Group's marketing activities involve a significant number of purchase and sale transactions across multiple commodities. To the extent the Group purchases a commodity from a supplier and does not immediately have a matching contract to sell the commodity to a customer, a downturn in the price of the commodity could result in losses to the Group. Conversely, to the extent the Group agrees to sell a commodity to a customer and does not immediately have a matching contract to acquire the commodity from a supplier, an increase in the price of the commodity could result in losses to the Group as it then seeks to acquire the underlying commodity in a rising market. In order for the Group to mitigate the risks in its marketing activities related to commodity price fluctuations and potential losses, the Group has a policy, at any given time, of hedging substantially all of its marketing inventory not already contracted for sale at pre-determined prices through futures and swap commodity derivative contracts, either on commodity exchanges or in the over-the-counter market. In the event of disruptions in the commodity exchanges or markets on which the Group engages in these hedging transactions, the Group's ability to manage commodity price risk may be adversely affected, and this could in turn materially adversely affect its business, financial condition and results of operations. In addition, there are no traded or bilateral derivative markets for certain commodities that the Group purchases and sells, which limits the Group's ability to fully hedge its exposure to price fluctuations for these commodities. In these instances, the Group's ability to hedge its commodity exposure is limited to forward contracts for the physical delivery of a commodity or futures and swap contracts for a different, but seemingly related, commodity. Finally, subject to internal risk management, limits and policies, in some cases, the Group takes deliberate directional positions without a corresponding opposite directional position in place as part of its marketing strategy which has, at certain points in the past, resulted, and may in the future result, in losses. For further detail, please see "Operating and Financial Review – Financial risk management".

The Group is subject to counterparty credit and performance risk, in particular via its marketing activities.

Non-performance by the Group's suppliers, customers and hedging counterparties may occur in a range of situations, such as:

- a significant increase in commodity prices could result in suppliers being unwilling to honor their contractual commitments to sell commodities to the Group at pre-agreed prices;
- a significant reduction in commodity prices could result in customers being unwilling or unable to honor their contractual commitments to purchase commodities from the Group at pre-agreed prices;
- customers may take delivery of commodities from the Group and then find themselves unable to honor their payment obligations due to financial distress or other reasons; and
- hedging counterparties may find themselves unable to honor their contractual commitment due to financial distress or other reasons.

Non-performance by a counterparty could have an adverse impact on the Group's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

In addition, financial assets consisting principally of cash and cash equivalents, marketable securities, receivables and advances, derivative instruments and long-term advances and loans could potentially expose the Group to concentrations of credit risk.

The Group seeks to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions, including making extensive use of credit enhancement products, such as letters of credit or insurance policies, where appropriate, and by imposing limits on open accounts extended. Whilst these limits are believed appropriate based on current levels of perceived risk, there is a possibility that a protracted difficult economic environment could negatively impact the quality of these exposures. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralized (primarily with cash) pursuant to margining arrangements in place with such hedge counterparties. However, no assurance can be given that the Group's attempts to reduce the risk of customer non-performance will be successful in every instance or that its financial results will not be adversely affected by the failure of a counterparty or counterparties to fulfil their contractual obligations in the future. Such failure could have an adverse impact on the Group's business, results of operations and financial condition, including by creating an unintended, unmatched commodity price exposure.

The Group's risk management policies and procedures may leave it exposed to unidentified or unanticipated risks.

The Group's marketing activities are exposed to commodity price, foreign exchange, interest rate, counterparty (including credit), operational, regulatory and other risks. The Group has devoted significant resources to developing and implementing policies and procedures to manage these risks and expects to continue to do so in the future. Nonetheless, the Group's policies and procedures to identify, monitor and manage risks have not been fully effective in the past and may not be fully effective in the future.

Some of the Group's methods of monitoring and managing risk are based on historical market behavior that may not be an accurate predictor of future market behavior. Other risk management methods depend on evaluation of information relating to markets, suppliers, customers and other matters that are publicly available or otherwise accessible by the Group. This information may not in all cases be accurate, complete, up to date or properly evaluated. Management of operational, legal and regulatory risk requires, among other things, policies and procedures to properly record and verify a large number of transactions and events, and these policies and procedures may not be fully effective in doing so. The Group uses, among other techniques, Value at Risk, or "VaR", as a key risk measurement technique for its marketing activities. VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by the Group, nor does the Group expect that VaR results are indicative of future market movements or representative of any actual impact on its future results. Failure to mitigate all risks associated with the Group's business could have a material adverse effect on the Group's business, results of operations and financial condition.

The Group is reliant on the supply of commodities from third parties.

The Group purchases a portion of the physical commodities sold by its marketing activities from its controlled industrial operations and associates. The remainder of the commodities sourced by its marketing operations are purchased from third party suppliers and entities in which the Group has a minority stake (excluding associates). The Group expects to continue to source commodities from such third parties in the future. The Group is potentially exposed to both price and supply risks with respect to commodities sourced from third parties and entities in which it holds a minority stake. The Group is reliant on third parties to source the majority of the commodities purchased by its marketing operations. Any disruptions in the supply of product, which may be caused by factors such as weather and other natural disasters, unexpected maintenance problems, collapse or damage to mines or other production facilities, labor disruptions and changes in laws and regulations, could adversely affect the Group's margins. The Group's business, results of operations, financial condition and prospects could be materially adversely impacted if it is unable to continue to source required volumes of commodities from its suppliers on reasonable terms or at all.

The Group relies on certain agreements for the sourcing of commodities and these agreements may be terminated or fail to be renewed.

The Group is a party to various agreements with certain of its non-controlled industrial assets for the supply of commodities to its marketing business. These agreements are an important source of commodities for the Group's marketing activities and provide certainty of regular supply for the Group. These supply agreements range from short-term spot contracts to multiple years in duration and have historically been renewed by the Group and the supplier on commercially acceptable terms. However, in general, these companies have no obligation to renew their supply agreements. The Group may not be able to compel the relevant company to enter into or renew a supply agreement with the Group in cases where the Group does not own 100 per cent. of the company or where related party transaction minority shareholder approval requirements apply. The Group relies on these agreements to source some of its key commodities and any termination or failure to renew such agreements at the end of their terms could have an adverse effect on the Group's business, results of operations and financial condition.

The Group's marketing activities require access to significant amounts of freight, storage, infrastructure and logistics support and it is exposed to increases in the costs thereof.

The Group's marketing activities entail shipments of commodities in large quantities, often by ocean-going transport. The Group often competes with other producers, purchasers or marketers of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading the Group's products and expose the Group to significant delivery interruptions. Increases in the costs of freight, storage, infrastructure and logistics support or limitations or interruptions in the supply chain which impede the Group's ability to deliver products on time could adversely affect the Group's business, results of operations or financial condition.

The Group also requires significant storage capacity for its commodities, which it sources both through facilities in which the Group holds equity stakes and pursuant to rental agreements with, among others, oil terminals and tank farms, metal and other warehouses and silos. Any decrease in the Group's ability to access its customary levels of capacity from these storage facilities or an increase in the price at which the Group can acquire storage capacity could have an adverse effect on the Group's business by forcing the Group to use storage facilities in less advantageous locations or at prices that make it less profitable for the Group to supply its customers.

The Group's freight operations are affected by fluctuations in freight rates.

The Group has a large and diversified fleet of vessels. The majority of these vessels service the Group's Energy Products business segment. The Group has significant exposure to the fluctuations in freight spot rates and a change in freight rates could have a material adverse effect on the Group's business, results of operations and financial condition.

Other risks relating to the Group

The Group may fail to integrate acquisitions/mergers effectively, including in connection with the Acquisition, or fail to realize the anticipated business growth opportunities or other synergies in connection with such acquisitions/mergers.

Business combinations entail a number of risks, including the ability of the Group to integrate effectively the businesses acquired with its existing operations, such as the realization of anticipated synergies, significant one-time write-offs or restructuring charges, unanticipated costs, addressing possible differences in business culture, processes, controls, procedures and systems and failing to integrate and motivate key employees and/or retain certain individuals during the integration period.

Glencore completed the Acquisition in May 2013. The Acquisition was justified in part by the business growth opportunities, margin benefits, cost savings and other synergies the Group expects to achieve having combined the operations of Glencore and Xstrata. While there has been substantial progress in integrating Xstrata, further expected business growth opportunities, margin benefits, cost savings and other synergies may not develop and other assumptions on which the consideration was determined may prove to be incorrect. The Group may also face challenges with the following: redeploying resources in different areas of operations to improve efficiency; minimizing the diversion of management attention from on-going business concerns; and addressing possible differences in business culture, processes, controls, procedures and systems.

Failure to successfully integrate a business, including in connection with the Acquisition, could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. All of these may be exacerbated by the diversion of management's attention away from other on-going business concerns. The Group may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions and have a material adverse impact on the Group's business, results of operations and financial condition.

The Group may fail to make successful acquisitions.

From time to time, the Group considers the acquisition of complementary businesses or assets where the opportunity is presented to do so at attractive prices. Further acquisitions to be made by the Group may be subject to certain approvals (for example, shareholder or antitrust approvals which may or may not be obtained or may be obtained subject to remedies, including the divestment of assets). Failure to successfully acquire a business could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects. All of these may be exacerbated by the diversion of management's attention away from other on-going business concerns. Business combinations which are completed also carry numerous risks, include adverse regulatory conditions and obligations, conflicts with minority interests, retention of key staff and lower than expected revenues and operational performance. The Group may also be liable for the past acts, omissions or liabilities of companies or businesses it has acquired, which may be unforeseen or greater than anticipated at the time of the relevant acquisition. In addition, various factors could impact the estimated synergies for potential acquisitions, including uncertainty in sales proceeds from planned divestments, and have a material adverse impact on the Group's business, results of operations and financial condition.

Due to the nature of its business and operations, the Group is exposed to the risks of fraud and corruption.

As a diversified sourcing, marketing and distribution company conducting complex transactions globally, the Group is exposed to the risks of fraud and corruption both internally and externally.

The Group's marketing operations are large in scale, which may make fraudulent or accidental transactions difficult to detect. In addition, some of the Group's industrial activities are located in countries where corruption is generally understood to exist.

The Group seeks to comply with legislation such as the U.S. Foreign Corrupt Practices Act and the UK Bribery Act and has put in place internal policies, procedures and controls. However, there can be no assurance that such policies, procedures and controls will adequately protect the Group against fraudulent and/or corrupt activity and such activity could have an adverse effect on the Group's business, reputation, results of operations, financial condition and/or prospects.

The Group is subject to risks relating to the processing, storage and transportation of its commodities.

The Group's processing and storage facilities, which include ore processing plants, smelters, refineries, grain silos, tank farms and oil terminals, are subject to risks and hazards, including accidental environmental damage, technical failure, vandalism and terrorism, which, if they materialize, could adversely affect the Group's business, results of operations and financial condition. In addition, the Group also depends upon seaborne freight, rail, trucking, pipeline, overland conveyor and other systems to deliver its commodities to market. Disruption of these transport services due to weather-related problems, key equipment or infrastructure failures, strikes, maritime disaster or other events could temporarily impair the Group's ability to transport its commodities to its customers and thus could adversely affect its operations.

Metal processing plants (ore processing plants, smelters and refineries) are especially vulnerable to interruptions, particularly where events cause a stoppage that necessitates a shutdown in operations. Stoppages in smelting, even if lasting only a few hours, can cause the contents of furnaces to solidify, resulting in a plant closure for a significant period and necessitating expensive repairs, any of which could adversely affect the Group's smelting operations.

Transportation and storage of crude oil and oil products involve significant hazards that could result in fires, explosions, spills, maritime disaster and other unexpected or dangerous conditions. The occurrence of any of these events could result in a material adverse effect, either directly or indirectly, through resulting damages, claims and awards, remediation costs or negative publicity on the Group's business.

Crop storage entails significant risks associated with the storage environment, including temperature, humidity levels, pests, parasites and/or diseases. Excessively high or low levels of moisture, temperature or humidity may result in damage to stored crops and seeds. An event that destroys or takes all or part of a silo complex or terminal out of service could result in the loss of stored crops and require the Group to find alternative storage arrangements. The Group may also be subject to the loss of stored crops as a result of catastrophic events, such as fires, explosions or natural disasters.

In addition, the vessels the Group uses to transport its products may be exposed to a variety of natural calamities during operations, including violent storms, tidal waves and tsunamis. Any of these natural calamities could result in the Group's vessels grounding, sinking or colliding with other vessels or property, or the loss of life. If one of the vessels suffers damage, in addition to the potential loss of its cargo, it would need to be repaired, and the costs relating to such losses or repairs may not be covered (either in part or in full) by the insurance policies that are in place. The costs of such repairs are unpredictable and could be substantial. The loss of earnings while the vessels are being repaired and repositioned, and the cost of arranging for alternative transport, as well as the actual cost of such repairs, could adversely affect the Group's business and results of operations. Furthermore, the vessels the Group uses to transport its products may be exposed to piracy, terrorist attacks and other events beyond its control. These events could result in adverse effects to the Group's business as a result of seizure of its cargoes and disruption to its customers' or suppliers' business. While the Group has procured insurance for its operations against these types of risks, there can be no assurance that the insurance coverage the Group has will be adequate or that its insurers will pay a particular claim. As is the standard for policies of this type, the Group's insurance policies do not cover risks arising from damage caused by wear and tear to the vessels that it owns directly or through joint ventures. In the event of damage to, or the loss of, a vessel or vessels and/or their cargoes, a lack of adequate insurance coverage may have a material adverse effect on the Group's business and results of operations and financial condition.

The Group is subject to risks relating to product safety and dangerous goods regulations.

Products sold by the Group are in many cases covered by national and international product safety and dangerous goods regulations. In some instances, product safety regulations (for example, the EU's Chemical Control Act, REACH or the International Organization for Standardization in relation to food safety) oblige manufacturers and importers to register their products and to regularly monitor and evaluate the risks and hazards of substances (chemicals, metals and illnesses, etc.) to protect humans and the environment from harm during handling, storage and use. Any failure in complying with these obligations could result in a delay of the Group's product delivery, a loss of insurance coverage, business interruption on the customer side, administrative or criminal sanctions and, in the extreme, being banned (temporarily) from a marketplace. Such events could have a material impact on the local or global demand, reducing the Group's marketing opportunities for such a product, or at least increase the handling costs while shipping and placing the product in the market, all of which could have a material adverse effect on the business, results of operations and financial condition of the Group.

The Group is dependent on its financial, accounting, marketing and other data processing information systems to conduct its business.

The Group's software applications for areas such as traffic, accounting and finance are primarily based on integrated standard components. The Group's key business processes rely on in-house developed modules and are regularly adapted to suit its business needs. All of these applications are primarily managed from its headquarters and are available to all the major business locations. If any of these systems does not operate properly or is disabled, the Group could suffer, among other things, financial loss, a disruption of its business, liability to its counterparties, regulatory intervention or reputational damage.

The Group is exposed to and subject to a significant number of laws and regulations.

The activities of the Group are exposed to and subject to extensive laws and regulations governing various matters. These include laws and regulations relating to bribery and corruption, taxation, antitrust, financial markets regulation, environmental protection, management and use of hazardous substances and explosives, management of natural resources, licenses over resources owned by various governments, exploration, development of projects, production and post-closure reclamation, the employment of expatriates, labor and occupational health and safety standards, and historical and cultural preservation. Additionally, in many of the developing countries where the Group operates, the legal systems may not be mature and legal practice may not be developed, such that, in certain cases, there may be significant uncertainty as to the correct legal position, as well as the possibility of laws changing or new laws and regulations being enacted, which has the potential to increase risk and compliance costs.

These laws and regulations may allow governmental authorities and private parties to bring lawsuits based upon damages to property and injury to persons resulting from the environmental, health and safety and other impacts of the Group's past and current operations, and could lead to the imposition of substantial fines, penalties, other civil or criminal sanctions, the curtailment or cessation of operations, orders to pay compensation, orders to remedy the effects of violations and/or orders to take preventative steps against possible future violations. Moreover, the costs associated with compliance with these laws and regulations are substantial. Any changes to these laws or regulations or more stringent enforcement or restrictive interpretation of current laws and regulations by governmental authorities or rulings or clearances obtained from such governmental authorities could cause additional expenditure (including capital expenditure) to be incurred or impose restrictions on or suspensions of the Group's operations and delays in the development of its properties.

The Group's subsidiaries and the companies in which it holds investments are generally required, under applicable laws and regulations, to seek governmental licenses, permits, authorizations, concessions and other approvals in connection with their activities. Obtaining the necessary governmental permits can be a particularly complex and time-consuming process and may involve costly undertakings. The duration and success of permit applications are contingent on many factors, including those outside the Group's control. Failure to obtain or renew a necessary permit could mean that such companies would be unable to proceed with the development or continued operation of a mine or project, which, in turn, may have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

In addition, the enactment of new laws and regulations and changes to existing laws and regulations (including, but not restricted to, environmental laws, the imposition of higher license fees, mining and hydrocarbon royalties or taxes), compliance with which could be expensive or onerous, could also have a material adverse impact on the ability of the Group to operate its businesses and/or the profitability of its industrial investments.

The Group is subject to emissions and climate change regulations.

The Group's global presence exposes it to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce emissions. The likely effect of these changes will be to increase the cost for fossil fuels, impose levies for emissions in excess of certain permitted levels and increase administrative costs for monitoring and reporting. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets in numerous jurisdictions in which the Group operates, is likely to raise production, transportation and administrative costs. In addition, regulation of greenhouse gas emissions in the jurisdictions of the Group's major customers and in relation to international shipping could also have a material adverse effect on the demand for the Group's products.

Social, economic and other risks in the markets where the Group operates may cause serious disruptions to its business.

Through the geographic diversity of its operations, the Group is exposed to risks of political unrest, strikes, war and economic and other forms of instability, such as natural disasters, epidemics, widespread transmission or diseases, acts of God, terrorist attacks and other events beyond its control that may adversely affect local economies, infrastructure and livelihoods.

These events could result in disruption to the Group's and its customers' or suppliers' businesses and seizure of, or damage to, any of their cargoes or assets. Such events could also cause the destruction of key equipment and infrastructure (including infrastructure located at or serving the Group's industrial activities, as well as the infrastructure that supports the freight and logistics required by the Group's marketing operations). These events could also result in the partial or complete closure of particular ports or significant sea passages, such as the Suez or Panama canals or the Strait of Hormuz, potentially resulting in higher costs, congestion of ports or sea passages, vessel delays or cancellations on some trade routes. Any of these events could adversely impact the business and results of operations of the Group.

The Group's reputation in the communities in which it operates could deteriorate.

The continued success of the Group's existing operations and its future projects are in part dependent upon broad support of and a healthy relationship with the respective local communities. If it is perceived that the Group is not respecting or advancing the economic and social progress and safety of the communities in which it operates, its reputation and shareholder value could be damaged, which could have a negative impact on its "social license to operate", its ability to secure new resources and its financial performance.

Some of the Group's current and potential industrial activities are located in or near communities that may regard such operations as having a detrimental effect on their safety or environmental, economic or social circumstances. The consequences of negative community reaction could also have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation. Such events could lead to disputes with national or local governments or with local communities or any other stakeholders and give rise to material reputational damage. If the Group's operations are delayed or shut down as a result of political and community instability, its earnings may be constrained and the long-term value of its business could be adversely impacted. Even in cases where no action adverse to the Group is actually taken, the uncertainty associated with such political or community instability could negatively impact the perceived value of the Group's assets and industrial investments and, consequently, have a material adverse effect on the financial condition of the Group.

The industries in which the Group operates are subject to a wide range of risks as described elsewhere in this section, not all of which can be covered, adequately or at all, by its insurance programs.

The Group has broad insurance programs in place which provide coverage for operations. Although the Group's insurance is intended to cover the majority of the risks to which it is exposed, it cannot account for every potential risk associated with its operations. Adequate coverage at reasonable rates is not always commercially available to cover all potential risks and no assurance can be given that, where available, such coverage would be sufficient to cover all loss and liability to which the Group may be exposed. The occurrence of a significant adverse event not fully or partially covered by insurance could have a material adverse effect on the business, results of operations and financial condition of the Group.

The maintenance of positive employee and union relations and the ability to attract and retain skilled workers is key to the successful operation of the Group.

Some of the Group's employees (mainly those employees at the Group's industrial activities), as well as employees in non-controlled industrial investments, are represented by labor unions under various collective labor agreements. The Group, its subsidiaries or the industrial investments in which it holds an interest may not be able to satisfactorily renegotiate their collective labor agreements when they expire and may face tougher negotiations or higher wage demands than would be the case for non-unionized labor. In addition, existing labor agreements may not prevent a strike or work stoppage at its facilities in the future, and any strike or other work stoppage could have a material adverse effect on the Group's business, results of operations and financial condition. The Group's industrial activities have experienced strikes and other labor disputes in the past and the Group believes that strikes and other industrial actions will remain a risk to the business for the foreseeable future.

The success of the Group's business is also dependent on its ability to attract and retain highly effective marketing and logistics personnel, as well as highly qualified and skilled engineers and other industrial, technical and project experts to operate its industrial activities, including in locations experiencing political or civil unrest, or in which the Group may be exposed to other hazardous conditions. The Group may not be able to attract and retain such qualified personnel, and this could have a material adverse effect on the Group's business, results of operations and financial condition.

Risks and other considerations relating to the Notes

The Notes may not be a suitable investment for all investors.

Each prospective Noteholder must determine the suitability of that investment in light of its own circumstances. In particular, each prospective Noteholder should:

- have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained in, or incorporated by reference into, this Offering Circular or any applicable supplement;
- have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the prospective Noteholder's local currency;
- understand thoroughly the terms of the Notes and be familiar with the behavior of any relevant indices and financial markets; and
- be able to evaluate (either alone or with the help of a financial advisor) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Limitations relating to the optional redemption of the Notes.

The optional redemption feature of the Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on such Notes. At those times, a Noteholder generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Prospective Noteholders should consider reinvestment risk in light of other investments available at that time.

European Savings Directive.

Under EC Council Directive 2003/48/EC (the "Savings Directive"), on the taxation of savings income, EU member states are required to provide to the tax authorities of another EU member state details of payments of interest (or similar income) paid by a person established within its jurisdiction to, or for, an individual or certain other persons resident in that other EU member state. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The transitional period is to terminate at the end of the first full fiscal year following an agreement by certain non-EU countries to the exchange of information relating to such payments, although the Luxembourg government has announced its intention to elect out of the withholding system in favor of an automatic exchange of information with effect from 1 January 2015. A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Directive (the "Amending Directive") amending the Savings Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the Amending Directive will broaden the circumstances in which information must be provided or tax withheld pursuant to the Savings Directive and will require additional steps to be taken in certain circumstances to identify the beneficial owner of interest (and other income) payments. EU Member States have until 1 January 2016 to adopt national legislation necessary to comply with this Amending Directive, which legislation must apply from 1 January 2017. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive (as modified by the Amending Directive) on their investment.

If a payment were to be made or collected through an EU member state which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive, as modified by the Amending Directive, or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor the Paying Agents nor any other person would be obligated to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as discussed above. Investors should choose their custodians and intermediaries with care and provide each custodian or intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as modified by the Amending Directive.

Notes are structurally subordinated to the indebtedness of non-Guarantor subsidiaries.

In the event of a bankruptcy, liquidation or reorganization of a subsidiary of a Guarantor, holders of the subsidiary's indebtedness or preferred stock and the subsidiary's trade creditors will generally be entitled to payment of their claims from the assets of the subsidiary before any assets are made available for distribution to such Guarantor (as a direct or indirect holding company of that subsidiary).

Notes are effectively subordinated to all secured indebtedness.

The Notes will be effectively subordinated to all of the Group's existing and future secured indebtedness to the extent of the value of the assets securing that indebtedness. In addition, the Group may incur additional indebtedness in the future, subject to limitations contained in the instruments governing its existing indebtedness. This additional indebtedness may also be secured.

Limitation in respect of Glencore Schweiz's and/or GIAG's liability with respect to any obligations of the other Guarantors under any Guarantee or the Notes.

The total liability of Glencore Schweiz and/or GIAG with respect to any obligations of the Issuer under the Indenture and other Guarantors under any Guarantee or the Notes as set forth in the Indenture is (to the extent that there still is a limitation requirement of the applicable law in force at the relevant time) limited to a sum equal to the maximum amount of Glencore Schweiz's or GIAG's (as applicable) freely disposable equity in accordance with Swiss law, presently being the total shareholder equity less the total of (i) the aggregate share capital and (ii) statutory reserves (including reserves for own shares and revaluations, as well as agio), to the extent such reserves cannot be transferred into unrestricted, distributable reserves. The amount of freely disposable equity shall be determined on the basis of an audited annual or interim balance sheet of Glencore Schweiz or GIAG (as applicable), provided that such limitations shall not free Glencore Schweiz or GIAG (as applicable) from payment obligations with respect to any obligations of the Issuer under the Indenture and other Guarantors under any Guarantee or the Notes as set forth in the Indenture in excess of its freely disposable equity, but merely postpone the payment date of those obligations until such times as payment is permitted notwithstanding such limitations. Any payment made by Glencore Schweiz or GIAG with respect to any obligations of the Issuer under the Indenture and other Guarantors under any Guarantee or the Notes as set forth in the Indenture may (a) require certain corporate formalities to be completed prior to payment, including, but not limited to, obtaining shareholders' resolutions and board resolutions approving payment, and (b) be subject to Swiss Withholding Taxes on dividends (the present rate of which is 35 per cent.).

A Noteholder may have difficulty enforcing U.S. bankruptcy laws and its rights as a creditor may be limited under the bankruptcy laws of certain jurisdictions.

Under bankruptcy laws in the United States, courts have jurisdiction over a debtor's property wherever it is located, including property situated in other countries. However, courts outside the United States may not recognize the U.S. bankruptcy court's jurisdiction. Accordingly, there may be difficulty administering a U.S. bankruptcy case involving the Issuer or a Guarantor, because property is located outside of the United States. Any orders or judgments of a bankruptcy court in the United States may not be enforceable against the Issuer or a Guarantor with respect to property located outside the United States. Similar difficulties may arise in administering bankruptcy cases in foreign jurisdictions.

Under the relevant Indenture governing the Notes, the rights of Deutsche Trustee Company Limited, as trustee (the "Trustee") to enforce remedies may be significantly impaired if the Issuer or a Guarantor seeks the benefit of the restructuring provisions of applicable bankruptcy, insolvency and other restructuring legislation. For example, legislation may contain provisions enabling an "insolvent person" to obtain a stay of proceedings against its creditors and others, allowing it to retain possession and administration of its property and to prepare and file a proposal or plan of compromise or arrangement for consideration by all or some of its creditors to be voted on by the various classes of its creditors. The restructuring plan or proposal, if accepted by the requisite majorities of creditors and if approved by the court, would likely result in the compromise or extinguishment of a Noteholder's rights under the Notes and may result in the debtor retaining possession and administration of its property notwithstanding that an Event of Default occurred under the Notes.

The powers of the courts in the United States have been exercised broadly to protect a restructuring entity from actions taken by creditors and other parties. Accordingly, it cannot be predicted whether payments under the Notes would be made following commencement of or during such a proceeding, whether or when the Trustee could exercise its rights under the Indenture, whether Noteholder claims could be compromised or extinguished under such a proceeding or whether and to what extent holders of the Notes would be compensated for delays in payment, if any, or principal and interest.

Foreign investors may find it difficult to enforce foreign judgments obtained against the Group or any of its affiliates.

The Company is a holding company organized as a public limited company incorporated in Jersey with business operations conducted through various subsidiaries. The majority of the Directors and all of its officers reside outside the United States. In addition, substantially all of the Group's assets and the majority of the assets of its Directors and officers are and will be located outside the United States. As a result, it may not be possible for U.S. investors to effect service of process within the United States upon the Company or the Directors and officers located outside the United States or to enforce, in the U.S. courts or outside the United States, judgments obtained against them in U.S. courts or in courts outside the United States, including judgments predicated upon the civil liability provisions of the U.S. federal securities laws or the securities laws of any state or territory within the United States.

There is also doubt as to the enforceability in England and Wales, Jersey, Switzerland and/or Hong Kong, whether by original actions or by seeking to enforce judgments of U.S. courts, of claims based on the federal securities laws of the United States. In addition, punitive damages in actions brought in the United States or elsewhere may be unenforceable in England and Wales, Jersey, Switzerland and/or Hong Kong.

Liquidity of the Notes.

The Notes will be new securities for which there currently is no established trading market. No assurance can be given that a liquid market will develop for the Notes, that the Notes can be sold at a particular time or that the price received on the sale of the Notes will be favorable.

The Notes are subject to restrictions on transfer, which are described under "Transfer Restrictions". The liquidity of any market for the Notes will depend on a number of factors, including:

- the number of Noteholders;
- the Group's operating performance and financial condition;
- the market for similar securities;
- the interest of securities dealers in making a market for the Notes; and
- prevailing interest rates.

An active market for the Notes may not develop and, if it develops, it may not continue. Illiquidity may have a severely adverse effect on the market value of Notes.

Exchange rate risks and exchange controls.

The Issuer will pay principal and interest on the Notes, and the Guarantors will make any payments under the Guarantees, in U.S. dollars. This presents certain risks relating to currency conversions if a Noteholder's financial activities are denominated principally in a currency or currency unit (the "Noteholder's Currency") other than U.S. dollars. These include a risk that exchange rates may significantly change (including changes due to devaluation of the U.S. dollar or revaluation of the Noteholder's Currency) and a risk that authorities with jurisdiction over the Noteholder's Currency may impose or modify exchange controls. An appreciation in the value of the Noteholder's Currency relative to the U.S. dollar would decrease:

- the Noteholder's Currency-equivalent yield on the Notes;
- the Noteholder's Currency-equivalent value of the principal payable on the Notes; and
- the Noteholder's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Credit ratings may not reflect all risks.

One or more independent credit rating agencies may assign credit ratings to the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised or withdrawn by the rating agency at any time.

Legal investment considerations may restrict certain investments.

The investment activities of certain Noteholders are subject to legal investment laws and regulations or review or regulation by certain authorities. Each prospective Noteholder should consult its legal advisors to determine whether and to what extent:

- Notes are legal investments for it;
- Notes can be used as collateral for various types of borrowing; and
- other restrictions apply to its purchase or pledge of any Notes.

Financial institutions should consult their legal advisors or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

USE OF PROCEEDS

The total net proceeds of the Offering, after underwriting commissions, are expected to be approximately U.S.$1,984,700,000.

The Group will use the net proceeds of the Offering to repay part of the amounts outstanding under certain indebtedness and for general corporate purposes. Some of the Initial Purchasers and/or their affiliates may be lenders under such indebtedness and may, accordingly, receive a portion of the proceeds from the Offering.

DESCRIPTION OF THE ISSUER AND THE GUARANTORS

The Issuer (Glencore Funding LLC)

General

The Issuer was incorporated as a Delaware limited liability company on 11 March 2004 with registration number 06-1551651. The registered office of the Issuer is at 2711 Centerville Road, Suite 400, Wilmington, Delaware 19808, United States.

The Issuer is an indirect wholly-owned subsidiary of the Company. Its paid-in member capital amounts to U.S.$5,000.

The Issuer's principal business is to issue commercial paper, notes and other debt and to lend the proceeds to the Group.

Trend information

There has been no material adverse change in the prospects or financial position of the Issuer since 31 December 2013.

The loan capital, borrowings and indebtedness of the Issuer are consolidated in the Group's consolidated financial statements.

Management

As at 31 December 2013, the officers of the Issuer and their other principal activities outside of the Group were as follows:

Name	Position	Other Principal Activities
Cheryl Driscoll	Officer	None
Blandine Lewine	Officer	None

The business address of each of the officers is 301 Tresser Boulevard, Stamford, Connecticut 06901, United States.

Independent auditors

Deloitte & Touche LLP, of Stamford, Connecticut, United States, has been appointed as independent auditors to the Issuer.

Financial statements

The Issuer prepares annual audited financial statements in accordance with IFRS as adopted by the IASB, which are audited in accordance with auditing standards generally accepted in the United States of America. The audited financial statements of Glencore Funding LLC as of and for the years ended 31 December 2013 and 31 December 2012 may be obtained at the specified offices of the Paying Agents during normal business hours.

Financial year

The financial year end of the Issuer is 31 December.

The Guarantors

Glencore Xstrata plc

For information regarding the Company, please see "Business" and "Directors and Senior Management".

The Company is a guarantor of a substantial portion of the Group's total indebtedness. For further detail, please see "Description of Indebtedness".

Glencore International AG

General

Glencore International AG ("GIAG") was incorporated in Switzerland under Swiss law on 12 June 1987 as a private company limited by shares with registration number CH-170.3.012.738-3. The registered office of GIAG is at Baarermattstrasse 3, CH-6340 Baar, Switzerland.

GIAG is a wholly-owned subsidiary of the Company.

GIAG is one of the main operating entities of the Group and the direct or indirect holding entity for many of the operating and finance subsidiaries and industrial investments of the Group.

GIAG is a guarantor of a substantial portion of the Group's total indebtedness. For further detail, please see "Description of Indebtedness".

GIAG's principal business is to act as one of the main operating companies of the Group, the description and activities of which are set out under "Business".

Management

As of the date of this Offering Circular, the directors of GIAG and their other principal activities outside of the Group were as follows:

Name	Position	Other Principal Activities
Ivan Glasenberg	Director	Director of UC RUSAL Plc Director of JSC Zarubezhneft
Andreas Hubmann	Director	None
Steven Kalmin	Director	Director of Century Aluminum Co.

The business address of each of the directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

Auditors

Deloitte AG, Zurich, Switzerland has been appointed as statutory auditor to GIAG.

Financial statements

GIAG prepares annual non-consolidated audited financial statements in accordance with Swiss GAAP only.

Financial year

The financial year end of GIAG is 31 December.

Glencore (Schweiz) AG

General

Glencore (Schweiz) AG ("Glencore Schweiz") was incorporated under the name of Xstrata (Schweiz) AG in Switzerland under Swiss law on 27 December 2001 as a private company limited by shares with registered number CH-170.3.025.302-8. On 7 November 2013, as part of a general corporate reorganization following the Acquisition, Xstrata (Schweiz) AG was renamed Glencore (Schweiz) AG. The registered office of Glencore Schweiz is c/o Glencore International AG, Baarermattstrasse 3, CH-6341 Baar, Switzerland and Glencore Schweiz is an indirect wholly-owned subsidiary of the Company.

Glencore Schweiz is the direct or indirect holding entity for the majority of legacy Xstrata entities. While the purpose of Glencore Schweiz is mainly to act as a holding company it also participates in financing activities and is a guarantor of a substantial portion of the Group's total indebtedness.

Management

As of the date of this Offering Circular, the officers of Glencore Schweiz and their principal activities outside the Group were as follows:

Name	**Position**	**Other Principal Activities**
John Burton	Director	None
Andreas Hubmann	Director	None
Martin Häring	Director	None
Brian Azzopardi	Director	None

The business address of the directors is Baarermattstrasse 3, CH-6340 Baar, Switzerland.

As at the date of this Offering Circular, none of the directors of Glencore Schweiz has any conflict of interest between their duties to Glencore Schweiz and their other principal activities outside of the Group listed above.

Auditors

Deloitte AG, Zurich, Switzerland is the statutory auditor to Glencore (Schweiz) AG for the financial year ended December 31, 2013. Ernst & Young AG, Bundesplatz 1, CH 6300 Zug, Switzerland was statutory auditor to Glencore (Schweiz) AG for the financial year ended December 31, 2012.

Financial statements

Glencore Schweiz prepares annual non-consolidated audited financial statements in accordance with Swiss GAAP only.

Financial year

The financial year end of Glencore Schweiz is 31 December.

BUSINESS

Overview

The Group is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of those products. The Group operates globally, marketing and distributing physical commodities sourced from third party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. The Group also provides financing, logistics and other services to producers and consumers of commodities.

The Group benefits from its scale and diversity. The Group's portfolio of diversified industrial assets comprise over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities. The Group's growth prospects are underpinned by volume increases in its industrial base, which in turn, will enhance marketing opportunities.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality product on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

On 2 May 2013, Glencore completed the Acquisition, which was effected by way of a scheme of arrangement of Xstrata under Part 26 of the UK Companies Act, pursuant to which Glencore acquired the entire issued and to be issued ordinary share capital of Xstrata not already owned by Glencore. The Group continues to evaluate a number of opportunities in relation to its business, whether mergers and acquisitions, joint ventures, off-take arrangements or otherwise.

The Group's consolidated revenue for the financial year ended 31 December 2013 was U.S.$232,694 million, its loss for the year was U.S.$7,298 million and as at 31 December 2013, its total assets were U.S.$154,932 million.

The Group's consolidated revenue for the financial year ended 31 December 2012 was U.S.$214,436 million, its income for the year was U.S.$1,152 million and as at 31 December 2012, its total assets were U.S.$105,564 million.

The Group's consolidated revenue for the year ended 31 December 2011 was U.S.$186,152 million, its income for the year was U.S.$4,268 million[2] and as at 31 December 2011, its total assets were U.S.$86,165 million.

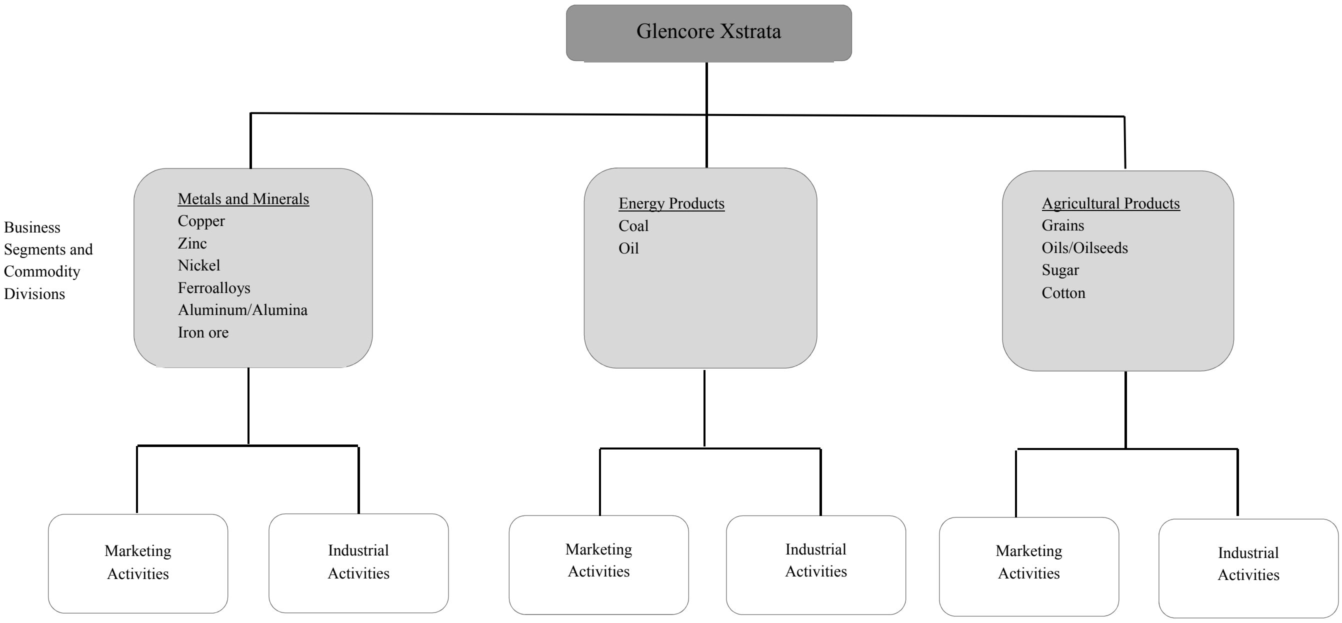
Xstrata's consolidated revenues for the financial years ended 31 December 2012 and 31 December 2011 were U.S.$31,618 million and U.S.$33,877 million, respectively, and income for the financial years ended 31 December 2012 and 31 December 2011 was U.S.$1,372 million and U.S.$5,933 million, respectively. As of 31 December 2012, Xstrata's total assets amounted to U.S.$83,113 million.

The Company's ordinary shares are traded on the London Stock Exchange, the Hong Kong Stock Exchange and the Johannesburg Stock Exchange. As of 31 March 2014, the market capitalization of the Company was approximately £41.59 billion (approximately U.S.$69.26 billion). The Company is a member of the FTSE 100.

[2] The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

The Group's industrial and marketing investment activities are supported by a global network of more than 90 offices located in over 50 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. The Group's main offices include Baar (Switzerland), Stamford (Connecticut), London, Rotterdam, Beijing, Moscow, Toronto, Johannesburg, Sydney and Singapore. This network provides the Group with significant worldwide investment origination and sourcing and distribution capabilities.

The following chart summarizes the Group's business structure:



The Group's three business segments focus on the following commodities:

- The Metals and Minerals business segment focuses on the following commodity divisions: copper, zinc, nickel, ferroalloys, aluminum/alumina and iron ore. The activities of the Group's Metals and Minerals business segment are underpinned by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations.

- The Energy Products business segment focuses on coal and oil. The activities of the Group's Energy Products business segment include extensive ownership interests in controlled and non-controlled coal mining and oil production operations as well as investments in strategic handling, storage and freight equipment and facilities.

- The Agricultural Products business segment focuses on grains, oils/oilseeds, sugar and cotton. The activities of the Group's Agricultural Products business segment are supported by investments in controlled and non-controlled storage, handling and processing facilities in strategic locations.

Each business segment undertakes both industrial and marketing asset investment activities and is responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities in each business segment.

History

Glencore's business commenced in 1974 (previously known as Marc Rich + Co AG) and initially focused on the physical marketing of ferrous and non-ferrous metals and minerals and crude oil, and shortly thereafter expanded into oil products. In 1981, Glencore acquired an established Dutch grain trading company, which created the basis for its Agricultural Products business segment, and later added coal to its Energy Products business segment.

Starting in 1987, Glencore developed from a purely commodity marketing company into a diversified natural resources group through key acquisitions in mining, smelting, refining and processing in the three principal business segments. Glencore made its first equity investment in an industrial asset in 1987, when it acquired 27 per cent. of the Mt. Holly aluminum smelter in the United States and acquired its first controlling interest in an industrial asset in 1988, when it acquired a 66.7 per cent. interest in a zinc/lead mine in Peru. In 1994, the founder of Glencore sold his stake by way of a management buyout. The shares of Glencore International plc were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the Hong Kong Stock Exchanges in May 2011.

The roots of Xstrata date back to 1926 when Swiss infrastructure investment company Südelektra AG was established. Beginning in 1990, the company (which was renamed Xstrata AG in 1999) built a portfolio of businesses operating in the natural resources sector. On 25 March 2002, Xstrata plc was created through an initial public offering on the London Stock Exchange and the shares of Xstrata plc were listed on the Official List of the FCA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the SIX. Simultaneously, Xstrata acquired the Australian and South African coal assets of Glencore, the largest shareholder in Xstrata at the time.

The Acquisition was completed on 2 May 2013, following which Glencore International plc was renamed "Glencore Xstrata plc". The Company's shares were admitted to trading on the Johannesburg Stock Exchange in November 2013.

Competitive strengths

The Group believes that its success has been built upon a unique combination of competitive strengths that have enabled it to grow into one of the world's largest diversified and vertically-integrated producers, processors and marketers of natural resources. The Group's key competitive strengths include:

Scale and commodity diversity

The Group benefits from scale and diversity. It is at 31 March 2014, the fourth largest global diversified mining company by market capitalization and a major producer and marketer of over 90 commodities.

The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. These factors, along with the established footprint in emerging markets for natural resource investment, including Africa, Kazakhstan and South America, as both an operator and provider of marketing and logistic services to new producers, provide the Group with substantial optionality and strategic flexibility.

A unique business model, fully-integrated along the supply chain to capture value in an evolving competitive landscape

As a leading integrated producer and marketer of commodities with a sizeable portfolio of industrial mining and other production and processing assets, the Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing. The marketing operations of the Group now benefit from having full access to what were Xstrata's mining and metal assets.

In addition, the Group continues to buy commodities from thousands of third party producers worldwide, which relationships enable the Group to identify opportunities to grow its asset base. The Group sees its ownership of industrial assets not solely as sources of self-produced commodities, but also as tools for increasing flexibility, access to strategic markets, optionality, security of supply and for gaining valuable operating, technical and market knowledge and know-how.

Ability to respond to changing industry dynamics

Commodity trade flows are shifting as demand growth is centered on emerging Asian economies and the supply of commodities is increasingly sought from more remote, challenging and often logistically-constrained locations, with a range of new industry participants. The Group benefits from:

- access to new sources of volume growth and prospective geographies at multiple points along the value chain;
- optimization of product and marketing interfaces;
- excellent industry insight through global network and market intelligence;
- entrepreneurial culture and strong momentum;
- operational excellence and proven cost improvement track record;
- scale and diversity with growth options;
- clear financial strategy, with established relationships providing strong access to equity and debt markets;
- access to large fleet of vessels and strategically located logistical infrastructure;
- expanded product flow to provide customers with a greater range of qualities, specifications and commodities from a more flexible geographic operational base, including access to third party supply; and
- improved ability to compete for access to resources, with enhanced financial flexibility and an established sustainability and governance framework.

Core competence in commodity marketing, logistics, risk management and financing

The Group is an established marketer of commodities and has, over a period of many years, built a strong market reputation as a reliable supplier of quality product on a timely basis. In doing so, the Group now has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's provision of value added services includes shipping, logistics, transportation, storage, risk management and marketing to producers and consumers of commodities, as well as arranging working capital and capital expenditure financing for its suppliers and customers, generally secured by future physical commodity flows and/or other assets.

Leading industrial asset portfolio of diversified operations with strong growth prospects

The Group has a portfolio of diversified industrial assets spread across the Group's three business segments, comprising over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities. The Group has a leading portfolio of industrial mining and metals assets and owns or has interests in many high-quality assets (for example Prodeco and Cerrejón, which produce high-grade thermal coal, and Katanga and Collahuasi, which have significant high-grade copper reserves). Production is expected to expand materially at several of the Group's mining and processing assets and projects. The Group is also, together with its partners, investing in the development of oil assets, such as the Aseng field (Block I) in Equatorial Guinea, which achieved first production in November 2011. The acquisition of Viterra in December 2012 was a significant addition to the Group's global agricultural operations comprising interests in controlled and non-controlled storage, handling, processing and port facilities in strategic locations. Viterra brings to the Group immediate critical mass in the key grain markets of North America through Viterra's substantial Canadian operations as well as expanding the Group's existing operations in Australia. Growth prospects for the Group are underpinned by volume growth in the industrial asset base, which in turn will enhance opportunities for growth in marketing.

Diversified across multiple commodities, suppliers and customers

The Group markets a broad range of commodities from a diverse supply base to a diverse customer base. The Group's three business segments are involved in the sourcing and marketing of more than 90 distinct commodities, including various grades, blends and products within such categories. The Group has, for a long time, developed and built upon its expertise in these commodities, cultivating long-term relationships with a broad supplier and customer base across diverse industries in geographic regions. Part of the Group's geographic diversity is built on its willingness to invest in geographies and markets in which some of its competitors have historically avoided or been slower to enter into.

World-class management, entrepreneurial culture and track record of value creation

The Group's management team, led by Ivan Glasenberg (Chief Executive Officer), has more than 200 years' experience working with the Group and a proven track record of developing and growing the business, across industry cycles. The Group has been consistently profitable since the completion of the management buyout in 1994. Following Glencore's initial public offering in May 2011 and the Acquisition, employees continue to own a sizeable share of the Company's issued share capital. The Group has long had a strong entrepreneurial culture and this is reinforced through the strong equity participation many of these employees continue to have in the Company.

Resilient financial performance and marketing

The Group believes that the financial performance of its marketing operations is less correlated to commodity prices than its industrial operations, as the Group uses hedging strategies, meaning that marketing profitability is primarily determined by volume activity and associated value added supply chain margins and other marketing conditions rather than the absolute flat price itself. This was once again demonstrated by the Group's results for the year ended 31 December 2013.

Furthermore, because the marketing operations' funding requirements are highly linked to commodity prices, during periods of falling commodity prices, the marketing operations tend to require less working capital, which helps mitigate the generally negative effects of falling commodity prices on the Group's industrial assets.

Strategy

The Group's strategy is to maintain and build upon its position as one of the world's largest diversified natural resources companies. The Group's key strategic objectives include:

Capitalize on strategic investments in industrial assets

The Group is a fully integrated natural resource group with its extensive industrial asset base being an important component of its physical sourcing strategy for its marketing activities. Being fully integrated provides a competitive advantage over most of its marketing peers which are substantially less vertically integrated (both upstream and downstream) and are less able to establish the strong supply relationships that the Group enjoys. The Group's presence at each stage of the commodity chain also provides it with market insight and access to opportunities as well as with other advantages such as information, technical expertise and local presence. The Group will continue to identify investment opportunities in which value can be created through the application of its market knowledge and operational and technical know-how. Similarly, the Group evaluates disposals of certain investments from time to time, particularly when they are no longer deemed to support core business and/or when attractive selling opportunities arise.

Continue to leverage geographic scope and diversification of operations

The Group's operations are extremely diverse, covering a wide range of commodities, industries, suppliers and customers. The Group intends to build upon its position as one of the world's largest physical commodity suppliers and its track record of extending product and geographical range by continuing to target opportunities in geographies in which it currently operates and by further expansion in emerging markets.

Furthermore, the Group's geographic scope and diversification of operations have allowed it to develop a reliable track record of supply performance. The Group's established footprint in emerging regions for natural resources investment, including Africa, the CIS and South America, as both an operator and a provider of marketing and logistic services to new producers, provides the Group with substantial optionality and flexibility.

Use capital and liquidity to grow the business, as appropriate opportunities arise

As at 31 March 2014, the Group has a market capitalization of approximately U.S.$69.26 billion and is the 14th largest company in the FTSE 100. The Group has the scale, size and potential resources to grow the business and seize appropriate opportunities as they arise.

Focus on cost management and further enhancing logistical capabilities

The Group intends to continue its focus on cost control and operational efficiencies at its controlled industrial assets and maintain a focus on the sourcing of competitively priced physical commodities from reliable third party suppliers. In addition, following the Acquisition, the Group will look to deliver synergies, a sizeable portion of which is expected to be derived from enhanced marketing integration, with the Group having full access to Xstrata's production volumes, enhanced product mix and ability to blend products for customers, with the remaining synergies expected to come from a mix of operational, financing and corporate cost reduction sources. As announced by the Group on 4 March 2014, the Group believes it will be able to deliver estimated synergies of at least U.S.$2.4 billion per year by 2014 as a result of the Acquisition.

Maintain conservative financial profile and investment grade ratings

The Group intends to continue to manage its financial position around maintaining its investment grade credit ratings and healthy levels of liquidity, which should enable it to continue accessing bank and international debt capital markets on competitive terms.

Disciplined risk management

The Group will continue its focus on a disciplined approach to risk management supported by its flat organizational structure, centralized risk management resource and information systems and will continue to adopt and follow policies which are intended to mitigate and manage, among others, commodity price, credit and political risks.

Place highest priority on employees, the environment and local communities

The Group places the highest priority on its employees, the environment and local communities where it operates. The Group takes a broad approach to employee welfare and takes its health and safety record very seriously, with substantial resources and focus committed to this area. Regarding environment, the Group demands high environmental performance and standards from its controlled operations and, while executing marketing logistic activities, works with its partners and suppliers to ensure similar standards are targeted within the supply chain, as well as expected from its non-controlled operations. Regarding local communities, the Group consults with and invests in the local communities where it operates.

The Acquisition

The Acquisition brought together two highly complementary businesses with a long-standing relationship. The combination has created a fully integrated natural resources group able to capture value at each stage of the commodities chain from extraction, processing, freight, logistics, technology and storage to marketing.

Following the Acquisition, the Group benefits from enhanced scale and diversity. It is, at 31 March 2014, the fourth largest global diversified mining company by market capitalization and a major producer and marketer of over 90 commodities. Specifically, the Group is:

- a global leader in export thermal coal, ferrochrome and integrated zinc production;
- a leading producer of copper, aiming to substantially grow production over the next few years; and

- a leading producer of nickel.

Industrial activities – Group level

The Group's ownership of controlled and non-controlled industrial assets is an important source of stand-alone financial returns contributing to overall business diversification, as well as a very useful source of physical commodities for the Group's marketing arm. In addition, these assets provide the Group with access to market insight and technical know-how. The Group believes that its corresponding reduced reliance on third parties helps to ensure that suppliers and customers alike see the Group as a reliable, and therefore desirable, counterparty, given its integrated business model.

Investments in industrial assets

The Group capitalizes on investment opportunities created by, among other things, (i) the privatization of natural resources producers primarily in emerging markets, (ii) the rebalancing of asset portfolios by other players in the natural resources industry and (iii) further industry consolidation as smaller producers sell out and/or seek capital to fund growth. Any decision to acquire or dispose of an industrial asset is based on the stand-alone potential of the asset and its potential contribution to the Group's marketing activities and requires the appropriate level of approval. Once acquired, an asset is held within one of the business segments. In the current business structure, many of the business divisions manage their controlled and non-controlled industrial assets via hands-on "asset controllers" to interface between the asset and the Group in respect of day-to-day operating, financial and commercial matters. The Group encourages the industrial assets to focus primarily on operating performance – costs, project delivery and health, safety and environmental performance, which those businesses can largely control and influence, leaving the marketing arm to handle marketing and distribution activities as part of an integrated global system.

Projects

Following the Acquisition, the Board continues to review the Group's project pipeline and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Marketing activities – Group level

Functions of the marketing activities

The Group's marketing activities source a diversified range of physical commodities from third party suppliers and from industrial assets in which the Group has full or part ownership interests. These commodities are sold, often with value added services such as freight, insurance, financing and/or storage, to a broad range of consumers and industrial commodity end users, with many of whom the Group has long-term commercial relationships. As a marketer, the Group is able to differentiate itself from other production entities as, in addition to focusing on minimizing costs and maximizing operational efficiencies, the Group focuses on maximizing returns from the entire supply chain, taking into account its extensive and global third party supply base, its logistics, risk management and working capital financing capabilities, its extensive market insight, business optionality, extensive customer base, strong market position and penetration in most commodities and its economies of scale. In contrast, this is not the business model of the Group's industrial competitors, which are generally not set up to exploit the full range of value added margin and arbitrage opportunities which exist throughout the commodity supply chain.

Types of arbitrage strategies

Many of the physical commodity markets in which the Group operates are geographically dispersed, fragmented and/or periodically volatile. Discrepancies often arise in respect of the prices at which the commodities can be bought or sold in different geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. Whilst the strategies used by the Group's business segments to generate such margin vary from commodity to commodity, the main arbitrage strategies can be described generally as being:

- Geographic: where the Group leverages its relationships and production, processing and logistical capabilities in order to source physical commodities from one location and deliver them to another location where such commodities can command a higher price (net of transport and/or other transaction costs);
- Product-related: where it is possible to exploit the blending or multi-use characteristics of the particular commodities being marketed, such as the various crude oil products, coal or concentrates, in order to supply products which attract higher prices than their base constituents, or exploit existing and/or expected price differentials; and
- Time-related: where it is possible to exploit a difference between the price of a commodity to be delivered at a future date and the price of a commodity to be delivered immediately, where the available storage, financing and other related costs until the future date are less than the forward pricing difference.

The Group uses market information made available by its industrial and marketing teams across its many locations to identify arbitrage opportunities. The Group's marketing and investment activities and relationships with producers and consumers of raw materials are supported by a global network of more than 90 offices providing sourcing and distribution capabilities located in over 50 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. This network provides the Group with visibility over shifting supply and demand dynamics in respect of significant volumes of physical commodities across the globe. The detailed information from the Group's widespread operations and close relationships with producers, consumers and logistics providers is available to the Group's marketing operations and often enables them to identify opportunities, taking into account the Group's extensive logistics capabilities, to source and supply physical commodities at attractive margins.

Logistics

The Group's logistics operations are a key part of its marketing operations as they enable the Group to fulfil its marketing obligations and to maximize arbitrage opportunities created by demand and supply imbalances. Physical sourcing and marketing of commodities requires highly professional handling and shipment of such goods from the supplier to the customer, including storage activities, as required. Typically, the staff handling the physical movement of goods (the "traffic team") account for a significant proportion of the marketing headcount of a business segment. The Group's dedicated chartering teams actively trade freight to gain market knowledge and volume benefits. The freight element of transactions is furthermore used to maintain maximum physical optionality so that full value can be extracted from the underlying commodity positions of each division, thereby complementing the Group's overall ability to seize geographic and time spread arbitrage opportunities as they arise.

Competitors

The Group believes that physical commodity marketing is a volume-driven business requiring highly professional risk management, substantial financial resources, market knowledge and product and logistical expertise. The Group believes that it is one of the most diversified and globally active physical commodity sourcing and marketing companies. The Group believes that the majority of its competitors tend to focus on a specific commodity group or geographic area, or concentrate more heavily on commodity-related industrial activities such as mining, drilling, smelting, processing and refining. There are generally three types of companies active in physical commodity marketing, which compete with the Group indirectly or directly in certain markets. These include:

- large participants active in specific commodity segments, such as Cargill in agricultural products and Vitol Group in oil;

- captive marketing vehicles of major oil and metals producers and processors, such as Total, BP and BHP Billiton (though these companies are less focused on third party marketing than the Group); and
- other marketing companies whose operations are more limited to particular commodities and/or to geographic areas, such as Noble Group.

Metals and Minerals

The Metals and Minerals business segment focuses on the following commodity divisions: copper, zinc, nickel, ferroalloys, aluminum/alumina and iron ore. The activities of the Metals and Minerals business segment are underpinned by ownership interests in controlled and non-controlled industrial assets such as mining, smelting, refining and warehousing operations. The marketing of metals and minerals commodities is coordinated primarily through the Group's Baar office.

Industrial activities

Copper

The table below shows the copper commodity division's principal investments in industrial assets, with production data as of 31 December 2013:

Operation	Location	Commodity	2013 production(1)	Group ownership interest	Remaining ownership interest
African Copper (Katanga, Mutanda, Mopani, Sable)					
Katanga	DRC	Copper metal(2) Cobalt	136.2k t 2.3k t	75.3%	24.7% publicly traded on Toronto Stock Exchange
Mutanda	DRC	Copper metal(2) Cobalt(3)	150.6k t 13.7k t	69.0%	31.0% privately held
Mopani	Zambia	Copper metal Cobalt	111.8k t —	73.1%	16.9% First Quantum Minerals Ltd.; 10% ZCCM Investment Holdings Plc
African Copper – total production including third party feed					
Mopani	Zambia	Copper metal Cobalt	212.0k t —	73.1%	16.9% First Quantum Minerals Ltd.; 10% ZCCM Investment Holdings Plc
Sable	Zambia	Copper metal Cobalt(3)	14.6k t 0.4k t	100%	—
Total		**Copper metal(2)** **Cobalt(3)**	**398.6k t** **16.0k t**		
Collahuasi (Chile)(4)					
Collahuasi	Chile	Copper metal Copper in concentrates Silver in concentrates	12.5k t 183.1k t 2,217k oz	44%	44% Anglo American; 12% Japanese consortium headed by Mitsui & Co. Ltd.
Antamina (Peru)(5)					
Antamina	Peru	Copper in concentrates	149.5k t	33.75%	33.75% BHP Billiton;

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
		Zinc in concentrates Silver in concentrates	87.9k t 5,216k oz		22.5% Teck Resources Ltd.; 10% Mitsubishi Corporation
Las Bambas	Peru	Copper	N/A[(6)]	100%	—
Other South American (Alumbrera, Lomas Bayas, Antapaccay/Tintaya, Punitaqui)					
Alumbrera	Argentina	Copper in concentrates Gold in concentrates and in doré Silver in concentrates and in doré	109.6k t 313k oz 1,145k oz	50.0%	37.5% Goldcorp Inc.; 12.5% Yamana Gold Inc.
Lomas Bayas	Chile	Copper metal	74.2k t	100%	—
Antapaccay/Tintaya	Peru	Copper metal Copper in concentrates Gold in concentrates Silver in concentrates	12.2k t 139.0k t 79k oz 946k oz	100%	—
Punitaqui	Chile	Copper in concentrates Silver in concentrates	11.8k t 101k oz	100%	—
Punitaqui – total production including third party feed	Chile	Copper in concentrates Silver in concentrates	12.0k t 103k oz	100%	—
Total		**Total copper metal** **Total copper in concentrates** **Total gold in concentrates and in doré** **Total silver in doré**	**86.4k** t **260.4k** t **392k oz** **2,192k oz**		
Australia (Ernest Henry, Mount Isa, Cobar)					
Ernest Henry mine, Mount Isa mine and smelter	Australia	Copper anode Copper in concentrates Gold in anode Gold in concentrates Silver in anode Silver in concentrates	201.1k t 2.9k t 50k oz 1k oz 1,110k oz 11k oz	100%	—
Ernest Henry mine, Mount Isa mine and smelter – total production including third party feed	Australia	Copper anode Copper in concentrates Gold in anode Gold in concentrates Silver in anode Silver in concentrates	207.8k t 2.9k t 52k oz 1k oz 1,110k oz 11k oz	100%	—
Cobar	Australia	Copper in concentrates Silver in concentrates	45.6k t 428k oz	100%	—
Total		**Copper in anode** **Copper in concentrates** **Gold** **Silver**	**201.1k** t **48.5k** t **51k oz** **1,549k oz**		
Total Copper Department		**Copper** **Cobalt** **Zinc**	**1,340.1k** t **16.0k** t **87.9k** t		

Operation	Location	Commodity	2013 production(1)	Group ownership interest	Remaining ownership interest
		Gold	**443k oz**		
		Silver	**11,174k oz**		

Notes:

(1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis, except as stated.

(2) Copper metal includes copper contained in copper concentrates and blister copper.

(3) Cobalt contained in concentrates and hydroxides.

(4) The Group's pro rata share of Collahuasi production (44 per cent.).

(5) The Group's pro rata share of Antamina production (33.75 per cent.).

(6) Development project.

Africa

Katanga

The Group owns 75.3 per cent. of Katanga, a company listed on the Toronto Stock Exchange, which is developing and operating high-grade copper and cobalt mines with integrated metallurgical facilities in the Kolwezi region of the DRC through its 75 per cent. shareholding in Kamoto Copper Company SARL ("KCC"). Substantial high-grade resources indicate a potential mine life for KCC in excess of 25 years.

KCC's integrated mine complex includes both underground and open pit mines, providing both sulfide and oxide ores. The metallurgical plants enable the production of refined copper and cobalt metal on-site. KCC has substantially completed construction of the updated Phase 4 Expansion, which includes a 300,000 tonnes per annum solvent extraction ("SX") plant, the conversion of the existing electro refinery at the Luilu refinery to a 200,000 tonnes per annum copper electrowinning ("EW") facility and an in-pit crusher at KOV Open Pit Mine. Construction has commenced on Phase 5, which includes the EW3 facility, comprised of two tankhouse units with an annual production capacity of 35,000 tonnes of EW each, and the CM5 mill, with a daily nameplate capacity of 11,700 tonnes, It is expected that Phase 5 will be completed during the fourth quarter of 2014. The Phase 4 and Phase 5 expansion projects are expected to increase copper production to 300,000 tonnes per annum, with commissioning expected by the end of 2014.

Mutanda

Mutanda is a high-grade copper and cobalt producer, with its operations located in the Katanga province of the DRC. Following the merger of Mutanda and Kansuki Sarl ("Kansuki") in July 2013, Mutanda's operations now include both the original Mutanda concession and an adjacent 185 square kilometer copper and cobalt pre-development project bordering the Mutanda concession, which together will result in an annualized production capacity of 200,000 tonnes per annum of copper cathodes and 23,000 tonnes per annum of cobalt in hydroxide. Mutanda has recently completed a feasibility study for the construction of 100,000 tonnes per annum of copper contained sulfide concentrator and is assessing the next steps.

In December 2013, the Group acquired High Grade Minerals S.A.'s 14.5 per cent. indirect interest in Mutanda for a total cash consideration of U.S.$430 million. The Group now has an indirect equity interest of 69.0 per cent. in Mutanda, with the remainder of the business being owned by Fleurette Mumi Holdings Limited ("FMH"), a subsidiary of Fleurette Properties Limited (with an interest of 31 per cent.).

The Group has the right, subject to the terms of a put and call option agreement, to acquire from FMH, and FMH has the right to sell to the Group, 50 per cent. of FMH's interest in Mutanda in July 2016 and the remainder of FMH's interest in Mutanda in July 2018, in each case at fair market value at the relevant time.

Mopani

The Group owns 73.1 per cent. of Mopani, an integrated mining and processing operation in the Copperbelt region of Zambia producing copper and cobalt metal.

Significant projects include the Synclinorium project, a major new shaft development, which should provide access to 121 million tonnes of copper ore and is expected to come online during 2015. In metallurgy the Smelter Phase III project is currently underway, which includes the installation of three new converters, gas cleaning equipment and a second acid plant, which will improve sulfur dioxide emissions capture to above 97 per cent. This project is expected to be completed shortly, some 15 months ahead of the schedule initially agreed with the Zambian government.

Sable

The Group owns 100 per cent. of Sable Zinc Kabwe Limited ("Sable"), a Zambian processing plant, which has a current production capacity of 20,000 tonnes of copper cathode per annum and 900 tonnes of cobalt contained in carbonate.

Collahuasi (Chile)

Collahuasi

The Group has a 44 per cent. interest in the Collahuasi open pit operation, which is located on the Andean plateau of northern Chile's Tarapacá region. The mine is operated by a joint venture company, Compañía Minera Dona Inés de Collahuasi SCM ("Collahuasi SCM"). The other joint venture partners are Anglo American (44 per cent.) and a group of Japanese companies headed by Mitsui & Co. Ltd (12 per cent.). The Group is represented on the board of directors and advisory committee of Collahuasi SCM.

The operation is located at an elevation of 4,000 to 4,600 meters and consists of two major porphyry copper deposits (Ujina and Rosario) and the smaller Huinquintipa deposit containing a mixture of sulfide and oxide copper mineralization. The sulfide ore is processed in the concentrator plant to produce copper-in-concentrates and the oxide ore is leached and processed in the SX-EW plant to produce copper cathodes. Collahuasi also has a molybdenum plant at its port facilities in Punta Patache.

Production at Collahuasi increased significantly from June 2013, reflecting a strong ramp-up following the restart of the SAG mill #3, which had been closed for 49 days in the second quarter of 2013 according to plan, as well as a return to higher grades.

Antamina (Peru)

Antamina

The Group has a 33.75 per cent. interest in Antamina, which is located in the Andes in northern Peru's Ancash region at an elevation of 4,300 meters. It is operated by a joint venture company, Compañía Minera Antamina S.A. The other joint venture partners are BHP Billiton (33.75 per cent.), Teck Resources Limited (22.5 per cent.) and Mitsubishi Corporation (10 per cent.). The Group is represented on the board of directors and advisory committee of the Compañía Minera Antamina S.A.

The operation's concentrator is considered to be one of the world's largest polymetallic processing plants treating ores containing copper, zinc, molybdenum, silver and lead. These concentrates are transported via a 300 kilometer slurry pipeline to port facilities at Huarmey.

Las Bambas

Please see "— Copper development projects — South America — Las Bambas", in relation to the commitments given in connection with the Acquisition.

Other South America

Alumbrera

The Group has a 50.0 per cent. controlling interest in Minera Alumbrera Limited, which has the right to mine the Bajo de la Alumbrera copper/gold deposit by agreement with Yacimientos Mineros de Agua de Dionisio, which has the title to such deposit. The operation is located at an altitude of 2,600 meters in the Catamarca province in north-west Argentina and is managed by the Group. Alumbrera is expected to reach its end of mine life in 2019.

Lomas Bayas

The Group owns 100 per cent. of the Lomas Bayas copper mine, which is located in the Atacama desert, 120 kilometers north-east of the port of Antofagasta, Chile. The low grade copper ores mined at this facility are processed by heap leaching and processed at an SX-EW facility to produce copper cathode, which is then trucked to Antofagasta for shipping to end customers. The Lomas Bayas operation produces approximately 75,000 tonnes of copper cathode per annum. Production is expected to continue at this level for approximately the next 15 years.

Antapaccay

The Group owns 100 per cent. of the Antapaccay copper mine, which is located in the Yauri district of Espinar province in southern Peru's Cuzco region, nine kilometers from the Group's Tintaya copper mine. The Antapaccay operation began production in 2012 and consists of a new mine and associated concentrator facilities. The Tintaya open pit mine was closed in 2013, while the associate concentrator and SX/EW facility were placed under care and maintenance in 2012 and 2013, respectively.

Mining at the Antapaccay open pit mine began in 2012 and concentrate production commenced on schedule at the beginning of November 2012. The operation achieved the design capacity of 70,000 tonnes per day of ore milled during the first half of 2013. The mine is expected to produce an average of approximately 160,000 tonnes of copper in concentrates per annum over the first 10 years of production, as well as gold and silver by-products, and to have a life-of-mine of approximately 23 years.

Punitaqui

The Group owns 100 per cent. of Punitaqui, a copper mine and concentrator in Chile. Commercial production commenced in late 2010, with the operation now producing around 12,000 tonnes of copper in concentrates per annum.

Australia

The Group's wholly-owned North Queensland operations comprise the Ernest Henry mining operation, the Mount Isa copper mining and processing operations, and the Townsville copper refinery and port operations. These integrated operations have the capacity to produce 300,000 tonnes of refined copper per annum.

Ernest Henry

Ernest Henry comprises a copper/gold underground mine and concentrator and is located near Cloncurry in north-west Queensland. The mine transitioned from an open pit operation to an underground development and operation during the final quarter of 2011, with initial underground ore production from a decline mine commencing in December 2011.

Mount Isa

The Mount Isa underground copper mining and processing operation is located at Mount Isa in north-west Queensland and comprises an underground copper mine, a concentrator and a smelter. The copper concentrate produced at Mount Isa is fed, together with concentrate from the Ernest Henry mine, into the smelter to produce copper anodes which are then transported by rail to the Townsville refinery.

Cobar

The Group owns 100 per cent. of Cobar, based in Australia, comprising a high-grade underground copper mine and a concentrate plant. The plant throughput is approximately 1.1 million tonnes of ore per annum and its production capacity is approximately 60,000 tonnes of copper in concentrate per annum.

Custom Metallurgical Assets – Copper

The table below shows the production of copper custom metallurgical assets from the Group's principal investments, with production data as of 31 December 2013:

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Copper					
Altonorte	Chile	Copper anode		100%	—
Townsville	Australia	Copper metal		100%	—
Pasar	Philippines	Copper metal		78.2%	21.8% local investors
Horne	Canada	Copper anode		100%	—
CCR	Canada	Copper anode		100%	—
Total		**Copper metal** **Copper anode**	**750.6k t** **514.5k t**		

Note:

(1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis, except as stated.

Altonorte

The Group owns 100 per cent. of the Altonorte metallurgical facility, which is located near the port of Antofagasta, Chile. The operation is supplied with copper concentrates from the Group's own operations as well as from third parties.

Townsville refinery

The Townsville copper refinery is one of the world's leading electrolytic copper refineries and the largest in Australia. It produces copper cathode from copper anode produced at the Mount Isa smelter and other smelters, such as the Altonorte facility in Chile. The refinery uses the Isa Process technology.

Pasar

The Group owns 78.2 per cent. of Pasar, the sole copper smelter and refinery in the Philippines. Pasar is located on the coast of Leyte Island, and owns its own port, which can accommodate vessels with a displacement of up to 50,000 dead weight tonnage, from which production is shipped mainly to Asian markets. In addition, the assets also include an auxiliary sulfuric acid plant and a doré plant which produces an alloy of gold and silver.

Pasar's current smelter production capacity is approximately 700,000 tonnes per annum of concentrate and its current refinery production capacity is approximately 215,000 tonnes per annum of cathodes. Pasar ceased production in the fourth quarter of 2013 following damage sustained as a result of Typhoon Haiyan and restarted during March 2014.

Horne smelter

The Horne smelter is located in Rouyn-Noranda, Quebec. As well as processing concentrate from the Kidd mine, it processes a wide range of feeds, including copper and precious metal-bearing end-of-life electronic equipment provided by worldwide clients to produce a 99.1 per cent. copper anode. Copper anodes from the Horne smelter are sent to the CCR refinery in Montreal to be converted into copper cathodes.

CCR refinery

The CCR refinery is located in Montreal, Quebec and processes anodes from two principal suppliers: the Horne smelter and Vale Inco NL's Sudbury operations. The CCR refinery's products include copper cathodes, gold, silver and other specialty metals and chemicals, including selenium, tellurium, nickel sulfate and a concentrate of platinum group metals.

Copper development projects

The Group also has a portfolio of copper development projects in Africa, South America, Canada, Australia and Asia. Following the Acquisition, the Group continues to review its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Africa

Katanga, Mutanda and Kansuki Power Project

Katanga along with Mutanda and Kansuki entered into an agreement with Société Nationale d'Électricité ("SNEL"), the DRC's national electricity company, to refurbish DRC power generating, transmission and distribution systems that will progressively increase power for the operations up to a total of 450 MW by the second quarter of 2017. Mutanda, Katanga and Kansuki are collectively undertaking a project to secure power for all three operations via the refurbishment of two turbines at the Inga dam. The project has started and is being executed in partnership with SNEL and Forrest Group (the project contractor).

South America

Las Bambas

The Group owns 100 per cent. of the Las Bambas greenfield copper project, located in the provinces of Cotabambas and Grau in the Apurimac region, 72 kilometers south-west of the city of Cuzco in Peru. The construction of the low-cost, long-life Las Bambas greenfield copper project was approved by Xstrata in August 2010. The Peruvian authorities approved the project's Environmental Impact Study in March 2011 and full-scale construction commenced in June 2012. Las Bambas is expected to be commissioned in 2015, with average annual production of 460,000 tonnes of copper in concentrates for the first 10 years of production, including significant gold, silver and molybdenum by-products. As announced on 16 April 2013, the Ministry of Commerce of the People's Republic of China ("MOFCOM") cleared the Acquisition subject to certain commitments by the Company (the "Acquisition Remedy Commitments"), including the Company entering into a binding agreement to sell all of its post-Acquisition ownership interest in Las Bambas to a purchaser approved by MOFCOM before 30 September 2014 for not less than a minimum defined reserve price (unless otherwise agreed by the Company) with completion to occur by 30 June 2015. The minimum defined reserve price shall be the higher of (i) the fair market price of the Company's ownership interest in Las Bambas as evaluated according to industry practice by two independent investment banks chosen by the Company and confirmed by the monitoring trustee and (ii) the total of all of the costs actually incurred by both the Company and Xstrata in Las Bambas, as audited and confirmed by the monitoring trustee. If the Company fails to enter into a binding sale and purchase agreement or fails to complete the transfer of its ownership interest by those times then, unless otherwise agreed by MOFCOM, the Company must appoint a divestiture trustee to sell by way of auction its ownership interest in one of Tampakan (a copper-gold project located in Philippines), Frieda River (a copper-gold project located in Papua New Guinea), El Pachon (a bi-national copper project located in Argentina, five kilometers from the Chilean border) or Alumbrera, as designated by MOFCOM at no minimum price within three months from 1 October 2014 or 1 July 2015, as the case may be.

On 16 July 2013, the Company announced the commencement of the process to sell its entire interest in Las Bambas. On 13 April 2014, the Company announced that it had signed an agreement for the sale of its entire interest in Las Bambas to a consortium owned 62.5 per cent by MMG Limited, 22.5 per cent. by GUOXIN

International Investment Corporation Limited and 15.0 per cent. by CITIC Metal Co., Limited (the "Consortium"). The consideration for the transaction is approximately U.S.$5.85 billion, payable to the Company in cash on closing. In addition, all capital expenditure and other costs incurred in developing Las Bambas in the period from 1 January 2014 to closing will also be payable by the Consortium. At the end of March 2014, capital expenditure and other costs incurred since the start of the year amounted to approximately U.S.$400 million.

The transaction is subject to certain regulatory approvals (including by MOFCOM) as well as the approval of MMG Limited shareholders. China Minmetals Non-Ferrous Metals Company Limited, which holds approximately 74 per cent. of the share capital of MMG Limited, has irrevocably committed to vote in favour of the transaction. The transaction is expected to close prior to the end of the third quarter of 2014.

Zinc

The table below shows the zinc commodity division's principal investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production(1)	Group ownership interest	Remaining ownership interest
Kazzinc	Kazakhstan	Zinc metal Lead metal Copper metal Gold Silver	216.2k t 29.8k t 50.9k t 579k oz 5,251k oz	69.7%	29.82% Samruk-Kazyna 0.49% privately held
Kazzinc – total production including third party feed	Kazakhstan	Zinc metal Lead metal Copper metal Gold Silver	300.4k t 90.6k t 62.4k t 708k oz 18,681k oz	69.7%	29.82% Samruk-Kazyna 0.49% privately held
Australia (Mount Isa, McArthur River)					
Mount Isa	Australia	Zinc in concentrates Lead in concentrates Silver in lead bullion	405.1k t 167.8k t 6,870k oz	100%	—
McArthur River	Australia	Zinc in concentrates Lead in concentrates Silver in concentrates	203.3k t 45.8k t 1,580k oz	100%	—
Total		**Zinc in concentrates** **Lead in concentrates** **Silver in concentrates**	**608.4k** t **213.6k** t **8,450k oz**		
North America (Matagami/Perseverance, Kidd, Brunswick, CEZ Refinery)					
Matagami/Perseverance(2)	Canada	Zinc in concentrates Copper in concentrates	74.5k t 9.1k t	100%	—
Kidd	Canada	Zinc in concentrates Copper in concentrates Silver in concentrates	67.8k t 36.9k t 3,234k oz	100%	—
Brunswick Mine	Canada	Zinc in concentrates Lead in concentrates Copper in concentrates Silver in concentrates	52.0k t 13.5k t 3.0k t 1,315k oz	100%	—

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Total....................................		**Zinc in concentrates**	**194.3k** t		
		Lead in concentrates	**13.5k** t		
		Copper in concentrates	**49.0k** t		
		Silver in concentrates	**4,549k oz**		
North America – total production including third party feed					
Brunswick Mine[(3)]................	Canada	Zinc in concentrates	56.1k t	100%	—
		Lead in concentrates	14.6k t		
		Copper in concentrates	3.0k t		
		Silver in concentrates	1,402k oz		
Brunswick Smelter	Canada	Lead metal	75.3k t	100%	—
		Silver metal	16,146k oz		
CEZ Refinery[(4)]....................	Canada	Zinc metal	66.3k t	25%	75% priority unit holders in Noranda Income Fund
Other Zinc (AR Zinc, Los Quenuales, Sinchi Wayra, Illapa, Rosh Pinah, Perkoa)[(5)] .		**Zinc metal**	**29.7k** t		
		Zinc in concentrates	**262.0k** t		
		Lead metal	**11.0k** t		
		Lead concentrates	**47.1k oz**		
		Copper in concentrates	**2.1k** t		
		Silver metal	**670k oz**		
		Silver in concentrates	**9,162k oz**		
Other Zinc – total production including third party feed		Zinc metal	37.9k t		
		Zinc in concentrates	262.0k t		
		Lead metal	11.0k t		
		Lead concentrates	47.1k t		
		Copper in concentrates	2.1k t		
		Silver metal	670k oz		
		Silver in concentrates	9,162k oz		
Total Zinc Department		**Zinc**	**1,310.6k** t		
		Lead	**315.0k** t		
		Copper	**102.0k** t		
		Gold	**579k oz**		
		Silver	**28,082k oz**		

Notes:

(1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis, except as stated.

(2) The Group ceased operations at the Persévérance mine in June 2013.

(3) The Brunswick mine ceased operations on 1 May 2013.

(4) The Group's pro rata share of CEZ production (25 per cent.).

(5) Illapa is a 45:55 joint venture with the Bolivian government, which also holds the Bolivar and Porco mines previously held by Sinchi Wayra.

Kazzinc (Kazakhstan)

Kazzinc

The Group owns 69.7 per cent. of Kazzinc, a fully integrated zinc producer with significant copper, precious metals and lead resources in Kazakhstan. Kazzinc owns three major polymetallic facilities, Zyrianovsk, Ridder and Ust-Kamenogorsk, as well as two gold mining operations, Altyntau Kokshetau (Vasilkovskoye) and Komarovskoye. Kazzinc's polymetallic operations are located primarily in Eastern Kazakhstan. In total, Kazzinc operates eight mines and an ore stockpile, two polymetallic concentrators, two zinc smelters, a gold recovery plant, a recently completed copper smelter, a recently upgraded lead smelter and a precious metals refinery. Kazzinc also owns and operates a variety of auxiliary units which support its mining, smelting and refining operations.

Kazzinc's gold assets include its 100 per cent. ownership interest in Altyntau Kokshetau, which is the largest gold mining and processing operation in Kazakhstan.

Kazzinc's new copper smelter was commissioned in August 2011. The IsaSmelt lead smelter was commissioned in August 2012 and Kazzinc is expected to increase its 2014 lead metal production by 50 per cent. over 2013.

Australia

Mount Isa

The Group owns 100 per cent. of the Mount Isa operations, which are located in north-west Queensland and consist of the Black Star and Handlebar Hill open cut zinc/lead/silver mines and the George Fisher and Lady Loretta underground mines, a zinc/lead concentrator and a lead smelter. Ore from these mines is concentrated at Mount Isa, producing separate zinc and lead concentrates. The zinc concentrate produced at Mount Isa is either transported to the Group's zinc smelters for further processing or sold to third parties, while currently most of the lead concentrate is smelted on site at the Mount Isa lead smelter, with the lead bullion being shipped to the Northfleet lead refinery in the United Kingdom for processing.

The George Fisher underground mine expansion project reached its planned, annualized ore mined run rate capacity of 4.5 million tonnes in June 2013.

McArthur River

The Group owns 100 per cent. of the McArthur River mine, which is located in the Northern Territory and produces a bulk zinc/lead/silver concentrate and separate zinc and lead concentrates. The McArthur River operation consists of an open pit mine using conventional drilling, blasting, loading and hauling methods; processing using crushing, grinding and flotation; and a loading facility at Bing Bong, where the concentrate is transferred to barges and then loaded onto ships offshore.

In August 2012, the Group approved a U.S.$360 million investment to double ore capacity at the McArthur River mine from 2.5 million tonnes to between 5.0 and 5.5 million tonnes per annum from 2014. The McArthur River mine Phase 3 Development Project is expected to increase annual zinc production to 370,000 tonnes and lead production to 93,000 tonnes. Advanced processing technology on site is expected to enable McArthur River mine to produce a separate zinc concentrate generally acceptable to conventional smelters from its bulk zinc/lead concentrate, with commissioning expected by the end of the first half of 2014. The expansion has now been approved by the Australian government.

North America

Matagami/Persévérance

The Group owns 100 per cent. of the Bracemac-McLeod mine, located in the Matagami mining camp in Quebec, Canada. The mine commenced production during the first half of 2013 and produced approximately 35,000 tonnes of zinc in concentrates over the course of the ramp-up phase in 2013. The annual production for 2013 is estimated to be approximately 60,000 tonnes of zinc in concentrates. The Group ceased operations at the 100 per cent. owned Persévérance zinc/copper mine located in Quebec, Canada in June 2013 as the deposit was depleted. The Group will continue operating the concentrator with the nearby Bracemac-McLeod mine, which will offset approximately half of the lost production from Persévérance. The Group has exploration rights in the region and is assessing options for potential new mine sites.

Kidd

The Kidd operations, located in Timmins, Ontario, comprise an underground copper/zinc mine and a concentrator. Its annual production is approximately 70,000 tonnes of zinc in concentrates and 40,000 tonnes of copper in concentrates.

Brunswick Mine and Brunswick Smelter

The Brunswick operations are 100 per cent. owned by the Group and are located in New Brunswick, Canada. The operation comprises the Brunswick lead smelter-refinery. The Brunswick mine ceased operations on 1 May 2013 after almost 50 years of operation.

The Group produced lead concentrates at the Brunswick mine and procures and processes lead/silver concentrates, residues and recycled materials at the Brunswick smelter.

Zinc concentrates were shipped to the Canadian Electrolyte Zinc Limited ("CEZ") refinery and to the Group's smelters in Europe.

CEZ refinery

The CEZ electrolytic zinc refinery, located in Quebec, is owned by Noranda Income Fund ("NIF") in which the Group owns a 25 per cent. interest. Through its interest in NIF, the Group's effective ownership in the CEZ refinery is 25 per cent. The Group procures and processes zinc concentrate at the CEZ refinery. The raw material feed stream for the CEZ refinery is managed through a combination of third party purchases and the integrated mine production of the Group. Concentrate purchases originate from local mines and offshore mines. The Group has an agreement to supply NIF between 520,000 and 550,000 dry tonnes of zinc concentrates per annum until May 2017.

Other Zinc

AR Zinc

The Group owns 100 per cent. of AR Zinc, an integrated zinc and lead mining operation in Argentina. AR Zinc's operations are at three locations and comprise the Aguilar underground and open pit mine and concentrator plant, the Palpala lead smelter (both located in Jujuy province), and the AR Zinc smelter, located in Rosario, Argentina. The current smelting capacities are approximately 40,000 tonnes per annum of zinc metal and approximately 15,000 tonnes per annum of lead metal.

Los Quenuales

The Group owns 97.6 per cent. of Los Quenuales, a zinc and lead producer in Peru with mining operations at Iscaycruz and Yauliyacu. Both operations consist of underground and open pit mines and concentrators, producing zinc, lead and copper concentrates.

Los Quenuales received community approval to develop a new ore area at Iscaycruz (Santa Este), which has estimated ore resources of 5 to 7 million tonnes. The mine is expected to be operational in the second quarter of 2014 and will reach an annual production of 15,000 tonnes of zinc contained in concentrates in 2014.

Sinchi Wayra / Illapa

The Group owns 100 per cent. of Sinchi Wayra, a company that operates two mining units and concentrating facilities in the Oruro and Potosi regions of Bolivia. Additionally, the Group owns 100 per cent. of Illapa, a company that has a 45:55 joint venture agreement with the government of Bolivia and operates two mining units and concentrating facilities in the Oruro and Potosi regions of Bolivia. Collectively, the mines have a current production capacity of approximately 100,000 tonnes of zinc in concentrate and approximately 10,000 tonnes of lead in concentrate per annum.

On 22 June 2012, the Group announced that it had received a signed Supreme Decree from the Government of Bolivia, nationalizing the Colquiri mine in the Bolivian province of La Paz with immediate effect. The

Group strongly protested the action taken by the Government of Bolivia and reserved its right to seek fair compensation pursuant to all available domestic and international remedies.

Rosh Pinah

The Group owns an 80.1 per cent. interest in Rosh Pinah, a zinc mining business in Namibia. Rosh Pinah operates an underground zinc/lead mine in south-western Namibia. The mine has a current production capacity of approximately 50,000 tonnes per annum of zinc in concentrate and approximately 10,000 tonnes per annum of lead in concentrate.

Perkoa

The Group currently owns 62.7 per cent. of the Perkoa project, a zinc mine in Burkina Faso and is the operator and manager of the Perkoa project. The Group has made a non-binding, conditional offer for the remaining 27.3 per cent. stake in the Perkoa project. The offer is conditional on, among other things, agreement as to transaction structuring, approval by the seller's shareholders and the government of Burkina Faso.

Custom Metallurgical Assets – Zinc

The table below shows the production of zinc custom metallurgical assets from the Group's principal investments, with production data as of 31 December 2013:

Operation	**Location**	**Commodity**	**2013 production**	**Group ownership interest**	**Remaining ownership interest**
Zinc					
Portovesme	Italy	Zinc metal Lead metal Silver metal		100%	—
San Juan de Nieva	Spain	Zinc metal		100%	—
Nordenham	Germany	Zinc metal		100%	—
Northfleet	United Kingdom	Lead metal Silver metal		100%	—
Total		**Zinc metal** **Lead metal** **Silver**	**745.0k t** **174.1k t** **7,870k oz**		

Portovesme

The Group owns 100 per cent. of Portovesme, a zinc and lead smelter located in Sardinia, Italy, which is Italy's only primary zinc and lead smelter. Portovesme is an integrated metallurgical smelting complex with both primary and secondary smelting activities, including an electrolytic zinc plant, a solvent extraction plant, a lead smelter, Waelz kilns and a lead and precious metals refinery. The plant has a production capacity of approximately 140,000 tonnes per annum of zinc metal and approximately 80,000 tonnes per annum of lead metal.

San Juan de Nieva

The San Juan de Nieva smelter is 100 per cent. owned by the Group and is located in Asturias on the northern coast of Spain, adjacent to the port of Avilés. It is one of the largest and most efficient electrolytic zinc smelters in the world. The smelter produces special high grade zinc and a range of casting and galvanizing alloys as well as sulfuric acid, copper cements and lead/silver concentrates.

Nordenham

The 100 per cent. owned Nordenham electrolytic zinc smelter, designed in 1972 with a production capacity of 150,000 tonnes, is located on the north-west coast of Germany. The majority of the production is sold locally.

At Nordenham, the construction of the Group's proprietary hydrometallurgy technology demonstration plant was completed in early January 2011. The plant is an alternative route for processing bulk concentrate from McArthur River. This development enables the Group to substitute zinc/calcine feed from Spain with McArthur River bulk concentrate.

Northfleet

The Northfleet lead refinery is 100 per cent. owned by the Group and is located at Gravesend in the United Kingdom. It processes lead bullion from the Mount Isa operation to produce refined lead and lead alloys together with silver metal.

Zinc development projects

The Group also has a portfolio of zinc development projects in all regions in which the Group operates, but predominantly in Australia. Following the Acquisition, the Group continues to review its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Nickel

The table below shows the nickel commodity division's principal investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	**Location**	**Commodity**	**2013 production[(1)]**	**Group ownership interest**	**Remaining ownership interest**
Integrated Nickel Operations (Subdury, Raglan, Nikkelverk)	**Canada, Norway**	**Nickel metal** **Nickel in concentrates** **Copper metal** **Copper in concentrates** **Cobalt metal**	**47.1k t** **0.5k t** **16.7k t** **37.6k t** **0.7k t**	**100%**	**—**
Integrated Nickel Operations – total production including third party feed	Canada, Norway	Nickel metal Nickel in concentrates Copper metal Copper in concentrates Cobalt metal	91.0k t 0.7k t 37.5k t 46.3k t 3.4k t		
Australia (Murrin Murrin, XNA)	**Australia**	**Nickel metal** **Nickel in concentrates** **Copper in concentrates** **Cobalt metal** **Cobalt in concentrates**	**35.9k t** **4.1k t** **0.3k t** **2.6k t** **0.1k t**	**100%**	**—**
Australia – total production including third party feed	Australia	Nickel metal Nickel in concentrates Copper in concentrates Cobalt metal Cobalt in concentrates	41.3k t 4.1k t 0.3k t 2.7k t 0.1k t		
Falcondo	**Dominican Republic**	**Nickel in ferronickel**	**9.4k t**	**85.3%**	**10% Government of Dominican Republic; 4.1% Franco-Nevada Corporation; 0.6% Others**
Koniambo	**New Caledonia**	**Nickel in ferronickel**	**1.4k t**	**49%[(2)]**	**51% Société Minière du Sud Pacifique (SMSP)**
Total Nickel Department		**Nickel** **Copper** **Cobalt**	**98.4k t** **54.6k t** **3.4k t**		

Notes:

(1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis, except as stated.

(2) Economic interest is approximately 90 per cent.

Integrated Nickel Operations

Sudbury

The Group owns and operates the Sudbury mines and milling operations in Canada, including Nickel Rim South (commissioned in April 2010), the Fraser Mine Complex (restarted in 2010) and the Strathcona mill, which processes ores from the owned Sudbury mines and those from third party custom sources.

Sudbury Smelter

In Canada, the wholly-owned Sudbury smelter treats nickel concentrate from the Strathcona mill along with Raglan and Australian concentrates and custom feed from other sources. The Sudbury Smelter has the capacity to produce approximately 75,000 tonnes per annum of nickel in matte and 24,000 tonnes per annum of copper in matte. The matte produced is transported to the Nikkelverk refinery in Norway for further processing.

Raglan

The Group owns and operates the Raglan mine and milling operations in the far north region of Quebec, Canada.

In 2011, the Group approved a significant expansion to mining operations and infrastructure at Raglan to increase its nickel output capacity by up to 40 per cent., to 40,000 tonnes per annum. The total project cost has been reduced from the initial approved amount of U.S.$530 million to U.S.$420 million, through the indefinite deferral of the mill upgrade. The project entails the development of two high-grade ore zones, the upgrading of supporting infrastructure, including the operation's residential quarters, and an associated upgrade of Raglan's concentrator. Production is expected to commence from the new mining zones in 2014.

Nikkelverk

In Norway, the Group's operations center on the wholly-owned Nikkelverk refinery. The facilities process matte from the Sudbury Smelter and custom feed from third party smelters. The refinery has an annual capacity of approximately 92,000 tonnes of nickel, 39,000 tonnes of copper and 5,200 tonnes of cobalt. Debottlenecking of nickel production at the Nikkelverk operation was achieved through a series of process and productivity improvements which have enabled increased capacity in the leach and purification sections and in the tankhouse.

Australia

Murrin Murrin

The Group owns 100 per cent. of the Murrin Murrin operation which is one of Australia's largest nickel producers and one of the top 10 producers of nickel in the world. The plant has a current annual production capacity of 40,000 tonnes of nickel and 3,500 tonnes of cobalt.

XNA

In Australia, the Group owns and operates XNA, which consists of the Cosmos nickel mine in the Mt. Keith-Leinster region of Western Australia and the Sinclair nickel mine located 100 kilometers to the south. The Cosmos and Sinclair operations were placed on care and maintenance during 2013 due to adverse market conditions.

Falcondo

In the Dominican Republic, the Group owns 85.3 per cent. of Falcondo, which holds a mining concession and owns mining and mineral processing facilities for the production of ferronickel.

The Falcondo operation was placed on care and maintenance in October 2013 due to adverse market conditions. As a result, Falcondo produced 9,400 tonnes of ferronickel in 2013, a 38 per cent. decrease compared to 2012.

Koniambo

Construction of Line 1 and Line 2 metallurgical plants is complete, with Line 1 producing 1,400 tonnes of nickel in ferronickel during 2013 and both Line 1 and Line 2 now producing commercial grade ferronickel. Ramp-up to full production is targeted to complete in 2015. The initial mine life of 25 years with an annual production of 60,000 tonnes of nickel in ferronickel can be extended to more than 50 years of economic operation, with the potential for brownfield limonite and saprolite expansions concurrent to or beyond the current 25-year plan.

Nickel development projects

The Group also has a portfolio of nickel development projects in Ivory Coast, Brazil and Tanzania. Following the Acquisition, the Group continues to review its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Ferroalloys

The Group is one of the world's largest and among the world's lowest cost integrated ferrochrome producers, one of the largest producers of primary vanadium, a producer of platinum group metals and a producer of ferromanganese and siliconmanganese. The Group also owns carbon operations which supply key raw materials to its ferrochrome production operations.

The table below shows the ferroalloys commodity division's principal investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Merafe Pooling and Sharing Venture[(2)]	South Africa	Ferrochrome	1,238k t	79.5%	20.5% Merafe Resources Limited
Eland Platinum / Mototolo[(3)]	South Africa	Platinum Palladium Rhodium Gold 4E	90k oz 50k oz 15k oz 1k oz 156k oz	74% (Eland Platinum) 37% (Mototolo)	26% Ngazaba (Eland Platinum) 50% Anglo American Platinum Limited and 13% Kagiso Tiso Platinum (Mototolo)
Rhovan Pooling and Sharing Joint Venture[(4)].......		Vanadium Pentoxide	21.6 million lbs	74%	26% Bakwena-Ba-Mogopa
Glencore Manganese[(5)]........	Norway	Ferromanganese Siliconmanganese	99k t 92k t		

Notes:

(1) Controlled industrial assets and joint ventures only.

(2) The Group's 79.5 per cent. share of the Glencore-Merafe Chrome Venture.

(3) Consolidated 100 per cent. of Eland Platinum and 50 per cent. interest of Mototolo.

(4) Consolidated 100 per cent.

(5) Third party volumes.

Ferrochrome

Chrome mines

The Group has a Pooling and Sharing Venture (the "PSV") with Merafe Resources Limited ("Merafe") in South Africa. The Group's chrome operations consist of six operating chrome mines and 20 ferrochrome furnaces, all of which are managed through the PSV with Merafe. The assets are managed along with all of the other PSV assets by the joint board of the PSV. The Group's attributable interest in the PSV is 79.5 per cent. In line with the BEE requirements of the MPRDA, Merafe has the option to increase its participation interest in the PSV to 26 per cent., including through the disproportionate funding of future expansion projects.

The Merafe PSV approved the construction of a new 600,000 tonne per annum pelletizing and sintering plant at its Rustenburg operations. Construction of Project Tswelopele completed on time, in October 2012, within its capital budget of U.S.$114 million, and successful commissioning and ramp-up took place by the end of March 2013. The plant combines some of the additional UG2 from the Lonmin operations, significantly improving operational efficiencies and costs and delivering environmental improvements. The Lion II project is significantly advanced, with the installation of two additional ferrochrome furnaces at the PSV's existing Lion I smelter generating an additional production capacity of 360,000 tonnes of ferrochrome per annum. The project remains within schedule and on budget and it is expected that the smelter will be operational around mid-2014.

Ferrochrome smelters

The Group also owns and operates the following ferrochrome smelters in South Africa as part of the PSV arrangement: Lion I and II; Rustenburg; Wonderkop and Lydenburg.

PGM

Mototolo joint venture

The Mototolo platinum mine is a 50:50 joint venture between Anglo American Platinum Limited and XK Platinum Partnership (74 per cent. of which is held by the Group and 26 per cent. of which is held by the Kagiso Tiso Platinum Venture Pty Ltd), situated both within and adjacent to the Group's Thorncliffe Chrome Mine on the Eastern Limb of the Bushveld Complex. The Group manages the mining operations, while Anglo American Platinum Limited manages the concentrator operations. Mototolo produces approximately 200,000 (4E) troy ounces of platinum group metals in concentrate per annum, of which the Group's attributable share of production is 37 per cent.

Eland Platinum

Through its ownership of Eland, the Group owns a 74 per cent. interest in the Eland platinum mine and concentrator. The Eland platinum mine is currently in the process of sinking the western decline together with ore reserve development and is projected to produce approximately 200,000 (4E) troy ounces of platinum group metals in concentrate per annum at steady state production levels. The underground operations at the Eland platinum mine have commenced their ramp-up process, with ore reserve development and initial production having started on the initial mining levels, whilst full capacity of 2.5 million tonnes per annum is planned to be reached during 2018. The Eland platinum mine also holds further exploration rights in close proximity to the current operations, namely Zilkaatsnek and Schietfontein, as well as two additional exploration properties: the first property being contiguous to Elandsfontein (*Madibeng*), with the second property located near Anglo American Platinum Limited's Rustenburg Mine (*Beestkraal*). Both properties provide future platinum group metals project development potential.

Lonmin

The Group currently owns a 24.5 per cent. interest in Lonmin, which is listed on the LSE and JSE and is one of the world's largest primary producers of PGMs. Lonmin's operations are situated in the Bushveld Complex in South Africa, where nearly 80 per cent. of known global PGM resources are found. Lonmin's operations span mining, processing and marketing. Xstrata initially acquired a 24.9 per cent. interest in 2008 and maintained this through participating in Lonmin's rights issues and placings in 2009, 2010 and 2012.

Vanadium

Rhovan

The Group's vanadium operations consist of its Rhovan plant, which is an integrated mining and vanadium processing plant that produces vanadium pentoxide (V_2O_5) and ferrovanadium (FeV). In 2009, transaction agreements were concluded with the Bakwena-Ba-Mogopa traditional community giving them a 26 per cent. participation in the vanadium business through a PSV, similar to the Merafe PSV.

The Group is currently reducing its electricity usage across both the ferrochrome and vanadium operations due to power supply restrictions applied by South Africa's electricity utility Eskom. While the Group anticipates that power shortages will continue to limit ferrochrome supply in South Africa over the next two to three years until new generating capacity comes online, it believes it is relatively well positioned with its energy efficient and proprietary Premus smelter technology (which is a substantial modification of the highly efficient closed-furnace and pelletizing technology) and the flexibility afforded through its 20 furnace operations (excluding the two new furnaces under construction and Lion II) spanning five sites.

Ferro Manganese and Silicon Manganese Operations

The Group's manganese ferroalloy operations, located in Dunkirk, France and Mo I Rana, Norway, currently have the capacity to produce approximately 150,000 tonnes and 110,000 tonnes of manganese ferroalloys per annum, respectively.

Ferroalloys development projects

The Group also has a portfolio of ferroalloys and PGM development projects in South Africa. Following the Acquisition, the Group continues to review its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Aluminum/Alumina

The table below shows the aluminum/alumina commodity division's principal investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production	Group ownership interest	Remaining ownership interest
Sherwin Alumina...........	U.S.	Alumina	1,606k MT	100%	—

Sherwin Alumina

The Group owns 100 per cent. of an alumina refinery processing plant, Sherwin Alumina, which is located near Corpus Christi, Texas, in the U.S. The plant produces two main classes of products: smelter-grade alumina (production capacity of 1.4 million tonnes per annum) and hydrate chemical-grade alumina (production capacity of 0.2 million tonnes per annum). The Group provides or arranges all of the bauxite Sherwin Alumina requires for its refinery and processing operations. The Group also purchases and markets all of the alumina that Sherwin Alumina produces.

Century Aluminum

The Group has an interest in 46.6 per cent. (representing the Group's economic interest, comprising 41.8 per cent. voting interest and 4.8 per cent. non-voting interest.) of Century Aluminum, a company listed on the NASDAQ with aluminum smelting and refining operations in the U.S. and Iceland and interests in other production facilities in China and the Netherlands. Century Aluminum's primary aluminum assets include four wholly-owned smelters: Nordural in Iceland; Hawesville and Sebree in Kentucky, U.S.; and Ravenswood in West Virginia, U.S., which have production capacities of approximately 294,000 tonnes, 250,000 tonnes, 205,000 tonnes and 170,000 tonnes per annum, respectively. Century Aluminum also has a 49.67 per cent. ownership interest in the Mount Holly smelter in South Carolina, U.S., which has a production capacity of approximately 229,000 tonnes per annum. In total, Century Aluminum has an annualized production capacity of approximately 1,033,000 tonnes of primary aluminum per annum and produced approximately 777,000 tonnes of primary aluminum in 2013. The difference between annualized production capacity and 2013 production was due to the curtailment of the Ravenswood facility and the acquisition of the Sebree facility effective 1 June 2013. Century also has interests in two carbon anode production facilities, in China and the Netherlands, which supply carbon anodes to the Nordural smelter in Iceland. Century Aluminum is also working towards possible construction of a primary aluminum facility in Helguvik, Iceland, which is currently contemplated to have a rated capacity of up to 360,000 tonnes per annum.

The Group entered into two cash-settled total return swaps over 10.3 per cent. of Century Aluminum's common shares. The swaps provide the Group with additional economic exposure (over and above its 46.6 per cent. interest) to changes in Century Aluminum's share price.

UC Rusal

The Group owns 8.8 per cent. of UC Rusal, a vertically integrated upstream aluminum company listed on the HKSE, Euronext Paris and the Russian stock exchanges MICEX and RTS. In addition to its mining and refining operations, UC Rusal also holds a 27.8 per cent. stake in Norilsk Nickel, the world's largest producer of nickel and palladium and one of the largest producers of platinum and copper. The Group has agreed to purchase alumina and aluminum from UC Rusal under multi-year contracts for substantial tonnages.

Iron Ore

The table below shows the iron ore commodity division's principal investments in development assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production	Group ownership interest	Remaining ownership interest
Askaf..................	Mauritania	Iron ore	N/A[(1)]	79.3%[(2)]	10% Islamic Republic of Mauritania (plus 10.7% non-controlling shareholders in Sphere Minerals Limited)
El Aouj...............	Mauritania	Iron ore	N/A[(1)]	44.1%[(2)]	50% Société Nationale Industrielle et Minière de Mauritanie (plus 5.9% non-controlling shareholders in Sphere Minerals Limited)
Lebtheinia...........	Mauritania	Iron ore	N/A[(1)]	88.2%[(2)]	11.8% Non-controlling shareholders in Sphere Minerals Limited
Zanaga	Republic of Congo	Iron ore	N/A[(1)]	50% (plus one share)	50% (less one share) Zanaga Iron Ore Company

Notes:

(1) Development project.

(2) Represents the Group's ownership interest through its 88.16 per cent. ownership interest in Sphere Minerals Limited.

Iron ore development projects

Significant progress was made in 2013 on progressing studies, establishing access to key infrastructure requirements, such as rail, port and water links, and upgrading the ore resource for the Mauritania and the Republic of Congo projects. Following the Acquisition, the Group continues to review its projects and planned capital expenditure in light of all relevant factors, including market conditions and the Group's overall financial targets.

Askaf, El Aouj and Lebtheinia

In November 2010, the Group took control of Sphere, which has interests in three iron ore projects in Mauritania in West Africa. Following an equity raising in July 2011, the Group now owns 88.2 per cent. in Sphere.

The Group is currently finalizing a feasibility study and capital estimate for the Askaf project, prior to project approval and the beginning of construction on the project. The exploitation license for the project was granted in the third quarter of 2012, with project development expected by the third quarter of 2014.

The large-scale Guelb el Aouj ("El Aouj") project is a 50:50 joint venture with Société Nationale Industrielle et Minière, Mauritania's majority state-owned iron ore producer. A pre-feasibility study for a 15 million tonne per annum first-stage development is nearing completion.

The Lebtheinia resource, located 145 kilometers from the port of Nouadhibou, is in the concept study phase.

Zanaga

The Group has a 50 per cent. plus one share interest in Jumelles with respect to the Zanaga iron ore project in the Republic of Congo (Brazzaville). The Group began a feasibility study on an initial 14 million tonnes per annum development in the fourth quarter of 2013.

Marketing activities

Each commodity division in the Metals and Minerals business segment has a global presence, sources commodities from key producing regions and has relationships with consumers in the key consuming countries. The Metals and Minerals business segment is involved in the marketing and processing of zinc, copper, lead, bauxite, nickel, cobalt, alumina, primary aluminum, bulk ferroalloys (including ferrochrome and chrome ore, ferromanganese, silicon manganese, manganese ore and ferrosilicon), noble ferroalloys (vanadium and molybdenum products) and iron ore. The business segment also markets some gold, silver, tin and other by-products such as sulfuric acid.

The business segment benefits via supply from an extensive and geographically diverse portfolio of industrial assets. Supply agreements with third parties, combined with supply from industrial assets, enhance the Group's reputation as a reliable supplier, which is important for customers who are reliant on both timeliness and quality of supply for the continuation of their operations.

Across the Metals and Minerals business segment, there is a diversified and geographically dispersed customer base. For the copper and zinc commodity divisions, this includes galvanizers, alloy producers, steel and brass mills, rod and wire producers and other fabricators. The customer base for the aluminum/alumina commodity division includes many of the world's major alumina consumers and aluminum consuming industrial groups in the construction, packaging, transport and electronics industries. For the nickel, ferroalloys and iron ore commodity divisions, large multinational European, American and Asian businesses across the transportation and carbon, stainless steel and other special steel industries make up a large part of the customer base. The main end uses for cobalt are currently rechargeable batteries and super-alloys. The concentrate markets for the commodities marketed by the Metals and Minerals business segment has fewer customers (smelters) than the refined metals market. Diversification is larger for customers than for suppliers, reflecting a greater number of end users for metals and concentrates relative to the number of mines, smelters and refineries which produce them.

Contracts for the commodities marketed by the Metals and Minerals business segment are both spot and long-term, with prices negotiated based on prevailing market prices. Long-term contracts are usually one to three years in duration, with pricing terms either linked to industry publication or LME prices or negotiated on a periodic basis having regard to prevailing market conditions.

The physical metal trades are generally based on an exchange price plus or minus a premium or discount. A highly liquid paper futures market exists for zinc, copper, lead and nickel metals, which are traded on the LME (zinc, copper, lead and nickel), the SHFE (copper and zinc) and the COMEX (copper). Silver and gold are traded on the LBMA and the COMEX. These exchanges allow the Group's underlying commodity price exposures on physical transactions to be hedged, whether the price is based on an exchange price or a fixed price. If desired, and subject to Group risk limits and policies, they also allow the Group to gain exposure to price risk and spread positions through the use of long and short paper transactions, and to take advantage of arbitrage opportunities. Concentrates are non-fungible products and, consequently, are not directly tradable on an exchange. The Group hedges physical concentrate positions using future contracts for the estimated payable metal contained in the concentrate.

Alumina can only be stored for limited time periods in optimum conditions in order to maintain levels of quality. There is no derivatives exchange for alumina, which restricts the ability to hedge. As such, the Group is unable to adjust its position through a deliverable paper market and the great majority of near-term alumina forward purchase and sale contracts are physically matched. Short-term contracts are mostly based on a fixed price and long-term contracts are priced using an alumina index pricing system, which has generally replaced the prior system of pricing as a percentage of LME aluminum prices. Where possible and desired, the Group hedges its exposure by contracting on a back-to-back basis or, in respect of existing contracts that are priced by reference to the LME aluminum prices, taking hedges against LME aluminum prices.

Primary aluminum is mainly traded on the LME, allowing paper and physical marketing contracts to be entered into with reference to a market price. Aluminum is also traded on the SHFE. This allows positions to be hedged and marked to market, as well as providing a purchaser of last resort. The LME provides information on forward curves, as well as a standardized contract that determines purity levels, delivery dates, weights and forms of the metal. Almost all of the Group's physical aluminum transactions are priced based on the LME price plus/minus a premium/discount. These are usually hedged when originated or priced. The existence of the LME allows the Group to enter into immediate and effective price risk hedges against its positions in physical aluminum. The existence and use of LME approved warehouses allow marketers to manage supply and store the metal while they lock in future prices on the LME. If desired, and subject to Group risk limits and policies, it also allows the Group to gain exposure to price risk and spread positions through the use of long and short paper transactions.

Marketing operations for cobalt, ferroalloys and iron ore principally involve marketing these commodities through physical, as opposed to paper, transactions. Whilst the LME launched trading platforms for cobalt and molybdenum in February 2010, volumes are currently low, and these exchanges are therefore still relatively illiquid and, as a result, there is limited possibility of achieving effective paper hedging through a metals exchange. However, the Group has developed and offers financial products, such as cash-settled swaps, for cobalt and molybdenum as a means of managing the risk in respect of its physical exposures in these commodities.

In 2008, the LME and Singapore Exchange Ltd. each launched an exchange for iron ore. Volumes traded on these exchanges are currently relatively low but rapidly increasing and, as such, these exchanges are still relatively illiquid, but are increasingly sufficiently useful for Group risk management purposes.

The marketing teams for the different commodities in the Metals and Minerals business segment are supported by corresponding traffic teams which are responsible for executing transactions following the negotiation of the key contractual terms and for managing metals along the supply chain through inventory, financing and transportation from source to end customers. The traffic teams are also responsible for producing information to enable the marketers to make informed transactions.

Although important, the freight component of final price is not as critical for metals as for bulk dry cargoes (e.g. coal, grains and iron ore) and oil. Freight relating to the commodities marketed is generally chartered through third party freight brokers on competitive terms, taking into account the Group's scale of activities, both on the spot market and through the longer-term contracts of affreightment.

The Group's competitors for copper, zinc and lead marketing include Trafigura and certain large financial institutions, which trade zinc, copper and lead as part of their core businesses but do not have significant production assets. The Group's competitors for alumina and aluminum marketing transact significant volumes of their own production. Production utilized by the aluminum smelters and downstream facilities of integrated companies such as Rio Tinto plc, Alcoa Inc. and Norsk Hydro ASA are significant. The majority of the Group's competitors for bulk products, ferroalloys, nickel and cobalt marketing compete primarily in upstream production, although some also have significant end product capabilities.

As announced on 16 April 2013, as part of the Acquisition Remedy Commitments the Group has committed to continue to supply Chinese customers with a minimum volume of copper concentrate annually under long-term contracts. In addition, the Group has committed for the same period to continue to offer to supply Chinese customers with zinc concentrate and lead concentrate through long-term contracts and spot contracts.

Energy Products

The Group's Energy Products business segment produces and markets coal, coke, crude oil and oil products (such as fuel oil, heating oil, gasoline, naphtha, jet fuel, diesel and liquefied petroleum gas).

The activities of the Group's Energy Products business segment include extensive ownership interests in controlled and non-controlled coal mining and oil production operations as well as investments in strategic handling, storage and freight equipment and facilities. The Group's energy products are marketed primarily through the Group's offices in London, Baar, Stamford and Singapore, with key support from a number of other locations, including Beijing, Moscow and Jakarta, in order to take advantage of geographical opportunities. The global teams operate in an integrated manner.

Coal

Industrial activities

The table below shows the coal commodity division's principal investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Australia coking coal					
Tahmoor complex ..	Australia	Coking coal		100%	—
Oaky Creek............	Australia	Coking coal		55%	25% Sumitomo 20% Itochu
Newlands...............	Australia	Coking coal		55%	35% Itochu 10% Sumitomo
Collinsville	Australia	Coking coal		55%	35% Itochu 10% Sumitomo

Operation	Location	Commodity	2013 production[1]	Group ownership interest	Remaining ownership interest
Total Australia coking coal		Coking coal	7.3 million t		
Australia thermal coal and semi-soft coking coal					
Bulga complex	Australia	Thermal coal & semi-soft coking coal		68.3%	13.3% JX Nippon Oil 4.4% Toyota 1.6% JFE Shoji 12.5% Nippon Steel Corporation
Baal Bone	Australia	Thermal coal	N/A[2]	74.1%	5% Sumitomo 14.4% JX Nippon Oil 4.8% Toyota 1.7% JFE Shoji
Macquarie Coal Joint Venture	Australia	Thermal coal & semi-soft coking coal		80%	17% Marubeni 3% JFE Minerals
Liddell	Australia	Thermal coal		67.5%	32.5% Mitsui Matsushima
Mount Owen complex	Australia	Thermal coal & semi-soft coking coal		100%	—
Ulan[3]	Australia	Thermal coal		90%	10% Mitsubishi
Ravensworth Operations	Australia	Thermal coal		100%	—
Ravensworth UG....	Australia	Semi-soft coking coal		70%	20% Marubeni 10% Posco
Ravensworth North[4]....................	Australia	Thermal & semi-soft coking coal		90.0%	10% Itochu
Mangoola................	Australia	Thermal coal		100%	—
Newlands................	Australia	Thermal coal		55%	35% Itochu 10% Sumitomo
Collinsville	Australia	Thermal coal		55%	35% Itochu 10% Sumitomo
Rolleston[5].............	Australia	Thermal coal		75%	12.5% Itochu 12.5% Sumitomo
Total Australia thermal coal and semi-soft coking coal	—	Thermal coal (Export) Thermal coal (Domestic) Semi-soft coking coal	48.1 million t 5.1 million t 4.5 million t		
South Africa thermal coal					
Shanduka Coal	South Africa	Coal		49.9%	50.1% Shanduka Resources (Pty) Limited
Umcebo	South Africa	Coal		45.7%[6]	56.3% privately held
Optimum Coal	South Africa	Coal		67.6%	32.4% privately held
Tweefontein complex	South Africa	Thermal coal		79.8%	20.2% African Rainbow Minerals
iMpunzi complex ...	South Africa	Thermal coal		79.8%	20.2% African Rainbow Minerals

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Goedgevonden........	South Africa	Thermal coal		74%	26% African Rainbow Minerals
Total South Africa thermal coal...........		Thermal coal (Export)	20.6 million t		
		Thermal coal (Domestic)	22.9 million t		
Prodeco (Colombia) thermal coal					
Prodeco..................	Colombia	Coal	18.6 million t	100%	—
Cerrejón (Colombia) thermal coal					
Cerrejón.................	Colombia	Thermal coal	11.0 million t[(7)]	33.3%	33.3% BHP Billiton 33.3% Anglo American
Total coal		Coal	138.1 million t		

Notes:

(1) Controlled industrial assets and joint ventures only, except as stated. Production is on a 100 per cent. basis, except for joint ventures, where the Group's attributable share of production is included.

(2) The Baal Bone mine has ceased production and is now a training mine.

(3) Includes Ulan West, which is currently in project execution.

(4) Ravensworth North is currently in project execution.

(5) Rolleston expansion phase one completed during 2013.

(6) Although the Group holds less than 50 per cent. of the voting rights, it has the ability to exercise control over Umcebo as a result of shareholder agreements.

(7) The Group's pro rata share of Cerrejón production (33.3 per cent.).

Australia coking coal

The Group's coking coal operations are located in Australia. The Tahmoor complex in New South Wales is 100 per cent. owned by the Group. The other mines are located in Queensland: Oaky Creek; Newlands; and Collinsville. The Group manages the Oaky Creek project, comprising the Oaky Creek No. 1 and Oaky Creek North underground mine. Oaky Creek is 55 per cent. owned by the Group, the other shareholders being Sumitomo (25 per cent.) and Itochu (20 per cent.). The Group also manages the Newlands-Collinsville-Abbot Point joint venture with Itochu (35 per cent.) and Sumitomo (10 per cent.), which produces coking coal as well as thermal coal.

Australia thermal coal and semi-soft coking coal

New South Wales operations

The Group owns interests in 14 operating thermal coal mines and a number of development projects, most of which are located in or close to the Hunter Valley of New South Wales. Of these 14 mines, 13 are predominantly export mines, while the other mine primarily services domestic power generators. Expansions currently underway at a number of these mines will increase managed production beyond 60 million tonnes per annum. The Group has an attributable interest of 14 per cent. in the operator of the Port Waratah Coal Terminal, located at the port of Newcastle in New South Wales, and a consolidated interest of 33 per cent. in the Port Kembla Coal Terminal, located at the port of Wollongong in New South Wales.

Two major brownfield expansion projects are currently underway at Ravensworth North and Ulan West. When complete, these projects are expected to increase annual production by 8 million tonnes each. Both projects are on time and on budget and are expected to be completed during 2014.

The Group's principal operating thermal coal mines in New South Wales are:

- the Bulga complex comprising the Bulga open cut mine and the Blakefield South underground mine;
- the Baal Bone mine, which has ceased production and has been converted into a training mine;
- the Macquarie coal joint venture comprising the West Wallsend underground mine and the recently closed (in 2012) Westside mine;
- the Liddell open cut mine;
- the Mount Owen complex, comprising the North and West pits and the Glendell mine;
- the Ulan underground mine and the brownfield expansion project Ulan West;
- the Ulan open cut mine;
- the Ravensworth North operations, comprising Ravensworth operations and the brownfield expansion project Ravensworth North open cut mine;
- the Ravensworth underground mine; and
- the Mangoola open cut mine.

Queensland operations

The Group manages the Oaky Creek, Newlands-Collinsville-Abbot Point and Rolleston joint ventures and the Wandoan coal project. All of the operating thermal coal mines and projects of material value are located in the Bowen Basin in Queensland with the exception of the Wandoan coal project, which is located in the Surat Basin. The Group operates through the Abbot Point, Dalrymple Bay and Gladstone ports in Queensland. The Group has a 30 per cent. shareholding in the Wiggins Island Coal Export Terminal which is currently being constructed near Gladstone.

The Group's principal operating thermal coal mines in Queensland are:

- Newlands, being both an open cut and underground mine;
- the Collinsville open cut mine; and
- the Rolleston open cut mine.

At Rolleston in Queensland's Bowen basin, phase one of the expansion project to increase annual production from 9 million tonnes to 12 million tonnes has been completed in 2013 on time and on budget.

On 25 October 2013, the Group and Sumitomo agreed to acquire Rio Tinto's 50.1 per cent. interest in the Clermont thermal coal mine in central Queensland. Clermont is a large scale open cut mine and its current saleable production is 12 million metric tonnes per annum. Upon completion each of the Group and Sumitomo will hold a 25.05 per cent. effective economic interest in the mine and the Group will assume operational management and marketing for the joint venture. The acquisition is subject to customary closing conditions, including regulatory approvals, and completion is expected to occur during the first half of 2014.

South African thermal coal

The South African thermal coal business comprises Shanduka Coal, Umcebo and Optimum Coal, as well as the Tweefontein and iMpunzi complexes and the Goedgevonden mine.

Shanduka Coal

The Group owns 49.9 per cent. of Shanduka Coal. Shanduka Coal owns 100 per cent. of the Graspan Townlands Complex, located near Middelburg, South Africa, as well as the Springlake Colliery located near Newcastle, South Africa. These operating mines have an aggregate annual production capacity of 7 million tonnes of saleable coal. Shanduka Coal also owns 100 per cent. of the Leeuwfontein and Lakeside Collieries located near Kendal, South Africa, which are under care and maintenance pending further exploration, and the Bankfontein Colliery, the reserves of which have been exhausted and which is being prepared for closure.

Shanduka Coal produces both higher quality thermal and anthracite coal suitable for the export market and lower quality thermal coal sold largely to Eskom, the South African parastatal electric utility entity. The Group acts as marketing agent for Shanduka Coal's third party domestic coal sales, including its sales of lower quality coal to Eskom.

Umcebo

The Group owns a 45.7 per cent. stake in Umcebo. Umcebo has two thermal coal mines in operation (Middelkraal and Kleinfontein) and a stand-alone wash plant, with an aggregate annual production capacity of approximately 7 million tonnes of saleable coal. Furthermore, the Wonderfontein mine started production in December 2012, with an annual saleable coal production capacity of 2.7 million tonnes at a steady state. The construction of the opencast mine at Wonderfontein is progressing well. In 2013, Umcebo acquired a 47.5 per cent. stake in the Wildfontein coal mine, which produces 1.5 million tonnes of saleable coal per annum.

Although the Group holds less than 50 per cent. of the voting rights in Umcebo, it has the ability to exercise control over Umcebo as a result of the shareholder agreements which gives the Group management control.

Optimum Coal

The Group has a 67.6 per cent. effective interest in Optimum Coal Holdings Limited ("Optimum Coal"). Optimum Coal consists of two separate operations; the first is the Optimum complex, which consists of four thermal coal mines, Kwagga North (open cast), Pullenshope (open cast and underground), Eikeboom (open cast) and Boschmanspoort (underground) and the second is Koornfontein (underground).

Optimum Coal exports approximately 8 million tonnes per annum of thermal coal through Richards Bay Coal Terminal and also supplies approximately 6 million tonnes to Eskom. The Pullenshope underground brownfield project has been completed on budget and on schedule, with first coal achieved in the first quarter of 2013. The license for the Koornfontein expansion project was obtained in the second quarter of 2013 and construction has started.

- Xstrata Coal

The Group has a 79.8 per cent. effective interest in the Participating Coal Business ("PCB") of Xstrata Coal and a 74 per cent. effective interest in the Goedgevonden complex. ARM Ltd. effectively holds the balance of the interest in the PCB and the Goedgevonden complex. The chairman of ARM Ltd. is Patrice Motsepe, a prominent South African businessman, who is the local BEE partner. The PCB has two significant producing complexes, Tweefontein and iMpunzi, while the Goedgevonden complex is operated in a separate joint venture structure.

- Tweefontein complex

The Tweefontein complex consists of seven thermal coal mines (opencast and underground) and four coal-handling preparation plants at Boschmans, South Witbank, Tavistock and Witcons, which are managed by the Group. Production and planning across these mines are coordinated to maximize exports of approximately 5 million tonnes per annum while also supplying approximately 3 million tonnes per annum of coal for domestic use. These operations have demonstrated significant productivity improvements at a number of mines over the last three years through introducing high capacity modern mining equipment and technology, improving mine operating procedures and training employees. The Tweefontein Optimisation Project is currently being executed, and, on completion, the complex will have transitioned to largely high capacity, lower cost, open cut operations. The Tweefontein Optimisation Project expansion, which will increase production for the combined complex to over 10 million tonnes per annum, will become operational in 2014, with completion on track for 2015.

- iMpunzi complex

The iMpunzi complex consists of the iMpunzi North and East opencast thermal coal mines, a newly expanded coal handling and preparation plant at the ATCOM mines, and the iMpunzi mini pit opencast and dump reclamation operations feeding to the ATC coal handling and preparation plant, which produced a combined 6.3 million tonnes per annum, with over 85 per cent. destined for the export market.

- Goedgevonden

This complex consists of the Goedgevonden mine and associated coal reserve blocks. The complex is a greenfield development which was commissioned in 2009 and is now in steady state production with capacity to produce 7.5 million tonnes per annum, with approximately 50 per cent. destined for export markets and 50 per cent. destined for the domestic Eskom market. Phase I of the Goedgevonden expansion project will commence in 2014 and is expected to be completed in 2015. Pre-feasibility studies on a Phase II expansion project for Goedgevonden commenced in 2012, with completion of these studies expected in late 2014.

The Zonnebloem project is in the pre-feasibility phase with feasibility studies expected to complete in 2014.

Exports

The Group controls a 31.7 per cent. interest in the Richards Bay Coal Terminal, which has an annual throughput capacity of 91 million tonnes. The interest in the Richards Bay Coal Terminal provides the Group with the right to use this export coal loading facility.

Prodeco (Colombia) thermal coal

Prodeco

The Group owns 100 per cent. of Prodeco, which comprises the Group's wholly-owned Colombian export thermal and metallurgical coal mining operations and associated infrastructure. It is involved in the exploration, production, transportation and shipment of high-grade thermal coal from its mines to markets, principally in Europe. Prodeco consists of two open pit coal mining operations (the Calenturitas mine and the La Jagua complex), export port facilities (Puerto Nuevo, which has recently been commissioned, and Puerto Prodeco, which will be decommissioned now that Puerto Nuevo is operational) and a 39.76 per cent. share in Fenoco, a company which holds the concession to the railway linking Prodeco's mines to the export ports.

Prodeco has a relatively low-cost structure as it operates open cut mines and benefits from a superior quality coal which requires no washing. Prodeco is currently the third largest producer of export thermal coal in Colombia, behind Cerrejón and Drummond Company, Inc. Prodeco is going through a period of significant expansion, with coal production planned to increase from 14.8 million tonnes per annum in 2012 to an annualized production of approximately 21 million tonnes. Prodeco has operational advantages in owning all its key operational infrastructure, including a railway (through its part ownership of the rail infrastructure concession and full ownership of rolling stock) and all mining equipment and facilities at its mine sites.

Prodeco has recently commissioned a new direct loading port (Puerto Nuevo), which provides Prodeco with higher annual throughput capacity of 21 million tonnes per annum and a lower cost of operation compared with its previous port (Puerto Prodeco). The project was completed on schedule and to budget, and loading commenced in April 2013.

Cerrejón (Colombia) thermal coal

Cerrejón

The Cerrejón mining operation is a privately owned, independently managed joint venture, in which each of BHP Billiton, Anglo American and the Group has a one-third indirect interest.

Cerrejón is one of the largest open pit coal mining operations in the world. The business is involved in the exploration, production, transportation and shipment of high-grade thermal coal, mined at Cerrejón's deposits, to markets principally in Europe and the Americas. Coal produced at Cerrejón benefits from relatively low ash content (approximately 8.2 per cent.), a low sulfur dioxide emissions profile and high calorific value, making it ideal for power generation.

Located in north-eastern Colombia adjacent to the Venezuelan border, Cerrejón is well-positioned to supply the import markets of Europe and the Eastern and Gulf Coasts of the United States.

Total production in 2013 was 33 million tonnes of thermal coal. The U.S.$1.3 billion P40 expansion project is underway and expected to increase output to 41 million tonnes of thermal coal per annum. Construction is expected to be completed during 2014.

Coal development projects

The Group also has a portfolio of coal development projects in Australia, South Africa and the Americas. Following the Acquisition, the Group has reviewed its projects and planned capital expenditure and will continue to do so in light of all relevant factors, including market conditions and the Group's overall financial targets.

Marketing activities

The coal commodity division is involved in the production and marketing of coal and coking coal products. The marketing activities are supported by the Group's large industrial asset portfolio, which provide both access to both supply and market information. The Group markets thermal coal and coking coal either on a principal basis, where it takes ownership of the thermal coal and coking coal, or on an agency/advisory basis, pursuant to a marketing agreement.

The main sources of the Group's principal thermal coal purchases are the coal mining companies in South Africa, Russia, Australia, Colombia, the U.S. and Indonesia, accounting for most of the strategically important producing regions. The Group's diversified supply base allows it to better manage the changing and dynamic nature of thermal coal and coking coal demand and supply.

The Group supplies thermal coal and coking coal to a diverse geographic and industrial customer base, including major utilities in Spain, France, Italy, the United Kingdom, Hong Kong, China, Japan, Taiwan and South Korea. The Group also sells thermal coal and coking coal to major cement producers, steel mills, chemical plants and other industrial users throughout the world.

Whilst traditionally thermal coal and coking coal has been sold on a physical bilateral basis, without a supporting commodity exchange, in recent years, a sizeable thermal coal and coking coal paper derivatives market has developed, providing a spot and forward market for certain standard thermal coal and coking coal specifications. The Group is able to transact in these markets in order to manage risks in relation to its physical supply of themal coal and coking coal products.

The Group's thermal coal and coking coal operations employ a specialist freight team located in Baar and Singapore. This team uses its considerable immersion in the seaborne bulk freight market to source competitive freight from third party owners and carriers.

The timing of procuring freight for thermal coal and coking coal operations is dictated primarily by physical thermal coal and coking coal sales activities, but also by global freight market dynamics at a point in time and/or forward expectations. Furthermore, geographic and time spreads are taken in order to allow the thermal coal and coking coal team to fully arbitrage relative value opportunities between the various origins and destinations of the underlying commodity. Maximum flexibility and optionality are thus sought to be maintained at all times. The operation manages freight from a combination of voyage and time charter-based contracts, spot market bookings and derivative contracts which are primarily used to hedge physical freight exposure inherent in the overall position. Freight services are also supplied to third parties and are often sourced via joint venture agreements to enhance volume and gain timely market information in relation to industry trade patterns and rate developments.

The Group's competitors are either producers which largely market their own product and have less geographic market depth and visibility, for example BHP Billiton or Anglo American, or companies that have relatively little production capacity and focus mainly on less integrated trading and/or consumer activities, for example Noble Group or power/utility companies.

Oil

Industrial activities

The table below shows the oil commodity division's principal investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production	Group ownership interest	Remaining ownership interest
Gross Basis					
Equatorial Guinea					
Block I	Equatorial Guinea	Oil, condensate and gas	N/A	23.75%	38% Noble Energy Inc.; 27.55% Atlas Petroleum International Ltd. 5% GEPetrol; 5.7% Osborne Resources Limited
Block O	Equatorial Guinea	Oil, condensate and gas	N/A	25%	45% Noble Energy Inc.; 30% GE Petrol
Total			21,917k bbls		
Chad					
Chad Joint Venture	Chad	Oil, condensate and gas	619k bbls	33.33%	66.67% Caracal Energy Inc.
Total oil department			22,536k bbls		
Group Entitlement Basis					
Equatorial Guinea					
Block I	Equatorial Guinea	Oil, condensate and gas	N/A	23.75%	38% Noble Energy Inc.; 27.55% Atlas Petroleum International Ltd. 5% GEPetrol; 5.7% Osborne Resources Limited
Block O	Equatorial Guinea	Oil, condensate and gas	N/A	25%	45% Noble Energy Inc.; 30% GE Petrol
Total			4,799k bbls		
Chad					
Chad Joint Venture	Chad	Oil, condensate and gas	186k bbls	33.33%	66.67% Caracal Energy Inc.
Total oil department			4,985k bbls		

Africa exploration and production

Equatorial Guinea (Block I and Block O)

The Group has, among other things, equity stakes in two oil and gas production sharing contracts in offshore Equatorial Guinea, West Africa (Block I and Block O (the "Blocks")). Significant oil and gas reserves have been discovered in these Blocks following the initial discovery made in Block O in 2005. First oil production was achieved from the Block I Aseng field on 6 November 2011, ahead of the planned start-up in the first quarter of 2012. During 2012, the Aseng field produced 22.57 million bbls of cumulative gross production. A single day gross production record of 70,000 bbls per day was reached during the second quarter of 2012.

The Block O Alen gas condensate field, which lies adjacent to the Aseng field on Block I, commenced production at the end of the second quarter 2013, under the sanctioned budget cost of U.S.$1,370 million (gross development cost) and less than two and a half years from time of approval.

In addition to the two development projects, a continued exploration and drilling program has revealed at least six other discoveries in the Blocks (Carla North, Carmen, Diega (A-sand), Diega (B-sand), Felicita and Yolanda), which are awaiting appraisal and development, and several similar prospects that remain to be drilled.

Block I is operated by Noble Energy EG Ltd. ("Noble Energy"), which is part of the Noble Energy group of companies, a U.S.-based independent energy company, based in Houston and listed on the New York Stock Exchange. The Group has a 23.75 per cent. equity stake in Block I. The remaining equity interests are held by Noble Energy (38 per cent.), Atlas (27.55 per cent.), Osborne Resources Limited (5.7 per cent.) and the National Oil Company of the Republic of Equatorial Guinea (the Compañía Nacional De Petróleos de Guinea Ecuatorial or "GEPetrol") (5 per cent.). The Block I license area holds 100 per cent. of the Aseng field and 5 per cent. of the Alen gas condensate field, as well as an estimated 40 per cent. of the Diega B discovery and 100 per cent. of the Yolanda and Diega A discoveries.

Block O is also operated by Noble Energy. The Group has a 25 per cent. equity stake in Block O, with the remaining equity being held by Noble Energy (45 per cent.) and GEPetrol (30 per cent.). The Block O license area holds 95 per cent. of the Alen gas condensate field, as well as an estimated 60 per cent. of the Diega B discovery and 100 per cent. of the Carla North, Felicita and Carmen discoveries.

The Blocks form a key part of the Group's oil exploration and production portfolio which also includes operated and non-operated interests in three deepwater licenses offshore Equatorial Guinea which will be the focus for future exploration and drilling campaigns.

Cameroon

The Group has equity stakes in three blocks in Cameroon. The Group's first operated exploration well on the Oak project in the Bolongo block, offshore Cameroon, was successfully drilled and declared an oil discovery in July 2012. The first exploration/appraisal well in the Matanda block has been drilled and has confirmed the existence of a new gas condensate reservoir, as predicted.

Chad

In June 2013, the Group completed the previously announced Farm-in Agreement (the "FIA") with Caracal Energy Inc. ("Caracal", previously Griffiths Energy). On 14 April 2014, the Company announced an agreement to acquire Caracal for an all cash consideration of £5.50 per common share. The transaction is subject to the approval of Caracal shareholders at a special meeting expected to be held in early June 2014, with closing expected to occur as soon as possible thereafter. The transaction is also subject to regulatory approvals and satisfaction of other customary closing conditions.

Under the terms of the FIA, the Group acquired a 33.33 per cent. working interest in each of Caracal's three production sharing contracts in the Republic of Chad (the "PSCs"). In addition, the Group also acquired a 25 per cent. working interest in the Badila and Mangara oil field Exclusive Exploitation Authorizations (the "EXAs") with Caracal retaining a 50 per cent. working interest. Under the terms of a separate agreement between the Group and Société des Hydrocarbures du Tchad ("SHT"), the Group acquired a further 10 per cent. working interest in the EXAs, with SHT retaining the remaining 15 per cent.

The three PSCs cover an area of 26,103 square kilometers in southern Chad. The Badila oil field covers an area of approximately 29 square kilometers and is located approximately 16 kilometers from an oil export pipeline. The Mangara oil field covers an area of approximately 71 square kilometers and is located approximately 111 kilometers from the same oil export pipeline. On 30 September 2013, first oil production commenced from the Badila field.

Other oil

OAO RussNeft

The Group has invested in the Russian upstream market with its partner OAO RussNeft, taking ownership interests in a diversified portfolio of oil producing assets. OAO RussNeft owns and operates a number of oil licenses stretching from the Volga river in the west to the Siberian plains in the east. The Group has acquired between 40 and 49 per cent. of the equity in a number of oil production subsidiaries of OAO RussNeft. OAO RussNeft is owned as to 49 per cent. by a number of associated companies of Mikhail Gutseriev, 25 per cent. by companies controlled by Mikail Shishkhanov, 24 per cent. by companies controlled by Felix Dlin and 2 per cent. held by Sberbank of Russia, through its subsidiary.

The current aggregate production capacities of 100 per cent. of OAO RussNeft's operating subsidiaries comprise approximately 175,000 bbls per day, equivalent to 8.8 million tonnes per annum.

The Group also has a renewable one-year off-take agreement, pursuant to which it is entitled to 100 per cent. of the crude oil and oil products produced by these assets destined for export markets.

The Group has made financing available to OAO Russneft for operating purposes. Following repayments of over U.S.$1.2 billion in 2013, OAO Russneft had an outstanding loan owing to Interseal Limited, a wholly-owned subsidiary of the Group, of approximately U.S.$984 million as at 31 December 2013. The Group has agreed to convert a minimum of U.S.$900 million of the outstanding loan balance to equity in OAO Russneft during 2014, subject to the finalization of due diligence and valuation. Further details are provided in the 2013 Group Audited Financial Statements.

Marketing activities

The oil commodity division comprises marketing operations in crude oil, refined products and freight, supported by access to a wide range of logistics, storage and industrial assets investments. Crude oil represents the most significant product supplied by physical volume. Oil products primarily include mid-distillates, gasoline, residuals, naphtha and liquid petroleum gas.

The Group sources crude oil and oil products from a variety of supplier types. Its diverse supplier base includes the major integrated oil companies, National Oil Companies ("NOCs"), independent oil companies, other marketing companies and refineries. By way of an example, the Group has agreed to purchase up to 46.9 million tonnes of crude oil and oil products from Rosneft pursuant to long-term supply contracts.

There is a high degree of overlap between the crude oil and oil products customer and supplier base, particularly in respect of the major integrated oil companies.

The Group's significant customers are the major integrated oil companies such as Shell, BP and ExxonMobil, as well as NOCs such as Indian Oil Corporation Ltd, Nigerian National Petroleum Company and Petroleos Mexicanos. In addition to the major integrated oil companies and NOCs, crude oil and oil products are sold to a diverse customer base, including utilities and oil refineries. While the percentage of term contracts is relatively small, this is largely consistent with the structure of the oil market, and spot contracts are primarily with customers with whom relationships have been established and developed over a long time and are therefore considered similar in nature to term contracts due to their expected renewal.

The marketing operations principally involve physical sourcing, storage, blending and distribution of oil. Paper transactions are also entered into for the purposes of hedging and/or taking or increasing exposures, within Group limits and policies, where a physically backed position exists. The availability of liquid electronic trading markets, covering the majority of the products marketed by the crude oil and oil products operations, enables marketers to hedge their physical oil activities, as well as provide profit enhancing opportunities in relation to physical marketing strategies.

The Group's crude oil and oil products operations source their freight requirements through arrangements with the Group's internal oil freight desk, as well as from external spot vessel hires.

The Group's main competitors are Vitol and Trafigura Group, companies with infrastructure assets, but little, if any, upstream production. The Group also faces marketing competition, although decreasingly so, from banks which have some infrastructure and no current oil production, although the large majority of their business activities involve derivatives with limited physical sourcing and distribution of oil. Volumes captured by oil majors such as BP and Shell are also in direct competition with the Group's marketing volumes, although their participation in the market increases overall volume and liquidity.

The Group's logistical operations include Chemoil, a leading supplier of marine fuels. Chemoil's primary business is the marketing and supply of bunker fuel and fuel oil and it operates in major shipping ports around the globe and owns or leases key storage terminals.

Agricultural Products

The Agricultural Products business segment focuses on the following commodities: grains, oils/oilseeds, cotton and sugar. The activities of the Group's Agricultural Products business segment are supported by investments in controlled and non-controlled storage, handling, processing and port facilities in strategic locations.

Industrial activities

The table below shows the Agricultural Products business segment's investments in industrial assets, with production data as of 31 December 2013, unless indicated otherwise:

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Farming........................	CIS, Australia and Paraguay	Farming activities on owned and leased land	883k t	50-100%	Any minority ownership is privately held
Oilseed crushing					
Viterra operations...	Canada and China	Oilseed crushing		49-100%	—
Moreno	Argentina	Sunseed/soybean crushing		100%	—
Timbues.................	Argentina	Soybean crushing		33.33%[(2)]	33.33% Vicentin; 33.33% Molinos
Usti Oilseed Group.	Czech Republic	Oilseed crushing		100%	—
ZakladyTluszczowe w Bodaczowie	Poland	Oilseed crushing		100%	—
Fokto......................	Hungary	Oilseed crushing		100%	—
Ponta Pora	Brazil	Oilseed crushing		100%	—
Lubmin	Germany	Rapeseed crushing		100%	—
Total Oilseed crushing		Oilseed crushing	3,642k t		

Operation	Location	Commodity	2013 production[(1)]	Group ownership interest	Remaining ownership interest
Oil seed crushing long-term toll agreement		Long-term toll agreement	541k t[(3)]		
Biodiesel					
Glencore Biofuels AG	Germany and the Netherlands	Biodiesel production		100%	—
Renova	Argentina	Biodiesel production		33.33%	33.33% Vicentin; 33.33% Molinos
Advanced Organic Materials	Argentina	Biodiesel production		50%	50% privately held
Total Biodiesel		Biodiesel production	624k t		
Rice milling					
Mills	Argentina and Uruguay	Rice milling		100%	—
Paso Dragon	Uruguay	Rice parboiled plant		37%	63% privately held
Total Rice milling		Rice milling	273k t	—	—
Wheat milling	Brazil	Wheat milling	1,121k t	50-100%	Any minority ownership is privately held
Sugarcane processing (Rio Vermelho)	Brazil	Sugarcane crushing and ethanol production	2,251k t	100%	—
Total Agricultural Products			9,335k t		

Notes:

(1) Controlled industrial assets and joint ventures only. Production is on a 100 per cent. basis except for joint ventures, where production is included if the Group exercises control over marketing.

(2) The Group has a 33.33 per cent. interest in the joint venture but has a 40 per cent. share of the production.

(3) This relates to a long-term toll agreement with Vicentin in Argentina.

Viterra

On 17 December 2012, Glencore completed the acquisition of a 100 per cent. interest in Viterra, a leading global agricultural commodity business, for a net cash consideration of U.S.$3.6 billion. In connection with the Viterra Arrangement, the Group agreed to sell certain of Viterra's assets to Agrium and Richardson (further details of which are set out below).

Viterra is a vertically integrated global agri-business engaged in the purchasing, storage, handling, processing and marketing of agricultural and food ingredient products and supplies and the provision of related services in Canada and Australia. The acquisition of Viterra brings the Group immediate critical mass in the key grain markets of North America through Viterra's substantial Canadian operations, as well as materially expanding the Group's existing operations in Australia. Viterra has extensive operations across Western Canada and Australia, as well as facilities in the United States, New Zealand and China.

Viterra's business, with sales to Agrium and Richardson completed, is mainly focused on grain handling and marketing. The grain handling and marketing operations accumulate, store, transport and market grains, oilseeds and special crops. This business includes grain storage and handling facilities and processing plants strategically located in prime agricultural growing regions of North America and Australia. It also includes wholly- and partially-owned port export terminals located in Canada and Australia.

The sale of Viterra's minority interest in a nitrogen facility located in Medicine Hat, Alberta, Canada to CF Industries Holdings, Inc. completed on 30 April 2013 and the sale of the Viterra's agri-products business to Agrium completed at the end of 2013.

On 1 May 2013, Richardson acquired certain of Viterra's Canadian grain handling assets, including grain elevators, certain agri-centers co-located with certain of the grain elevators, all oat milling assets and shares relating to Viterra's oat milling business in Canada, all assets or shares of the 21st Century Grain Processing business of Viterra in the United States and a terminal at Thunder Bay, Ontario, together with the net working capital with respect to certain of these assets.

On 31 October 2013, the Group completed the sale of Joe White Maltings in Australia to Cargill, Incorporated. Joe White Maltings was acquired by the Group as part of the Viterra acquisition.

On 31 December 2013 the Group completed the sale of the Dakota Growers Pasta Company ("Dakota Growers") to Post Holdings, Inc for $370 million in cash. Dakota Growers was acquired by the Group as part of the Viterra acquisition.

Farming

The Group's farming assets are mainly concentrated in the CIS, Australia and Paraguay. The Group owns or partly owns the land as full owner or on long-term leases. This enables the division to source its products at local prices, provide valuable information on the expected crop yields and enable the Group to build closer relationships with other farmers in the respective regions.

Processing

Access to or ownership of processing assets enables the Group to take advantage of the various price differentials for agricultural commodities. Processing assets are mainly located in South America and Europe.

Oilseed crushing

Moreno

The Group owns 100 per cent. of Moreno in Argentina. Moreno's main activity is to produce and export edible oils and meal. Moreno's facilities include three sunseed/soybean crushing plants in Necochea, Daireaux and Villegas with a combined production capacity of 1.8 million tonnes per annum. Moreno also has a biodiesel facility within a joint venture structure, with a current production capacity of 0.5 million tonnes per annum.

Timbues

The Group has a 33.3 per cent. interest in the Timbues soybean crushing plant, a joint venture with Vicentin and Molinos in Argentina, which was commissioned in May 2013 with production capacity of 6 million tonnes per annum.

Other oilseed crushing operations

In addition, the Group owns, or partly owns, other crushing facilities in Argentina, Brazil, Ukraine, Germany, Hungary, the Czech Republic and Poland:

- a 100 per cent. interest in Usti Oilseed Group, a Czech Republic oilseed crushing plant with production capacity of 460,000 tonnes per annum;
- a 100 per cent. interest in ZakladyTluszczowe w Bodaczowie, a Polish oilseed crushing plant with production capacity of 495,000 tonnes per annum;
- a 100 per cent. interest in Fokto, a Hungarian oilseed crushing plant with production capacity of 580,000 tonnes per annum;

- a 100 per cent. interest in Ponta Pora, a Brazilian oilseed crushing plant with production capacity of 288,000 tonnes per annum;
- a 100 per cent. interest in Kharkov, a Ukrainian oilseed crushing plant, with production capacity of 280,000 tonnes per annum; and
- a 100 per cent. interest in Lubmin, a German oilseed crushing plant with production capacity of 165,000 tonnes per annum.

Biodiesel

The Group has the following interests in the biodiesel production business:

- a 100 per cent. ownership interest in the Swiss company Glencore Biofuels AG owning two operating biodiesel production facilities;
- a 33.3 per cent. ownership interest in Renova, the largest biodiesel producer in Argentina. The facilities are integrated within the industrial complex of Vicentin, the Group's joint venture partner in Renova, resulting in all processing steps from seed, via oil to biodiesel and refined glycerine taking place in the same location, including its own deep sea export terminal; and
- a 50 per cent. interest in two other biodiesel production facilities in Argentina with a combined production capacity of 50,000 tonnes per annum.

Rice milling and wheat milling

The Group has the following rice and wheat production interests:

- rice/wheat mills with a combined production capacity of 1.75 million tonnes per annum in Argentina, Brazil and Uruguay; and
- a 37 per cent. interest in Paso Dragon, a Uruguayan rice parboiled plant with production capacity of 55,000 tonnes per annum.

Sugarcane processing

Rio Vermelho

The Group also owns Rio Vermelho, a sugarcane mill located in the state of São Paulo. Current sugarcane crushing capacity is approximately 500 tonnes per hour ("TCH") and expected to increase to 650 TCH in 2014. Rio Vermelho produces hydrous fuel ethanol and very high pol ("VHP") sugar, following the construction of a VHP sugar plant completed in June 2012. The first phase of the cogeneration plant, eventually capable of supplying a 55 megawatt surplus to the power grid at maturity of the project in 2015, is expected to become operational during the first quarter of 2014.

Marketing activities

The Agricultural Products business segment originates, stores, transports and markets grains (including wheat, barley and corn), oil/oilseeds (including most edible oils, biodiesel and their source seeds/beans), cotton and sugar.

The suppliers to the Agricultural Products business segment are farmers, farming cooperatives, processing plants, local exporters and global merchants. Individual commodity traders such as Cargill are the largest suppliers of the physical volume that the Group markets. The Group typically transacts with these third party commodity merchants as liquidity providers on a spot basis and generally does not have long-term supply contracts with them. The remaining supply base (which includes farmers) is very diversified and fragmented. The Agricultural Products business segment generally enters into commitments to buy agricultural products only as part of specific marketing strategies within the course of a crop season.

With respect to grains, the Group typically buys grains from farmers at local spot prices for delivery to silos. Whilst occasionally grain from Australian, Canadian or European farmers is procured pursuant to forward agreements, the business segment does not generally have long-term supply contracts in place with farmers, although it does have long-term relationships with important suppliers. Global markets, particularly on the supply side, are highly fragmented and, in many countries, the Group procures grain directly from the farmer. North Africa, the Middle East and Asia are the prime importers.

The Group processes, handles and markets oils (including most edible oils and biodiesel) and their source seeds/beans, with sourcing primarily from Argentina, Brazil, Canada, Australia, the EU and Ukraine.

With respect to cotton, the Group markets mainly unprocessed product, with sourcing primarily from West Africa, Australia, the U.S., India and Brazil.

With respect to sugar, the Group markets both raw sugar and white sugar, and processes raw sugar into white sugar. The Group is supplied a small portion of its sugar by farming operations which the Group owns or in which it has an interest, with sourcing primarily from Thailand, Brazil and Guatemala.

The Group's customers are the processing industry (food, consumer goods and animal feed), local importers, government purchasing entities and competing global marketers. Contracts with customers in the food industry are negotiated bilaterally on a case-by-case basis, whilst contracts with governmental purchase bodies are usually tendered. The Agricultural Products business segment does not enter into long-term contracts with these customers.

Liquid derivatives markets exist for the majority of the key commodities that the business segment markets, such as wheat, corn, soy oil, rapeseed and cotton; for example, CBOT (Chicago), MATIF (Paris) and NYMEX (New York). These key commodities are also used as relative proxies for other products which the segment markets, such as barley and sunflower oil, in respect of which a liquid derivatives market does not currently exist, and the Group is accordingly able to hedge, albeit imperfectly and/or partially, the risk on these physical commodities' positions using such proxy forward agreements and exchange traded futures. The Group is also very active in ICE (New York) for global sugar futures trading and hedging, as well as in local futures exchanges for sugar in India, Russia and, more recently, China.

Physical flows of product are shipped via trucks, trains and vessels. Logistical planning and chartering of dry-bulk seaborne trade is performed in-house by a freight desk which provides initial quotes for the freight associated with each shipment. The in-house freight desk trades and hedges freight and shipping capacity positions for both the division's dry-bulk shipping needs and for third parties. The Group's logistical assets also include in-land and port elevators and silos and train wagons. The elevators and silos are located in Argentina, Australia, Brazil, Canada, Estonia, Hungary, Kazakhstan, Paraguay, Poland, Romania, Russia, Ukraine and Uruguay.

The Group has three categories of competitor: large multinational merchants (Cargill, ADM, Bunge and Louis Dreyfus Group), smaller, more regionally focused merchants (including Noble Group and Nidera) and local companies with a single country focus, primarily in Russia, Ukraine, Argentina, Australia and Brazil.

Marketing is coordinated through the Group's subsidiary offices in Rotterdam and Singapore, while its sugar business activities are coordinated through its subsidiary in London.

Worldwide office network

Organization

The three business segments described above report to management at the corporate level and are supported by the finance, legal, risk, IT, human resources and compliance departments. All activities related to a specific commodity, including industrial investments, physical marketing activities, hedging and logistics, are managed by the business segment that covers the particular commodity.

The Group's finance department is headed by the chief financial officer based at the Group's head office in Baar. Finance and accounting staff in each principal location (including Baar, Stamford, London, Rotterdam, Beijing, Moscow, Toronto, Johannesburg, Sydney and Singapore) handle the day-to-day finance and accounting tasks related to the business activities conducted out of that location. The proximity of local finance and accounting staff to the Group's industrial, marketing and logistics activities is important in order to ensure prompt and professional handling of the finance and accounting activities related to that specific commodity. The head office finance staff handle (i) funding activities based on the Group's corporate credit, such as syndicated loan facilities and debt capital market transactions, (ii) coordination of the worldwide treasury, hedging and credit and exposure management activities, (iii) presentation of the Group's financial statements to investors and rating agencies, (iv) relationships with its investors and with rating agencies and (v) assets and liabilities management of its consolidated balance sheet and compliance with covenants, if any. The head office accounting staff, together with personnel in certain key locations, are responsible for (a) financial accounting, including the preparation of the financial statements of the legal entities, (b) preparation of the Group's consolidated financial statements, (c) management information related to the performance of each individual business segment, (d) reporting throughout the entire Group, (e) tax issues and (f) the worldwide relationship with its independent auditors.

Office network

Relationships with producers and consumers of raw materials are the responsibility of senior employees who receive support from the Group's global network of more than 90 offices in more than 50 countries. These offices are located in major American, European, Asian, Australian, African and Middle Eastern natural resources producing and consuming markets.

Employees

As of 31 December 2013, the Group had over 190,000 employees and contractors worldwide.

Health and safety, environment and communities

The Group is committed to conducting its business activities in a manner that will safeguard the health and safety of all of its employees and protect the environment, and to adding to the wealth of the communities in which it operates.

The Group's industrial assets, as well as marketing and logistics activities, are subject to a range of health and safety, environment and communities ("HSEC") laws and regulations. For its operations (industrial assets and marketing/logistics), the Group has HSEC policies and management programs in place to manage and ensure compliance, as well as to track and improve overall performance with the applicable local and international HSEC laws and regulations. These measures are also used to identify deficiencies by providing appropriate information and specialist advice to determine appropriate corrective actions.

The Group's HSEC policies and management systems are embedded into the Group Corporate Practice program ("GCP"). The GCP led to the publication of the Group Code of Conduct and Values document (the "Code"), providing a consistent set of principles that govern the actions, attitudes and decisions of Group employees and emphasizing the Group's values of entrepreneurialism, simplicity, safety, responsibility and openness.

The health and safety, environment and communities Board committee formulates and recommends policies on these issues as they affect the Group's operations. This committee is chaired by Peter Coates AO with other members, including Ivan Glasenberg and Anthony Hayward, with Michael Fahrbach, the Group employee currently responsible for the Group's health and safety, environmental and communities matters.

In practice, GCP adds non-financial aspects to internal corporate reporting requirements, covering performance on societal, environmental and compliance indicators. Depending on the report subject matter, GCP may require annual, quarterly or monthly internal reporting or, for critical incidents, reporting within 24 hours. The Group will also make annual public reports on GCP itself, which will follow the latest guidelines of the Global Reporting Initiative, an initiative which aims to create conditions for the transparent and reliable exchange of sustainability information.

The Group encourages employees to ensure that customers, suppliers, agents, service providers and contractors comply with GCP and the Code where possible. The Group also uses its influence to raise awareness and consideration of the basic principles within its joint ventures and entities in which it has non-controlling stakes.

Where GCP applies, employees are required to understand and comply with the principles of the Code. The Group's managers are responsible for ensuring compliance, carrying out periodic assessments, management reviews and reviews of corrective action plans. The Group applies appropriate controls, scaled for different levels of materiality in different areas of the Group, and regularly benchmarks its achievements against targets and expectations, taking corrective action where necessary.

Environmental impact

The Group's operations are geographically widespread and extremely diverse in nature, including prospecting, production, reclamation, processing, storage, transportation and marketing of natural resources. This means that the potential environmental impact of the Group's operations is complex and specific to different commodity groups or production sites.

The Group is aware of the increasing regulatory pressure and societal demand for a low emission economy to address the global climate change situation and is working to integrate this into existing resource efficiency programs at its operations. The Group complies with applicable laws, regulations and other requirements for environmental management. In order to manage and limit the environmental impact of its controlled extractive activities, the Group has environmental management systems which are used to monitor environmental aspects of the operations undertaken by the Group. The Group's controlled extractive assets carry out internal and external environmental audits from time to time.

In common with other natural resources and mineral processing companies, despite its best efforts, the Group's operations cannot always prevent adverse effects on the environment and surrounding communities. Such situations may occur even though the Group's controlled extractive assets are managed in compliance with local laws, regulations and project specific permits and environmental management plans. Typical issues in this regard include sulfur dioxide emissions caused by installations such as smelter furnaces or converter units, dust emissions from smelters and material handling, tailings dams or traffic on unpaved roads. Mining and ore processing always have a high demand for water which creates a challenge of ensuring a sufficient water supply (sometimes in arid regions) and managing effluents to preserve the quality of surface or ground waters. Project development may make land clearing necessary, which can negatively impact biodiversity and change landscapes. Waste rocks and tailings usually occur on a large scale and, if not used for backfill, need to be disposed of in a safe and environmentally friendly manner.

The Group also looks to promote environmental awareness in its non-controlled industrial activities and works in partnership with its customers, suppliers and service providers to limit the overall environmental impact along the entire supply chain.

The Group furthermore acknowledges that managing the environmental compliance and impact of the Group's operations is a dynamic process as the international and local regulatory environment is changing regularly.

Health and safety

The Group is committed to the health and safety of its employees and contractors and surrounding communities and believes in the possibility of a zero-harm operation. The Group's aim is to maintain a health and safety culture where everybody proactively supports the Group's health and safety objectives and commitments.

The Group's operations have developed, implemented and maintained health and safety management systems and programs which meet international standards and applicable regulatory requirements. These are tailored to the specific needs of the Group's operations and activities. Performance is regularly monitored by tracking injuries, lost days, fatalities, near-miss events and various other indicators. This information is used as the basis for continuous improvement programs, training and improvement of the integrity and safety of workplaces, as well as mobile or stationary equipment.

Communities

The Group believes that its global presence and economic strengths have a predominantly positive impact on the communities in which it operates. It seeks out, undertakes and contributes to activities and programs designed to improve quality of life for the people in these communities. These activities, along with the employment it provides, contribute directly and indirectly to the prosperity and development of host countries in general and local communities in particular.

The Group believes that contributing to, and engaging in, open dialogue with local communities enhances its corporate reputation. This helps it gain access to new resources, maintain a license to operate, identify and act on business opportunities, and address risk mitigation.

The Group engages with local communities and seeks to understand the social, cultural, environmental and economic implications of its activities. In the Group's relationship with local communities it respects and promotes human rights within its area of influence. This includes respect for the cultural heritage, customs and rights of those communities, including those of indigenous peoples.

The Group works with governments, local authorities, community representatives, inter-governmental and non-governmental organizations and other interested parties to develop and support community investment projects. Community investment projects and donations must be decided on in accordance with the Code.

The Group seeks to maximize the share of its locally hired staff, to the extent possible, which results in positive employment opportunities in the surrounding communities. The Group believes that, besides all the accompanying community programs and projects, creating employment opportunities for the community is one of the major contributions to local development and wealth. This is especially relevant when the Group operates in remote areas with limited employment opportunities and development challenges.

Although the Group seeks to protect local communities from any adverse social impact caused by its activities, these cannot always be completely mitigated. In such an event and whenever possible, the Group strives at least to minimize these effects and seeks to find fair compensation.

Insurance

The Group maintains a number of key insurance policies that it believes are commercially appropriate to cover the risks associated with its business operations. The Group's insurance policies are underwritten through Lloyd's and other major European and international insurance companies. The Group maintains an insurance portfolio that covers both liability exposures and physical assets, some of which are insured through a wholly owned captive insurance company, Harbour Insurance Pte Ltd.

The Group's global insurance policies cover its marketing activities and industrial assets (subject to some local insurance cover), and are either purchased centrally by the Group or locally at subsidiary level (depending on local legal requirements). The Group's principal global insurance policies include property damage and business interruption charterer's legal liability, marine cargo, protection and indemnity, hull and machinery, excess oil pollution liability, political risk (in respect of oil in storage and/or in transit only), offshore liabilities, piracy, general third party liability and directors' and officers' liability insurance.

The Group has relationships with a number of insurance brokers that have been selected for their better market representation in particular classes of insurance or relationships with either local or international underwriters. By using different brokers, the Group believes that it receives better service in respect of policy placements, premium costs, advice and assistance on claims. Although the Group does not set its own minimum financial security ratings in respect of insurers or brokers, it verifies and confirms ratings and suitability during the course of renewal discussions.

Legal and compliance

The Group has policies and procedures to manage legal risks and address regulatory requirements and other compliance obligations. The Group has a centralized legal department that sets the legal approach for the Group, supervises the Group's overall legal function and provides legal services to the Group's head office in Baar and various other offices and operating units that do not have local legal personnel. There are some smaller legal teams that support specific business activities and offices, such as the freight and oil legal team in London and the agricultural legal team in Rotterdam. In addition, most of the larger Group operations have dedicated local legal personnel.

The Group's centralized legal department includes a compliance team that sets compliance policies for the Group and supervises the Group's overall compliance function. The Group compliance team seeks to ensure adherence with relevant laws and regulations through an awareness and review process. In addition, the compliance team has put in place a number of guidelines and manuals to give guidance in a number of areas, including money laundering, conflicts of interest, sanctions, bribery and corrupt payments, and confidentiality. The Group's operations include dedicated compliance personnel to address applicable local requirements and these personnel report to the Group's compliance team.

The Group's centralized legal department, including the compliance team, assists the Group in monitoring its overall liability profile associated with legal and regulatory matters, including liabilities that may be associated with the Group's historical activities.

Risk management and financial risk management

Risk management and control spans across the Group's organizational structure. The Board has been and will further be involved in the risk management of the Group at a strategic level. The CEO engages in an on-going interrogatory exchange with the management team as a primary oversight of Group risk, supported in this function by the Group risk management team, multi sourced risk reporting and the Chief Risk Officer. This support, amongst other things, relates to consolidated risk reporting, coordination of Group and departmental VaR, stress, scenario and other testing, reviewing and challenging the evaluation models and, in conjunction with departmental teams, input parameters used by commodity departments. The departments and Group Risk team further engage in a dialogue concerning general aspects of risk management policy and reporting. The internal audit and compliance and business ethics committees also play key roles in managing the Group's operational risk and verifying process controls.

The Group's business could be impacted by various external factors; for example, political events and unfavorable actions by governments, natural catastrophes and operational disruptions. In addition, the Group's activities expose it to a variety of financial risks: market risk (including commodity price risk, interest rate risk and currency risk), credit risk (including performance risk) and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to protect its financial security and flexibility by using derivative financial instruments substantially to hedge these risks. Among others, the Group monitors its commodity price risk exposure using a VaR computation and assesses the open positions, which are those subject to price risks, including inventories of these commodities. The Group's finance and risk professionals, working in coordination with the commodity departments, monitor, manage and report regularly to management on the financial risks and exposures the Group is facing. Responsibility for reviewing the overall effectiveness of the Group's system of internal controls and risk management systems lies with the audit committee.

Litigation

There are no governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the year preceding the date of this document which may have, or have had in the recent past, a material adverse impact on the financial position or profitability of the Group.

UNAUDITED PRO FORMA FINANCIAL INFORMATION OF THE GROUP

The unaudited pro forma condensed combined financial information (the "pro forma financial information") comprises the unaudited pro forma consolidated statement of (loss)/income of the Group for the year ended 31 December 2013 prepared on the basis of the notes set out below. The unaudited pro statement of (loss)/income has been prepared to illustrate the effects of the Acquisition on the profit from continuing operations of the Group for the year ended 31 December 2013 as if the Acquisition had taken place on 1 January 2013. A pro forma statement of financial position is not presented as the Acquisition has already been reflected in the audited 31 December 2013 statement of financial position of the Group.

The pro forma financial information has been prepared in a manner consistent with the accounting policies adopted by the Group in preparing the audited financial statements for the year ended 31 December 2013.

The pro forma financial information has been prepared for illustrative purposes only and, because of its nature, addresses a hypothetical situation and therefore does not purport to represent what the Group's actual results would have been had the Acquisition occurred on 1 January 2013 nor is it indicative of the future results of the Group. The pro forma adjustments reflected in the accompanying pro forma financial information reflect estimates and assumptions made by management of the Group that it believes are reasonable, directly attributable to the Acquisition, factually supportable and expected to have a continuing impact on the combined results.

Unaudited pro forma statement of (loss)/income for the year ended 31 December 2013

			Adjustments		
	Historical Group financial information	**Historical Xstrata financial information (period to 2 May 2013)**	**Intra-Group adjustments**	**Acquisition accounting adjustments**	**Pro forma Group**
			(U.S.$ million)		
Note	**1**	**2**	**3**	**4**	**5**
Revenue	232,694	8,253	(3,130)	36	237,853
Cost of goods sold	(227,145)	(7,561)	3,130	678	(230,898)
Selling and administrative expenses	(1,206)	(19)	—	18	(1,207)
Share of income from associates and joint ventures	846	144	(125)	(10)	855
Loss on sale of investments – net	(40)	—	—	40	—
Other expense – net	(10,844)	(25)	—	8,881	(1,988)
Dividend income	39	—	—	—	39
Interest income	393	8	—	—	401
Interest expense	(1,781)	(161)	—	84	(1,858)
(Loss)/Income before income taxes	(7,044)	639	(125)	9,727	3,197
Income expense	(254)	(100)	—	(175)	(529)
(Loss)/Income for the year	(7,298)	539	(125)	9,552	2,668
Attributable to:					
Non-controlling interests	104	41	—	50	195
Equity holders	(7,402)	498	(125)	9,502	2,473
	(7,298)	539	(125)	9,552	2,668

Notes to the pro forma financial information

(1) The historical financial information of the Group for the year ended 31 December 2013 has been extracted without adjustment from the 2013 audited consolidated financial statements, which are incorporated by reference into this document.

(2) The historical financial information of Xstrata for the pre-Acquisition period ended 2 May 2013 has been extracted from the underlying accounting books and records of Xstrata for this period.

(3) These adjustments reflect the impact of eliminating U.S.$3,130 million of intra-group sales and costs of sales and U.S.$125 million of Glencore's share of Xstrata's earnings in the pre-Acquisition period.

(4) The Acquisition was treated as an acquisition of Xstrata by Glencore in accordance with IFRS 3—Business Combinations. The fair value adjustments to the acquired assets and liabilities were determined in accordance with the basis of preparation of the audited consolidated financial statements. For the purposes of the unaudited pro forma statement of (loss)/income, the fair value adjustments recognized on the Acquisition, any costs related to the Acquisition (U.S.$294 million), the "day 1" revaluation of the previously held interest in the newly acquired business (U.S.$1,160 million) and the immediate impairment recognized of the Xstrata Acquisition goodwill (U.S.$7,480 million) have been retrospectively reflected as though they occurred as at 1 January 2013. These incorporate adjustments for depreciation, amortization and onerous contracts, including the reversal of the non-cash inventory uplift adjustment of U.S.$445 million. Inventories held by Xstrata at the date of the Acquisition were required to be recognized at fair value under IFRS. This results in negligible margins upon the subsequent sale of these inventories. The income impact of fair value uplift on inventory has been excluded from the pro forma financial information.

(5) No adjustments have been made to the unaudited pro forma statement of (loss)/income to reflect transactions or activities such as post 31 December 2013 trading results, synergies or costs savings or any other transaction since 31 December 2013.

CAPITALIZATION

The following table sets forth the total combined capitalization and cash and cash equivalents for the Group as of 31 December 2013:

- on an actual basis as derived from the audited consolidated financial statements of the Group as of and for the year ended 31 December 2013 incorporated by reference into this Offering Circular; and
- on an "as adjusted" basis to give effect to the issuance of the U.S.$1,000,000,000 3.125 per cent. Notes due 2019 and the U.S.$1,000,000,000 4.625 per cent. Notes due 2024, after deducting estimated underwriting commissions of U.S.$8,000,000, resulting in net proceeds of approximately U.S.$1,984,700,000.

This table should be read in conjunction with "Use of Proceeds", "Unaudited Pro Forma Financial Information of the Group", "Operating and Financial Review", "Description of Indebtedness" and the financial statements incorporated by reference into this Offering Circular.

	As of 31 December 2013 Actual	As adjusted(1)
	(U.S.$ millions)	
Cash and cash equivalents	2,849	4,833
Current borrowings	16,461	16,461
Non-current borrowings	38,724	38,724
Notes offered hereby	—	1,984
Total borrowings	55,185	57,169
Total equity	53,149	53,149
Total capitalization	108,334	110,318

Note:

(1) Adjustments reflecting the issuance of U.S.$2,000,000,000 Notes and the application of the net proceeds of the Offering of the Notes amounting to U.S.$1,984,700,000 million to cash and cash equivalents.

SELECTED HISTORICAL FINANCIAL INFORMATION

This section should be read along with the information provided in "Operating and Financial Review", the Group Audited Financial Statements and the Xstrata Audited Financial Statements incorporated by reference in this Offering Circular and the other financial data presented elsewhere in this Offering Circular.

The Group

The selected financial data presented below as of and for the years ended 31 December 2012 and 2013 has been extracted, without material adjustment, from the 2013 Group Audited Financial Statements. The selected financial data presented below as of and for the year ended 31 December 2011 has been extracted, without material adjustment, from the 2011 Group Audited Financial Statements.

The following table sets out the Group's consolidated statement of income for the years ended 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011(1)	**2012**(2)	**2013**
	(in U.S.$ millions)		
Revenue	186,152	214,436	232,694
Cost of goods sold	(181,938)	(210,435)	(227,145)
Selling and administrative expenses	(857)	(997)	(1,206)
Share of income from associates and jointly controlled entities	1,972	367	846
Gain/(loss) on sale of investment	9	(128)	(40)
Other expense – net	(511)	(1,214)	(10,844)
Dividend income	24	17	39
Interest income	339	401	393
Interest expense	(1,186)	(1,371)	(1,781)
Income/(loss) before income taxes	4,004	1,076	(7,044)
Income tax credit/(expense)	264	76	(254)
Income/(loss) for the year	4,268	1,152	(7,298)
Attributable to:			
Non-controlling interests	220	148	104
Equity holders	4,048	1,004	(7,402)

Notes:

(1) The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

(2) Certain amounts shown here reflect the adoption of new and revised standards as detailed in Note 1 to the 2013 Group Audited Financial Statements.

The following table summarizes the Group's cash flow statement for the years ended 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011	2012	2013
	(in U.S.$ millions)		
Net cash flow (used in)/generated by operating activities.	(343)	4,381	9,184
Net cash flow used by investing activities	(3,690)	(9,539)	(6,695)
Net cash flow generated/(used) by financing activities.....	3,875	6,635	(2,422)
Net increase/(decrease) in cash and cash equivalents	(158)	1,477	67

The following table sets out the Group's statement of financial position as at 31 December 2011, 2012 and 2013:

	Year ended 31 December		
	2011[(1)]	2012[(2)]	2013
	(in U.S.$ millions)		
Assets			
Non-current assets			
Property, plant and equipment...	14,639	23,623	67,507
Intangible assets	210	2,207	9,053
Investments in associates and jointly controlled entities...	18,858	18,764	12,707
Other investments..	1,547	1,589	923
Advances and loans...	4,141	3,758	4,095
Deferred tax assets	1,039	1,511	2,105
	40,434	51,452	96,390
Current assets			
Inventories..	17,129	20,680	22,753
Accounts receivable	21,895	24,902	24,536
Other financial assets	5,065	2,650	2,904
Prepaid expenses and other assets....................................	297	235	578
Marketable securities	40	38	36
Cash and cash equivalents..	1,305	2,782	2,849
	45,731	51,287	53,656
Assets held for sale..	0	2,825	4,886
	45,731	54,112	58,542
Total assets	86,165	105,564	154,932

Equity and liabilities

	Year ended 31 December		
	2011[1]	2012[2]	2013
	(in U.S.$ millions)		
Capital and reserves – attributable to equity holders			
Share capital	69	71	133
Reserves and retained earnings	29,196	31,068	49,824
	29,265	31,139	49,957
Non-controlling interests	3,070	3,034	3,192
Total equity	32,335	34,173	53,149
Other non-current liabilities			
Borrowings	19,844	19,028	38,724
Deferred income	158	601	1,277
Deferred tax liabilities	1,399	2,906	6,613
Other financial liabilities	—	—	1,044
Provisions	953	1,713	8,083
	22,354	24,248	55,741
Current liabilities			
Borrowings	8,224	16,498	16,461
Viterra asset acquirer loans	—	2,580	—
Accounts payable	18,136	23,533	26,041
Deferred income	24	116	145
Provisions	98	69	264
Other financial liabilities	4,804	3,388	2,366
Income tax payable	190	257	489
	31,476	46,441	45,766
Liabilities held for sale	—	702	276
	31,476	47,143	46,042
Total equity and liabilities	86,165	105,564	154,932

Notes:

(1) The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

(2) Certain amounts shown here reflect the adoption of new and revised standards as detailed in Note 1 to the 2013 Group Audited Financial Statements and for revisions to the previously reported fair values associated with the acquisitions made in 2012, which relate mainly to Viterra.

Xstrata

The selected financial data presented below as of and for the years ended 31 December 2011 and 2012 have been extracted, without material adjustments, from the Xstrata Audited Financial Statements for the years ended 31 December 2011 and 2012.

The following table sets out Xstrata's consolidated statement of income for the years ended 31 December 2011 and 2012:

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Revenue	33,877	31,618
Operating costs[1]	(22,213)	(24,132)
Operating profit before interest, taxation, depreciation and amortization	11,664	7,486
Depreciation and amortization	(3,217)	(3,332)
Impairment of assets	(469)	(978)
Reversal of assets previously impaired	463	—
Operating profit	8,441	3,176
Share of results from associates	41	(944)
Profit before interest and taxation	8,482	2,232
Finance income	137	184
Finance costs	(471)	(409)
Profit before taxation	8,148	2,007
Income tax (charge)/credit	(2,215)	(635)
Profit/(loss) for the year	5,933	1,372
Attributable to:		
Equity holders of the parent	5,713	1,180
Non-controlling interests	220	192
	5,933	1,372

Note:

(1) Before depreciation, amortization and impairment charges.

The following table summarizes Xstrata's cash flow statement for the periods indicated:

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Net cash flow from operating activities	9,358	4,995
Net cash flow used in investing activities	(8,620)	(10,321)
Net cash flow from/(used in) financing activities	(490)	5,369
Net increase/(decrease) in cash and cash equivalents	248	43

The following table sets out Xstrata's statement of financial position as at 31 December 2011 and 2012:

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Assets		
Non-current assets		
Intangible assets	8,228	7,414
Property, plant and equipment	51,454	59,937
Biological assets	23	24
Inventories	7	2
Trade and other receivables	210	400
Investments in associates	1,769	1,018
Available-for-sale financial assets	258	336
Derivative financial assets	680	771
Other financial assets	743	717
Prepayments	41	48
Deferred tax assets	44	16
	63,457	70,683
Current assets		
Inventories	5,242	6,031
Trade and other receivables	3,742	3,865
Derivative financial assets	96	38
Prepayments	347	314
Cash and cash equivalents	1,948	1,983
Income taxes receivable	—	163
Assets classified as held for sale	—	36
	11,375	12,430
Total assets	74,832	83,113

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Equity and liabilities		
Capital and reserves – attributable to equity holders of Xstrata plc		
Issued capital	1,482	1,501
Share premium	15,458	14,952
Own shares	(1,140)	(1,302)

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Other reserves	6,681	7,078
Retained earnings	21,183	22,223
	43,664	44,452
Non-controlling interests	2,037	2,339
Total equity	45,701	46,791
Non-current liabilities		
Trade and other payables	82	45
Interest-bearing loans and borrowings	8,804	16,344
Derivative financial liabilities	417	351
Other financial liabilities	708	867
Provisions	3,708	4,698
Pension deficit	692	704
Deferred tax liabilities	6,109	6,114
Other liabilities	8	8
	20,528	29,131
Current liabilities		
Trade and other payables	5,102	5,285
Interest-bearing loans and borrowings	1,566	723
Derivative financial liabilities	65	10
Provisions	778	700
Income taxes payable	1,037	398
Other liabilities	55	64
Liabilities classified as held for sale	—	11
	8,603	7,191
Total liabilities	29,131	36,322
Total equity and liabilities	74,832	83,113

OPERATING AND FINANCIAL REVIEW

Overview

The Group is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of those products. The Group operates globally, marketing and distributing physical commodities sourced from third party producers and its own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. The Group also provides financing, logistics and other services to producers and consumers of commodities.

The Group benefits from its scale and diversity. The Group's portfolio of diversified industrial assets comprise over 150 mining and metallurgical facilities, offshore oil production facilities, farms and agricultural facilities. The Group's growth prospects are underpinned by volume increases in its industrial base, which in turn, will enhance marketing opportunities.

Over a period of many years, the Group has built a strong market reputation as a reliable supplier of quality product on a timely basis. In doing so, the Group has extensive market knowledge and insight, as well as the full logistics capabilities required to generate value added margins and seek arbitrage potential throughout the physical commodity supply chain. The Group's presence at each stage of the commodity chain provides it with superior market insight and access to opportunities. The Group is able to capture value at each stage of the commodity chain, including extraction, processing, freight, logistics, technology, storage, marketing, risk management and financing.

The Acquisition

On 2 May 2013, Glencore completed the Acquisition. The terms of the Acquisition provided 3.05 Shares for each Xstrata share not already owned by Glencore.

The financial results of the Group as at and for the year ended 31 December 2013 comprise those of the legacy Glencore operations for 2013 (including the Group's 34 per cent. equity accounted interest in Xstrata up to the date of the Acquisition) plus 100 per cent. of the results of Xstrata from the date of the Acquisition.

The financial results for each of Glencore and Xstrata as at and for the years ended 31 December 2011 and 2012 are presented in this section on a stand-alone basis. It should be noted that for those periods, Glencore owned a significant stake in Xstrata which is included in its historical results presented below. Glencore held a 34.1 per cent. and 33.65 per cent. effective interest in Xstrata as at 31 December 2011 and 2012, respectively. The carrying value of Glencore's interest in Xstrata on its balance sheet as at 31 December 2011 and 2012 was U.S.$16,187 million and U.S.$16,215 million, respectively.

Key factors affecting results of operations and financial condition

Commodity prices

Commodity prices are influenced by many factors, including the supply of and demand for commodities, speculative activities by market participants, global political and economic conditions and related industry cycles and production costs in major producing countries. While producers are clearly unable to dictate market prices directly, events such as the withdrawal of commodity production capacity and various attempts to capture market share by individual producers could have an effect on market prices. Commodity prices may move in response to changes in production capacity in a particular market, for example as a new asset comes online or when a large producer experiences difficult operational issues or is impacted by a natural disaster. Furthermore, the producers' actual average realized prices can be affected by contractual arrangements, production levels and hedging strategies. Prices of the Group's main commodity products can vary significantly as actual and anticipated supply and demand fluctuate. Price variations and market cycles have historically influenced the financial performance of both Glencore and Xstrata and are expected to continue to do so in the future.

There are clearly commodity-specific fundamentals and events which affect the demand and supply dynamics and pricing outlook for each individual commodity; however, the prices of most metals and energy commodities which the Group produces and markets have generally followed macroeconomic trends and tend to be positively correlated.

The impacts that fluctuating commodity prices have on the Group's business differ between its marketing activities and industrial activities.

- Marketing activities: In a market environment in which prices for a particular commodity are higher on average, the premiums/margins that are generated in its physical marketing operations relating to such commodity as a result of geographical, time and quality imbalances tend to be higher. The Group also generally benefits from fluctuating market prices, rather than long periods of stable prices, as it seeks to physically arbitrage such resulting price differentials. As prices of commodities rise, the Group has higher working capital financing requirements over the same quantity of commodities in question. During periods of falling commodity prices, the opposite applies in that the Group will require less working capital financing for its marketing activities.

- Industrial activities: Higher prices will be particularly favorable to the profitability of the Group in respect of such commodities which the Group produces at its industrial assets or are produced by its associated companies and other investees. Similarly, low prices will negatively impact the Group's industrial activities and could result in such activities incurring losses.

Extraction production costs, efficiency and volumes

The Group, in common with its competitors, is unable to set market commodity prices directly, and its competitiveness and long-term profitability are, to a significant degree, dependent upon its ability to reduce costs and maintain efficient operations. Costs associated with extraction and production can be broadly categorized into labor costs and other on-site expenses, including power and equipment costs, port handling costs and freight costs. Production costs are largely influenced by the inherent grade quality, strip ratios, mining depth, processing technology, energy and supply costs and the impact of exchange rate fluctuations on costs of operations. All of the Group's businesses are affected by increases in costs of labor, fuel and power.

During the periods under review, results were impacted by the rising cost of inputs, particularly in respect of power, fuels, labor, transport, equipment and consumables. During the global downturn, the prices of and supply constraints on certain of the Group's inputs eased (other than in respect of energy and transport costs in South Africa), the effect of which was to limit the adverse impact of mining sector and Consumer Price Index ("CPI") inflation on the Group's cost base. Mining sector and CPI inflation resumed growing with the recovery from the global economic downturn.

Production volume has a substantial effect on the results of operations of the Group's industrial activities. The Group can sell all of its production, so its industrial asset revenue generally fluctuates as a result of changes in realized prices and production volumes. Production volume is dependent on the Group's production capacity, which is expected to increase for certain commodities, based on the Group's expansion and development project plans. Per unit production costs are also significantly affected by changes in production volume, as, *prima facie*, higher volumes reduce per unit production costs, given the generally high fixed cost mix in the Group's industrial activities business. Therefore, the Group's production levels are a key factor in determining its overall competitiveness and profitability.

Identifying and responding to global macroeconomic trends and exploiting physical commodity arbitrage opportunities as they arise

The Group's long-term experience in the commodities markets has allowed it to build up extensive market knowledge and insight. The Group believes that being a major global physical marketer of commodities with leading market positions in its key commodities enables it to, among other things, maintain knowledge of local market supply and demand dynamics and respond quickly to changes in market conditions and characteristics and gain significant insight into trade flows and marketing requirements. This enables the Group to have continuous price discovery of the commodities it produces and/or markets and rapid identification and investigation of arbitrage opportunities in respect of those commodities. In addition, the Group's industrial assets are strategically important to, among other things, generate additional market information, including local information in the countries and regions in which the industrial assets are based.

Many of the physical commodity markets in which the Group operates are geographically dispersed, fragmented and/or periodically volatile. Discrepancies often arise in respect of the prices at which the commodities can be bought or sold in different forms, geographic locations or time periods, taking into account the numerous relevant pricing factors, including freight and product quality. These pricing discrepancies can present the Group with arbitrage opportunities, whereby the Group is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. Whilst the strategies used by the Group's business segments to generate such margin vary from commodity to commodity, the main arbitrage strategies can be generally described as being geographic and product- and time-related. The Group's ability to successfully identify and implement marketing strategies to take advantage of potential arbitrage opportunities throughout the physical commodity supply chain will impact its results of operations. Failure of such opportunities to present themselves or the Group's inability to exploit such opportunities will negatively impact its results of operations.

Arbitrage opportunities are generally enhanced by global and regional price volatility and instability in the various commodities markets, resulting in market disequilibrium. The Group believes that in periods where price components for a particular commodity or group of commodities display relative volatility and, therefore, uncertainty, the number of arbitrage opportunities in such commodities tends to increase, and, in particular, during periods of market tightness (e.g. when inventory levels are low). These market conditions offer additional opportunities to take advantage of the resulting decoupling in premium and discount structures. Conversely, in periods of reduced volatility in commodity prices, the Group's marketing business tends to have fewer profitable arbitrage opportunities. A relatively flat marketing environment generally reduces price dislocation and, in turn, the number of arbitrage opportunities. The Group also, from time to time, takes unhedged positions in a particular commodity (within set limits and policies), based on its understanding of market dynamics and expectation of future price and/or spread movements.

The Group's marketing activities engage in base supply chain activities that generally provide regular generation of income. These base supply chain activities tend to have a balancing effect against the potential volatility in results as the Group seeks to take advantage of event-driven arbitrage and/or price risk activities. In addition to the informational advantages the Group enjoys via its global network, its sizeable market share and logistics capabilities in many commodities allows it to move quickly in response to arbitrage opportunities, exploiting not only the opportunities afforded by fluctuations and disequilibrium in commodity prices, but the underlying supply and demand dynamics as well.

The results of operations of the Group's marketing activities are impacted by, among other things, the individual business segments' arbitrage opportunities, which are dependent, in part, on the strength of the markets, the price of the relevant commodities and the overall marketing environment (contango or backwardation) that existed at any given time during a relevant period.

Marketing volumes

The volume of commodities marketed by the Group is a key driver of the results of operations of the Group's marketing activities. The volume of commodities the Group markets is dependent on its ability to source and finance the purchase of commodities and its ability to then sell these commodities to new and existing customers.

Although volumes of commodities sold is a key factor in understanding the scale of the Group's marketing activities and resulting market position and base earnings potential, as noted above, it is also important to assess the potential of additional value added services and arbitrage opportunities at various times and the Group's ability to capitalize on such opportunities, on the back of its market presence. There may also be a lag effect in the relationship between earnings and sales volumes; for example, by storing oil and selling forward at a higher price in a future period, the Group is able to generate profits without increasing the volumes sold in the current period.

Freight rates

The Group has a large and diversified fleet of vessels operated under various short-term and long-term time charters and commercial management arrangements, with an average remaining fixed charge hire period of approximately three years. This contributes to the marketing results of its business segments, providing immediate access to vessels, which can represent a significant time advantage in exploiting short-term marketing opportunities. Having this resource also gives the Group greater visibility over world trade flows at a particular moment. Due to its internal requirements and the Group's belief in its ability to achieve vessel utilization above average industry levels, the Group generally has a long position in fleet time chartering, thereby potentially creating a significant exposure to fluctuations in spot freight rates. However, given the nature of the freight market and limited opportunities to hedge all freight price risk, the Group is generally exposed to some degree of future freight price movements on its long-term time charters, not otherwise subject to a hedge, re-let with a third party or to satisfy its own marketing needs.

Financial performance of associates, other investments and joint ventures

The Group's results of operations are affected by the financial performance of its associates and other investments, with the Group's share of income from associates and jointly controlled entities and dividends received from interests in other investments contributing directly to the Group's income before income taxes.

The tables below set forth, for the years ended 31 December 2012 and 2013, investments in associates and joint ventures:

	Year ended 31 December	
Selected associates' and jointly controlled entities' income and dividends	**2012**	**2013**
	(in U.S.$ millions)	
Xstrata	299	126[1]
Cerrejón	—	25
Antamina	—	316
Collahuasi	—	364
Other share of income from associates and jointly controlled entities	68	15
Dividend income	17	39
	384	885

Note:

(1) Represents Xstrata results to 2 May 2013.

Carrying value of associates and jointly controlled entities	Year ended 31 December 2012	2013
	(in U.S.$ millions)	
Cerrejón	—	2,782
Antamina	—	3,387
Xstrata	16,215	—
Other associates	2,549	3,057
Total investment in associates	**18,764**	**9,226**
Collahuasi	—	3,481
Total investment in associates and joint ventures	**18,764**	**12,707**

Significant items

Significant items are items of income and expense which, due to their financial impact and nature or the expected infrequency of the events giving rise to them, are separated for internal reporting and analysis of the Group's results to provide a better understanding and comparative basis of the underlying financial performance.

In 2013, the Group recognized U.S.$11,068 million of net other significant expenses, which comprised primarily a U.S.$7,480 million goodwill impairment recognized upon the Acquisition, a U.S.$1,160 million accounting loss related to the revaluation of Glencore's 34 per cent. interest in Xstrata immediately prior to the Acquisition and directly attributable transaction costs of U.S.$294 million. On acquisition, the underlying assets and liabilities acquired were fair valued, with an amount of resulting goodwill allocated to the business. A residual goodwill amount of U.S.$7.5 billion could not be supported and has been written off as explained in Note 5 to the 2013 Group Audited Financial Statements. The size of the impairment was influenced by the deemed acquisition consideration, calculated by reference to Glencore's share price on the date of the Acquisition. Furthermore, due to the persistent challenging nickel and aluminum market environments and revision to some mining and development plans, impairment charges were recognized at Murrin Murrin (U.S.$454 million), Cobar (U.S.$137 million) and UC Rusal (U.S.$446 million). Additional significant items include U.S.$300 million of valuation adjustments on other investments classified as held for trading and U.S.$261 million of unrealized profit elimination.

In 2012, Glencore recognized U.S.$2,060 million of significant expenses on a net basis, which comprised primarily impairment charges of U.S.$1,650 million (2011: U.S.$32 million) and its share of Xstrata's exceptional items (2012: U.S.$875 million, 2011: U.S.$25 million), offset by a U.S.$497 million accounting gain on the revaluation of previously held interest in subsidiaries acquired during the year.

In 2011, Glencore recognized U.S.$12 million of significant expenses on a net basis, which comprised primarily U.S.$344 million of expenses related to Glencore's listing, a U.S.$92 million mark-to-market loss in respect of various minority holdings in listed companies, U.S.$63 million related to final costs associated with the settlement of the Prodeco option and U.S.$32 million of asset impairments. These expenses were largely offset by the recognition of U.S.$514 million of net tax credits relating primarily to certain income tax deductions that were crystallized, following the reorganization of Glencore prior to its listing on the London Stock Exchange.

Under IFRS, impairments are assessed on a cash generating unit basis, charges for which are principally recorded in cost of sales as exceptional items. The macroeconomic and commodity price environment during the periods under review resulted in a variety of impairments, including an impairment charge of U.S.$840 million in the year ended 31 December 2012 in respect of Xstrata's investment in Lonmin. In addition, during the periods under review, Xstrata recorded restructuring charges relating to the closure of various assets.

Foreign currency fluctuations

The Group has operations globally and is consequently subject to the impact of foreign currency fluctuations. In the historical periods covered by this section, the impacts were particularly pronounced for the results attributable to subsidiaries of Xstrata.

In connection with the preparation of Xstrata's historical consolidated financial statements, the results of operations and financial position of each of Xstrata's consolidated subsidiaries, which were initially prepared in each subsidiary's functional currency, were translated into U.S. dollars. Fluctuations in exchange rates from one period to the next impacted Xstrata's historical consolidated results of operations and financial position.

As of 31 December 2011 and 2012, the U.S. dollar largely strengthened against the functional currencies of many of Xstrata's consolidated subsidiaries on a period end basis, which improved Xstrata's margins (and partially offset the negative impact of the contemporaneous decrease in commodities prices on Xstrata's financial results).

Description of key line items

The following discussion sets out the key line items in the results of the Group for the years ended 31 December 2013 and 2012 and the Xstrata historical results for the years ended 31 December 2012 and 2011.

Revenues

The Group generates revenue from the sale of physical commodities and marketing advisory and related services. In most instances, sales revenue is recognized when title to the product passes to the customer, which could be delivery onto the vessel on which it is shipped, a destination port or the customer's premises. As commodity prices are often volatile, the Group believes that overall revenues are neither a reliable nor a relevant indicator of the performance of the Group or of its individual business segments. Instead, the Group believes that Adjusted EBIT/EBITDA (revenue less costs of goods sold and selling and administrative expenses plus share of income from associates and joint ventures, dividend income and the attributable share of underlying Adjusted EBIT/EBITDA of certain associates and joint ventures, plus, in the case of Adjusted EBITDA, depreciation and amortization) are key measures to evaluate the operating performance of the Group.

For certain commodities, the sales price is determined on a provisional basis at the date of sale, as the final selling price is subject to movements in market prices up to the date of final pricing, normally ranging from 30 to 180 days after initial booking. Revenue on provisionally priced sales is recognized based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognized as an adjustment to revenue. In all cases, fair value is estimated by reference to forward market prices. The Group records revenues in its physical commodity marketing business on a gross basis, rather than on the basis of the net margin or premiums received.

Cost of goods sold

Cost of goods sold primarily includes the following:

- cost of marketing inventories sold and related distribution and storage costs;
- cost of extracting, refining and processing products related to the consolidated industrial assets, including personnel costs and depreciation and amortization of property, plant and equipment and reserves;
- unrealized gains and losses from changes in the fair value of marketing inventories;
- unrealized gains and losses from changes in the fair value of derivatives held to hedge movements in commodity prices; and
- other operating expenses.

Cost of goods sold also includes, as required, write-downs of inventories where such inventories are carried at the lower of cost or net realizable value.

Selling and administrative expenses

Selling and administrative expenses represent costs that are primarily semi-fixed in nature and attributable to the Group's marketing activities, with the exception of the variable bonus pool. Payroll expenditure is the largest component of this line item, with the variable bonus pool generally constituting a sizeable part of the payroll expenditure.

Share of income from associates and jointly controlled entities

Share of income from associates and jointly controlled entities represents income from associates and jointly controlled entities in which the Group exercises significant influence or joint control that are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control over those policies. Significant influence is presumed if the Group holds between 20 per cent. and 50 per cent. of the voting rights, unless evidence exists to the contrary. Joint control is the contractually agreed sharing of control over an economic entity where strategic and operating decisions require unanimous decision making. Equity accounting involves the Group recording its share of the entity's net income and equity. The Group's interest is initially recorded at cost and is subsequently adjusted for the Group's share of changes in net assets of the entity less any impairment in the value of individual investments.

Interest income

Interest income reflects interest received from cash deposits and loans extended by the Group. Interest income is recognized when a right to receive a payment has been established, it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the applicable effective interest rate.

Other income/(expense) – net

Together with foreign exchange gains/(losses) and mark to market movements on investments held for trading, other income/(expense) – net includes other significant items of income and expense which due to their non-operational nature or expected infrequency of the events giving rise to them are reported separately from operating segment results. Other income/(expense) – net includes, but is not limited to, impairment charges, revaluation of previously held interests in business combinations, restructuring and closure costs.

Interest expense

Interest expense comprises interest incurred on the Group's fixed- and floating-rate borrowings.

Income tax expense

Income tax expense consists of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the balance sheet date and expected current taxable income and any adjustment to tax payable in respect of previous years. Deferred taxes are recognized for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax base used in the computation of taxable profit, using enacted or substantively enacted income tax rates.

The difference between the Group's statutory and effective tax rates results primarily from the location of the Group's operations in differing tax jurisdictions relative to Group's tax jurisdiction, Switzerland. The Group's effective tax rate excludes income from associates and dividend income, which are recorded post tax. Intra-Group transactions are conducted on an arm's length basis and incorporate all relevant terms and conditions.

Recent developments

On 1 April 2014, the Group issued €600 million 2.75 per cent. Notes due 2021 and €500 million 3.75 per cent. Notes due 2026 through its subsidiary, Glencore Finance (Europe) S.A.

On 16 July 2013, the Company announced the commencement of the process to sell its entire interest in Las Bambas. On 13 April 2014, the Company announced that it had signed an agreement for the sale of its entire interest in Las Bambas to the Consortium. The consideration for the transaction is approximately U.S.$5.85 billion, payable to the Company in cash on closing. In addition, all capital expenditure and other costs incurred in developing Las Bambas in the period from 1 January 2014 to closing will also be payable by the Consortium. At the end of March 2014, capital expenditure and other costs incurred since the start of the year amounted to approximately U.S.$400 million. The transaction is subject to certain regulatory approvals (including by MOFCOM) as well as the approval of MMG Limited shareholders. The transaction is expected to close prior to the end of the third quarter of 2014.

On 14 April 2014, the Company announced an agreement to acquire Caracal for an all cash consideration of £5.50 per common share. The transaction is subject to the approval of Caracal shareholders at a special meeting expected to be held in early June 2014, with closing expected to occur as soon as possible thereafter. The transaction is also subject to regulatory approvals and satisfaction of other customary closing conditions.

Group results for the years ended 31 December 2013, 2012 and 2011

On 2 May 2013, the Group acquired Xstrata. The Group's financial results for the year ended 31 December 2013, which are discussed below, reflect approximately eight months of Xstrata's performance. Consequently, a significant portion of the changes between 2012 and 2013 in the income statement line items discussed below, are attributable to the impact of the Acquisition.

Adjusted EBIT for 2013 was U.S.$5,970 million, reflecting improved marketing results, increased production and productivity gains at many of the Group's industrial operations and some Acquisition-related synergies, which helped to partially offset the impact of weaker average commodity prices on the Group's industrial activities.

Adjusted EBIT for 2013 by business segment was as follows:

	Marketing activities	Industrial activities	2013 Adjusted EBIT
		(U.S.$ million)	
Metals and minerals	1,622	2,742	4,364
Energy products	629	907	1,536
Agricultural products	198	(6)	192
Corporate and other[1]	(93)	(29)	(122)
Total	2,356	3,614	5,970

Note:

(1) Corporate industrial activities include U.S.$176 million (2012: U.S.$1,174 million) of Glencore's equity accounted share of Xstrata's income.

Adjusted EBIT for 2012 was U.S.$4,470 million compared to U.S.$5,398 million in 2011, a decline of 17.2 per cent., primarily due to lower contribution from industrial activities which were affected by generally lower year on year average commodity prices for the key commodities which Glencore and its associates (primarily Xstrata) produce.

Adjusted EBIT for 2012 and 2011 by business segment was as follows:

			2011(1)				**2012**(2)	
	Marketing activities	**Industrial activities**	**Adjusted EBIT**		**Marketing activities**	**Industrial activities**	**Adjusted EBIT**	
		(U.S.$ million)				*(U.S.$ million)*		
Metals and minerals	1,242	1,357	2,599	48%	1,363	708	2,071	46%
Energy products	697	375	1,072	20%	435	594	1,029	23%
Agricultural products	(8)	(39)	(47)	(1)%	371	(10)	361	8%
Corporate and other[3]	(20)	1,794	1,774	33%	(39)	1,048	1,009	23%
Total	1,911	3,487	5,398	100%	2,130	2,340	4,470	100%

Notes:

(1) The 2011 financial information has not been restated for the impact of the adoption of revised accounting requirements as described in Note 1 of the 2013 Group Audited Financial Statements.

(2) Certain amounts shown here reflect the adoption of new and revised standards as detailed in Note 1 to the 2013 Group Audited Financial Statements.

(3) Corporate industrial activities include U.S.$1,174 million (2011: U.S.$1,893 million) of Glencore's equity accounted share of Xstrata's income.

Marketing Adjusted EBIT for the year ended 31 December 2013 was U.S.$2,356 million, up 10.6 per cent. compared to 2012. This period saw stronger performances from the metals and energy marketing groups, offset by a lower contribution from the agricultural marketing group. Metals and minerals saw growth driven by higher volumes (including copper, cobalt and iron ore) and generally supportive physical market conditions, as evidenced by strong physical premia in copper, zinc, lead and aluminum. Energy products also grew, as a result of an improved coal contribution owing to higher volumes, a healthy physical market, including significant market segmentation with respect to differing product values and qualities, as well as some level of synergy contribution resulting from the Acquisition. The marketing environment for Agricultural products was challenging with limited volatility and arbitrage opportunities.

Marketing Adjusted EBIT for the year ended 31 December 2012 was U.S.$2,130 million, an 11 per cent. increase over 2011. The period saw improved performance by metals and minerals, with generally good volume growth (e.g. in copper and nickel) and healthy physical premia for many of Glencore's core products. The energy result was weaker than in 2011 due to fewer arbitrage opportunities, against a backdrop of relatively low volatility and the continuing weak freight markets. Agricultural products showed a marked improvement over 2011, with the events surrounding cotton now settled, and, on an adjusted comparable basis, its performance was relatively stable year on year.

Industrial Adjusted EBIT was U.S.$3,614 million for the year ended 31 December 2013, up 54.4 per cent. compared to 2012. The increase was primarily due to the inclusion of eight months of Xstrata on a fully consolidated basis, such enhanced scale more than offsetting the impact of lower average commodity prices during the year. Performance in metals and minerals and energy products was impacted by lower average prices, which was partially offset by strong production growth, particularly in copper and ferrochrome. Agricultural products saw increased production, principally as a result of key expansion projects.

Industrial Adjusted EBIT declined by 32.9 per cent. to U.S.$2,340 million for the year ended 31 December 2012, due primarily to weaker average commodity prices, including nickel, coal (API 2), zinc and copper, down 24 per cent., 21 per cent., 11 per cent. and 10 per cent., respectively, impacting own controlled operations as well as Glencore's share of associate earnings, including Xstrata. The commencement of oil production at the Aseng field in the fourth quarter of 2011 accounted for the increase in energy products' industrial performance. Corporate and other primarily relates to the equity accounted interest in Xstrata and the variable pool bonus accrual, the net result of which was down 43 per cent. to U.S.$1,009 million in 2012 compared to 2011.

Revenue

Revenue for the year ended 31 December 2013 was U.S.$232,694 million, an 8.5 per cent. increase from U.S.$214,436 million in 2012. The increase was primarily driven by the inclusion of eight months of Xstrata results on a fully consolidated basis, as discussed above.

Revenue for the year ended 31 December 2012 was U.S.$214,436 million, a 15.2 per cent. increase from U.S.$186,152 million in 2011. The increase was primarily due to higher oil volumes handled (an increase of 39 per cent.), partially offset by lower period on period metals prices, as noted above.

Cost of goods sold

Cost of goods sold for the year ended 31 December 2013 was U.S.$227,145 million, a 7.9 per cent. increase from U.S.$210,435 million in 2012, primarily due to the inclusion of eight months of Xstrata results on a fully consolidated basis.

Cost of goods sold for the year ended 31 December 2012 was U.S.$210,435 million, a 15.7 per cent. increase from U.S.$181,938 million in 2011, primarily due to the higher oil volumes noted above.

Selling and administrative expenses

Selling and administrative expenses for the year ended 31 December 2013 were U.S.$1,206 million, a 21.0 per cent. increase from U.S.$997 million in 2012, which reflects the growth in the business following the acquisition of Xstrata in May 2013.

Selling and administrative expenses for the year ended 31 December 2012 were U.S.$997 million, a 16.4 per cent. increase from U.S.$857 million in 2011 due to somewhat higher employee compensation expenses, commensurate with an expansion of business activities and performance.

Share of income from associates and jointly controlled entities

Share of income from associates and jointly controlled entities for the year ended 31 December 2013 was U.S.$846 million, a 130.5 per cent. increase from U.S.$367 million in 2012. The increase reflects the inclusion of the associates acquired with Xstrata.

Share of income from associates and jointly controlled entities for the year ended 31 December 2012 was U.S.$367 million, an 81.4 per cent. decrease from U.S.$1,972 million in 2011. The decrease reflects reduced earnings flow-through from Xstrata primarily due to lower commodity prices and the various impairment charges which it took (U.S.$299 million equity earnings, including U.S.$875 million of significant items, 2011: U.S.$1,868 million, including U.S.$45 million of significant items).

(Loss)/gain on disposal of investments

Loss on disposal of investments for the year ended 31 December 2013 was U.S.$40 million, compared to U.S.$128 million in 2012. The 2013 loss was attributable to an accounting dilution loss following Xstrata's share issuances in April 2013, which saw Glencore's effective ownership stake in Xstrata reduced.

Loss on disposal of investments for the year ended 31 December 2012 was U.S.$128 million, compared to a gain of U.S.$9 million in 2011. The amount in 2012 comprised primarily an accounting dilution loss following Xstrata's share issuance in March 2012 (part of its employee stock ownership plan), which saw Glencore's effective ownership reduce from 34.5 per cent. to 34.2 per cent.

Other income/(expense) – net

Net other expense for the year ended 31 December 2013 was U.S.$10,844 million, compared to U.S.$1,214 million in 2012. The 2013 expense primarily comprised impairment charges of U.S.$9,086 million. These impairments resulted, in large part, from a U.S.$7,480 million impairment of goodwill in connection with the Acquisition. On acquisition, the underlying assets and liabilities acquired were fair valued, with an amount of resulting goodwill allocated to the business. A residual goodwill amount of U.S.$7,480 million could not be supported and was written off as explained in Note 5 to the 2013 Group Audited Financial Statements. The size of the impairment was influenced by the deemed acquisition consideration, calculated by reference to Glencore's share price on the date of the Acquisition. Net other expenses also includes impairment charges recognized at Murrin Murrin (U.S.$454 million), Cobar (U.S.$137 million) and UC Rusal (U.S.$446 million) due to persistent challenging nickel and aluminum market environments and revisions to some mining development plans.

Net other expense for the year ended 31 December 2012 was U.S.$1,214 million, compared to U.S.$511 million in 2011. 2012 primarily comprised impairments of U.S.$1,650 million, U.S.$120 million acquisition related expenses and U.S.$109 million of expense related to phantom equity awards granted upon Glencore's listing, offset by a net U.S.$497 million accounting gain mainly related to the revaluation of Glencore's initial 40 per cent. interest in Mutanda upon acquisition of an additional 20 per cent. interest in April 2012. There was also U.S.$179 million of positive mark-to-market adjustments related to certain fixed priced forward coal sales contracts in respect of Prodeco's future production.

The impairment amount mainly comprises U.S.$1.2 billion of previously recognized negative fair value adjustments reclassified from "other comprehensive income" to the statement of income in respect of Glencore's interest in UC Rusal. This reclassification had no impact on Glencore's net asset/equity position which has consistently, for many years, reflected the mark-to-market fair value of this holding.

Net other expense in 2011 primarily comprised U.S.$344 million of expenses related to Glencore's listing, a U.S.$92 million mark-to-market loss in respect of various minority holdings in listed companies, U.S.$63 million related to final costs associated with the settlement of the Prodeco option and U.S.$32 million of asset impairments.

Interest income

Interest income over the year ended 31 December 2013 was U.S.$393 million, consistent with 2012.

Interest income over the year ended 31 December 2012 was U.S.$401 million, an 18.0 per cent. increase over the prior period due to higher average advance balances outstanding. Interest income includes interest earned on various loans extended, including to OAO Russneft.

Interest expense

Interest expense for the year ended 31 December 2013 was U.S.$1,781 million, a 29.9 per cent. increase from U.S.$1,371 million in 2012, mainly due to increased borrowings due to the consolidation of Xstrata from May 2013.

Interest expense for the year ended 31 December 2012 was U.S.$1,371 million, a 15.6 per cent. increase from U.S.$1,186 million in 2011. The increase was mainly due to higher average debt levels. Floating-rate debt is predominately used to fund fast turning liquid working capital, the funding cost of which is taken into account in transactional pricing and terms and accordingly sought to be "recovered" in Adjusted EBIT of Glencore's marketing activities.

Income taxes

A net income tax expense of U.S.$254 million was recognized over the year ended 31 December 2013, compared to an income tax credit of U.S.$76 million in 2012. The 2012 income tax credit resulted primarily from the inclusion of one-off tax benefits (losses carried forward), following an internal reorganization of the Group's existing ownership of Xstrata in 2012.

A net income tax credit of U.S.$76 million was recognized over the year ended 31 December 2012 compared to a credit of U.S.$264 million over 2011. The 2012 credit resulted primarily from the recognition of crystallized tax benefits (resulting in losses carried forward), following an internal reorganization of Glencore's existing ownership interest in Xstrata. The 2011 credit resulted primarily from the recognition of tax deductions associated with the conversion of Glencore from private to public ownership as part of its listing.

Xstrata results for the years ended 31 December 2012 and 2011

Revenue

Xstrata's revenue was U.S.$31,618 million for the year ended 31 December 2012, a decrease of U.S.$2,259 million, or 6.7 per cent., from revenue of U.S.$33,877 million for the year ended 31 December 2011. This decrease was primarily due to lower commodity prices. Average prices for nickel, copper, zinc, lead, Australian coking coal, Australian semi-soft coking coal and Americas thermal coal decreased by 23 per cent., 10 per cent., 11 per cent., 14 per cent., 25 per cent., 22 per cent. and 12 per cent., respectively, for the year ended 31 December 2012 compared to the year ended 31 December 2011.

EBITDA

The following table sets forth Xstrata's EBITDA by major categories of products and services for the periods indicated:

	Year ended 31 December	
	2011	**2012**
	(in U.S.$ millions)	
Profit before interest, taxation, depreciation and amortization (EBITDA)		
Before exceptional items		
Coal	3,853	2,986
Copper	4,915	3,389
Zinc and lead	1,223	1,070
Alloys	294	155
Nickel	1,234	746
Technology	34	48
Iron ore	(11)	(11)
Unallocated	106	(261)
Operating EBITDA before exceptional items (A)	11,648	8,122
Share of results from associates (net of tax, continuing operations)		
Coal	4	4
Alloys	25	(16)
Zinc and lead	—	13
Total EBITDA before exceptional items (B)	11,677	8,123
Exceptional items		
Coal	(3)	(171)

	Year ended 31 December	
	2011	2012
	(in U.S.$ millions)	
Copper	(28)	(234)
Zinc and lead	—	(29)
Alloys	48	(19)
Nickel	—	(25)
Technology	—	(2)
Iron ore	(1)	(2)
Unallocated	—	(154)
Total operating exceptional items (C)	16	(636)
Operating EBITDA (A+C)	11,664	7,486
Share of results from associates (net of tax, continuing operations)		
Coal	—	—
Alloys	12	(945)
Zinc and lead	—	—
Total exceptional items (D)	28	(1,581)
Total EBITDA (B+D)	11,705	6,542

Xstrata's EBITDA decreased by U.S.$5,163 million, or 44.1 per cent., to U.S.$6,542 million for the year ended 31 December 2012, from U.S.$11,705 million for the year ended 31 December 2011. This decrease was primarily due to lower sales prices across the range of Xstrata's commodities, as described above, as well as various impairments recorded. Also contributing to the decrease in EBITDA were an overall decrease in sales volumes and CPI and mining industry inflation. Partially offsetting these effects were a strengthening of the U.S. dollar against the currencies of the commodity producing countries in which Xstrata operates and real unit cost savings reflecting efficiency improvements at Xstrata's zinc operations, higher coal production from lower cost operations, increased production and improved head grades at the Raglan and Sudbury nickel operations and lower power costs and higher production at the Falcondo ferronickel operations.

Copper

Xstrata Copper's Operating EBITDA before exceptional items decreased by U.S.$1,526 million, or 31.1 per cent., to U.S.$3,389 million for the year ended 31 December 2012, from U.S.$4,915 million for the year ended 31 December 2011. This decrease reflected lower sales volumes as well as lower average prices, as described above. Also contributing to the decrease were mining industry inflation, which resulted in increased labor and energy costs across the industry in Australia, Argentina and northern Chile; CPI inflation; and a real unit cost increase, primarily driven by lower grades.

Coal

Xstrata Coal's Operating EBITDA before exceptional items decreased by U.S.$867 million, or 22.5 per cent., to U.S.$2,986 million for the year ended 31 December 2012, from U.S.$3,853 million for the year ended 31 December 2011. This decrease reflected lower realized sales prices, particularly in the second half of the year. Also contributing to the decrease were continued coal sector inflation, partially offset by increased sales volumes and a weakening of the South African Rand.

Nickel

Xstrata Nickel's Operating EBITDA before exceptional items decreased by U.S.$488 million, or 39.6 per cent., to U.S.$746 million for the year ended 31 December 2012, from U.S.$1,234 million for the year ended

31 December 2011. This decrease reflected lower average prices, as described above, and industry-wide and regional CPI inflationary pressures. Partially offsetting these effects were real unit cost savings as a result of higher production and nickel head grade at Raglan and Sudbury and the successful conversion to fully procured power and increased production at Falcondo, and a strengthening of the U.S. dollar against Xstrata Nickel's operating currencies.

Zinc

Xstrata Zinc's Operating EBITDA before exceptional items decreased by U.S.$153 million, or 12.5 per cent., to U.S.$1,070 million for the year ended 31 December 2012, from U.S.$1,223 million for the year ended 31 December 2011. This decrease reflected lower average prices for zinc and lead. Partially offsetting these effects were the strengthening of the U.S. dollar against Xstrata Zinc's operating currencies and real cost savings, reflecting efficiency improvements and production increases across the business unit.

Alloys

Xstrata Alloys' Operating EBITDA before exceptional items decreased by U.S.$139 million, or 47.3 per cent., to U.S.$155 million for the year ended 31 December 2012, from U.S.$294 million for the year ended 31 December 2011. This decrease reflected lower average prices for ferrochrome, platinum and palladium, as described above; lower sales volumes; and CPI and mining industry inflation, which resulted in higher energy costs. Partially offsetting these effects were a strengthening of the U.S. dollar against the South African Rand and real unit cost savings at Xstrata Alloys' operations and from business-wide cost cutting initiatives.

Technology

Xstrata Technology's Operating EBITDA before exceptional items increased by U.S.$14 million, or 41.2 per cent., to U.S.$48 million for the year ended 31 December 2012, from U.S.$34 million for the year ended 31 December 2011, principally as a result of an increased number of projects utilizing all of Xstrata Technology's technologies and the successful completion of major projects utilizing IsaMill and IsaKidd technologies.

Exceptional items

Exceptional items in Xstrata's historical results represent significant items of income and expense which, due to their nature or the expected infrequency of the events giving rise to them, are presented separately on the face of the income statement to provide a better understanding of the elements of financial performance in a particular period, to facilitate comparison with prior periods and to better assess trends in financial performance. Exceptional items include, but are not limited to, goodwill impairments, acquisition and integration costs which have not been capitalized, profits and losses on the sale of investments, profits and losses from the sale of operations and restructuring and closure costs.

The following exceptional items were recorded in the year ended 31 December 2012:

Acquisition and Disposal Costs: Xstrata incurred acquisition and disposal costs of U.S.$136 million in relation to the Acquisition, as announced on 7 February 2012 and approved by shareholders on 20 November 2012. Xstrata incurred a further U.S.$7 million with respect to asset acquisitions and disposal costs. For the year ended 31 December 2011, Xstrata incurred acquisition and disposal costs of U.S.$4 million in relation to offers made to acquire companies and dispose of assets.

Accelerated Share-Based Compensation Plan Charge: Following the approval by shareholders on 20 November 2012 of the Acquisition, the expected vesting date for all share-based compensation plan awards was revised forward as all awards will vest upon completion of the transaction and change of control. This has resulted in an accelerated share-based compensation plan charge of U.S.$185 million (U.S.$149 million after tax) for 2012.

Available-for-Sale Financial Assets Write-Down: Xstrata recognized U.S.$32 million of unrealized losses associated with significant or prolonged declines in the market value of listed investments, a decrease of U.S.$11 million, or 25.6 per cent., from the year ended 31 December 2011.

Liability Fair Value Adjustments: Xstrata is required to recognize a liability at fair value representing African Rainbow Minerals Limited's interest in Xstrata's South African coal operations. For the year ended 31 December 2012, this adjustment was U.S.$116 million, as compared with U.S.$nil in the year ended 31 December 2011, due mainly to improved productivity, increased lives of certain operations and favorable foreign exchange movements.

(Loss)/Profit on Establishment of a Joint Venture: Xstrata recognized a U.S.$166 million loss on the formation of the Energia Austral joint venture, which resulted in the loss of control over the previously wholly-owned hydroelectricity project in Chile. During 2011, Xstrata recognized a U.S.$48 million profit on the disposal of an interest in its Rhovan vanadium operations upon the finalization of a black empowerment agreement in South Africa.

Profit on Sale of Operations: Xstrata recognized a U.S.$18 million profit on the disposal of copper exploration tenements in Brazil, as compared with U.S.$nil in the year ended 31 December 2011.

Restructuring and Closure Costs: Xstrata incurred U.S.$7 million of restructuring and closure costs in relation to the Kidd metallurgical plants and U.S.$5 million in relation to the Cosmos nickel mine in Western Australia following its suspension as announced on 26 September 2012, as compared with a credit in 2011 of U.S.$15 million in relation to the write-back of provisions and gain on sale of scrap metal at the Kidd metallurgical plants.

Impairment of Assets and Reversal of Assets Previously Impaired: In March 2012, Xstrata announced that the Brunswick zinc mine was approaching the end of its mine life and will close by March 2013. Xstrata recorded a U.S.$157 million impairment of goodwill for the year ended 31 December 2012, an amount that was initially recognized from the Falconbridge Limited acquisition in 2006, as a result of the requirement to recognize a deferred tax liability on the fair value adjustments.

Following a review of the Australian nickel operations due to a prolonged period of low nickel prices and a strong Australian dollar, the Cosmos mine was placed on care and maintenance and mine plans at other Australian nickel operations were updated during 2012, resulting in an impairment of U.S.$447 million (U.S.$313 million after tax).

During 2012, there was a deterioration in the platinum group metals (PGM) market conditions, particularly in Europe, and, as a result of this weak market outlook, increasing cost pressures across the industry and challenging geological conditions, a strategic review of the Eland PGM operation in South Africa was performed. As a result of the review, the planned development of certain expansionary projects is being deferred, delaying forecast production increases. This, coupled with the factors described above, resulted in the recognition of an impairment of U.S.$354 million, inclusive of U.S.$273 million of goodwill.

During 2012, a U.S.$20 million impairment of goodwill was recorded in the African Carbon Group in South Africa as a result of the adverse market conditions for char and its substitution for anthracite within the ferrochrome industry.

Impairment of Investment in Associates: Xstrata recorded an impairment charge of U.S.$840 million in respect of its equity investment in Lonmin. This impairment is consistent with Xstrata's updated forecast of Lonmin's performance based on its 2012 annual results and the challenging outlook for Lonmin and the industry.

Share of Exceptional Results from Associates: Xstrata recognized a U.S.$105 million charge for the year ended 31 December 2012, as compared with income of U.S.$12 million for the year ended 31 December

2011, in relation to Xstrata's share of the exceptional employee strike-related costs, impairments, net financing costs and related taxation credits recognized by Lonmin in its 2012 annual report.

Loan Issue Costs Written Off on Facility Refinancing: Xstrata incurred costs of U.S.$12 million for the year ended 31 December 2012, as compared with a charge of U.S.$19 million for the year ended 31 December 2011, in relation to unutilized finance facilities which were canceled.

During 2012, Xstrata recognized an exceptional tax credit of U.S.$14 million, primarily as a result of the tax effect of the impairment of assets, acquisition and disposal costs, accelerated share-based compensation plan charges, refinancing and restructuring and closure costs offset by the permanent change in the statutory corporate income tax rate in Chile from 17 per cent. to 20 per cent.

The following exceptional items were recorded in the year ended 31 December 2011:

As a result of the closure of the Australian Prospero nickel mine in 2011, Xstrata recorded an impairment of U.S.$469 million (U.S.$328 million after tax) against the carrying value of Prospero's assets and surrounding prospective mines.

As a result of on-going optimization efforts, the estimated recoverable amount of the Integrated Nickel Operations increased, and Xstrata recorded an impairment reversal of U.S.$463 million (U.S.$324 million after tax).

In addition, Xstrata recognized an exceptional tax charge of U.S.$75 million, primarily as a result of the introduction of a number of new taxes levied on the mining industry in Peru, the impairment of assets, profit on sale of operations, refinancing and the reversal of restructuring and closure costs.

Xstrata also recognized a gain of U.S.$48 million in connection with the disposal of a 26 per cent. interest in its Rhovan vanadium operations in South Africa in February 2011, a write-down of U.S.$43 million attributable to a decline in the market value of listed investments, a gain of U.S.$15 million attributable to the reversal of restructuring and closure costs for which Xstrata previously provided and exceptional acquisition costs of U.S.$4 million in relation to successful offers made to acquire Zanaga and First Coal.

Finally, Xstrata recognized a gain of U.S.$12 million attributable to its share of the restructuring and closure costs, impairments, financing costs and related taxation credits recognized by Lonmin, as well as a write-off of U.S.$19 million relating to the issue costs incurred when Xstrata refinanced its bank facilities.

Other pre-tax items

Xstrata's depreciation and amortization was U.S.$3,332 million for the year ended 31 December 2012, an increase of U.S.$115 million, or 3.6 per cent., from U.S.$3,217 million for the year ended 31 December 2011.

Xstrata recognized net finance costs of U.S.$225 million for the year ended 31 December 2012 compared to U.S.$334 million for the year ended 31 December 2011. This decrease primarily reflected the increase in finance income from U.S.$137 million for the year ended 31 December 2011 to U.S.$184 million for the year ended 31 December 2012, which was primarily due to an increase in interest received from banks and third parties and foreign currency gains on U.S. and Canadian dollar inter-company loans in Australian entities.

Income tax(charge)/credit

Xstrata recognized an income tax charge of U.S.$635 million for the year ended 31 December 2012 (after an exceptional income tax credit of U.S.$14 million), compared to an income tax charge of U.S.$2,215 million for the year ended 31 December 2011 (after an exceptional income tax charge of U.S.$75 million). Excluding exceptional items, Xstrata's effective tax rate for the year ended 31 December 2012 was 14.0 per cent., compared to 26.0 per cent. for the year ended 31 December 2011. A reassessment of tax payable estimates, following the lodgement of taxation returns and receipt of taxation assessments, led to a one-off reversal of prior year tax provisions which significantly reduced the income tax charge in 2012. The pre-exceptional items effective tax rate before this adjustment was 24 per cent. for 2012, due to lower earnings in higher-tax jurisdictions compared to 26 per cent. for 2011.

Profit for the period

In the year ended 31 December 2012, Xstrata recorded profit for the period of U.S.$1,372 million, a decrease of U.S.$4,561 million, or 76.9 per cent., from U.S.$5,933 million in the year ended 31 December 2011. Profit for the period attributable to equity holders of Xstrata was U.S.$1,180 million for the year ended 31 December 2012, a decrease of U.S.$4,533 million, or 79.4 per cent., from U.S.$5,713 million for the year ended 31 December 2011. Non-controlling interests' share of the profit for the year ended 31 December 2012 decreased to U.S.$192 million, compared with U.S.$220 million for the year ended 31 December 2011.

Liquidity and capital resources

Cash flow

The Group

The following table summarizes the Group's cash flow statement for the periods indicated:

	Year ended 31 December		
	2011	**2012**	**2013**
	(in U.S.$ millions)		
Cash generated by operating activities before working capital changes	4,101	4,782	8,676
Working capital changes	(3,174)	727	2,599
Net cash (used in)/generated by operating activities	(343)	4,381	9,184
Net cash used by investing activities	(3,690)	(9,539)	(6,695)
Net cash (used in)/generated by financing activities	3,875	6,635	(2,422)
Net increase in cash and cash equivalents	(158)	1,477	67

Cash generated by operating activities before working capital changes

Cash generated by operating activities before working capital changes in the year ended 31 December 2013 was U.S.$8,676 million, an increase of 81.4 per cent. compared to U.S.$4,782 million in 2012, primarily reflecting the higher Adjusted EBITDA generated by the enlarged Group.

Cash generated by operating activities before working capital changes in the year ended 31 December 2012 was U.S.$4,782 million, an increase of 16.6 per cent. compared to U.S.$4,101 million in 2011, primarily reflecting the higher Adjusted EBITDA from marketing activities.

Working capital changes

Net working capital cash inflows were U.S.$2,599 million during the year ended 31 December 2013, compared to U.S.$727 million in 2012. The 2013 inflows primarily resulted from a significant sale of inventories towards the end of 2013.

Net working capital cash inflows were U.S.$727 million during the year ended 31 December 2012, compared to an outflow of U.S.$3,174 million in 2011. In the fourth quarter of 2011, as Glencore was presented with highly attractive "funded" commodity sourcing opportunities. 2012 saw a partial release of this, via the movement in receivables and payables; however, marketing-related inventory balances increased during the year. Inventory levels were higher in metals and in the agricultural division, which took on substantial levels of working capital towards the end of 2012, due to the mid-December acquisition of Viterra.

Net cash used by investing activities

Net cash used by investing activities was U.S.$6,695 million in 2013, compared to U.S.$9,539 million in 2012. The outflow in 2013 primarily reflected the purchase of property, plant and equipment, as well as the progression of the various development projects assumed with the Acquisition, notably Las Bambas, Koniambo, the Australian thermal coal projects and MacArthur River, combined with expenditures in African copper and oil exploration and production.

Net cash used by investing activities was U.S.$9,539 million in 2012 compared to U.S.$3,690 million in 2011. The net outflow in 2012 primarily related to the acquisition of Viterra, an additional 32 per cent. interest in Optimum, an additional 20 per cent. interest in Mutanda, two European manganese operations and an 80 per cent. interest in Rosh Pinah, along with continued capital expenditure programs in respect of the various exploration and production upstream oil development projects, the development of the Mutanda and Kansuki copper/cobalt operations and the production expansions at Katanga and Prodeco. The net outflow in 2011 primarily related to the continued capital expenditure programs in respect of Vasilkovskoye Gold's production ramp-up, the various West African upstream oil development projects, the development of the Mutanda copper/cobalt mine and production expansion at Katanga and Prodeco. In addition, a few bolt-on investments were progressed, including securing a 31.8 per cent. interest in Optimum Coal and 43.7 per cent. of Umcebo Coal, as well as increasing various existing equity-related holdings, including in Volcan, Century Aluminum and Minara Resources.

Net cash used by financing activities

Net cash used by financing activities was U.S.$2,422 million for the year ended 31 December 2013, compared to an inflow of U.S.$6,635 million in 2012. During 2013, the Group issued U.S.$5 billion and €1,150 million of bonds and repaid various other current and non-current facilities.

Net cash generated by financing activities was U.S.$6,635 million for the year ended 31 December 2012, an increase of 71.2 per cent. over 2011. During 2012, Glencore issued U.S.$2,951 million in bonds, including denominations in Euro, sterling and Swiss franc. During 2011, in addition to regular bank and bond financing activities, Glencore refinanced the U.S.$2.8 billion (U.S.$2.3 billion drawn) bank loans secured by Xstrata shares with new two-year U.S.$2.7 billion equivalent facilities and raised U.S.$7.6 billion net of issue costs via equity offerings on the London and Hong Kong stock exchanges.

Xstrata

The following table summarizes Xstrata's cash flow statement for the periods indicated:

	Year ended 31 December	
	2011	**2012**
	(in U.S.$ millions)	
Net cash flow from operating activities	9,358	4,995
Net cash flow used in investing activities	(8,620)	(10,321)
Net cash flow from/(used in) financing activities	(490)	5,369
Net increase in cash and cash equivalents	248	43

Net cash flow from operating activities

For the year ended 31 December 2012, Xstrata's net cash flow from operating activities decreased by U.S.$4,363 million from U.S.$9,358 million for the year ended 31 December 2011 to U.S.$4,995 million, primarily as a result of weaker commodity prices and lower copper volumes.

Xstrata's net cash flow from operating activities in 2011 was U.S.$9,358 million, driven by increased earnings, reflecting an EBITDA cash conversion rate (representing the ratio of net cash flow from operating activities to total EBITDA) of 80 per cent.

Net cash flow used in investing activities

For the year ended 31 December 2012, Xstrata's net cash flow used in investing activities increased by U.S.$1,701 million from U.S.$8,620 million for the year ended 31 December 2011 to U.S.$10,321 million, primarily as a result of an increase in both sustaining and expansionary capital expenditure in both years.

Net cash flow from/(used in) financing activities

For the year ended 31 December 2012, Xstrata's net cash flow from financing activities increased by U.S.$5,859 million from U.S.$490 million used for the year ended 31 December 2011 to U.S.$5,369 million, primarily as a result of an increase in proceeds from interest-bearing loans and borrowings and a decrease in repayments of interest-bearing loans and borrowings, together with an increase in dividends paid to equity holders of Xstrata. In 2011, Xstrata received U.S.$6,929 million in proceeds from interest-bearing loans and borrowings, reflecting the issuance of bonds in November 2011, offset by repayment of interest bearing loans and borrowings of U.S.$6,194 million.

Capital resources

For discussion of the historical capital resources and indebtedness of Glencore and Xstrata and of the Group's current capital resources and indebtedness position, please see "Description of Indebtedness".

Balance sheet items

The Group

Total assets were U.S.$154,932 million as at 31 December 2013, compared to U.S.$105,654 million in 2012, while current assets were U.S.$53,656 as at 31 December 2013, compared to U.S.$51,287 million in 2012. The increase in both total and current assets related to the Acquisition. The adjusted current ratio at 31 December 2013 was 1.18, compared to 1.16 in 2012. Non-current assets were U.S.$96,390 million as at 31 December 2013, compared to U.S.$51,452 million in 2012. The increase related to the Acquisition.

Total assets were U.S.$105,564 million as at 31 December 2012 compared to U.S.$86,165 million as at 31 December 2011. Over the same time period, current assets increased from U.S.$45,731 million to U.S.$51,287 million. The adjusted current ratio at 31 December 2012 was 1.16 compared to 1.53 at 31 December 2011, as the Xstrata secured bank loans and the October 2013 Eurobonds moved from non-current to current borrowings. Non-current assets increased from U.S.$40,434 million as at 31 December 2011 to U.S.$51,452 million as at 31 December 2012, primarily due to the acquisitions and capital expenditure programs noted above, including large non-controlling interest asset gross-ups in relation to Mutanda and Optimum, where Glencore moved from equity to consolidated accounting during the year.

Consistent with 31 December 2012, 99 per cent. of total marketing inventories were contractually sold or hedged as at 31 December 2013. These inventories are readily convertible into cash due to their liquid nature, widely available markets, and the fact that any associated price risk is covered either by a physical sale transaction or a hedge transaction on a commodity exchange or with a highly rated counterparty. Given the highly liquid nature of these inventories, which represent a significant share of current assets, the Group believes it is appropriate to consider them together with cash equivalents in analyzing net debt levels and computing certain debt coverage ratios and credit trends.

Production inventories consist of materials, spare parts and work in process. Marketing inventories are saleable commodities held primarily by the marketing entities, as well as finished goods and certain other readily saleable materials held by the industrial assets. Glencore has a number of dedicated facilities which finance a portion of its marketing inventories. In each case, the inventory has been retained on the Group's balance sheet with the proceeds received recognized as either short-term debt, commodities sold with agreements to repurchase or trade advances from buyers, depending upon its funding nature.

In addition, accounts receivable form a significant portion of Glencore's assets. Glencore has entered into certain arrangements to finance a portion of its receivables. In each case, the receivable has been retained on the Group's balance sheet with the proceeds received recognized as current borrowings.

Xstrata

Total assets were U.S.$83,113 million as at 31 December 2012 compared to U.S.$74,832 million as at 31 December 2011. Over the same time period, current assets increased from U.S.$11,375 million to U.S.$12,430 million. The adjusted current ratio at 31 December 2011 was 1.32 compared to 1.73 at 31 December 2012. This improvement is attributable to lower income taxes payable due to the reduced earnings and lower borrowings due within a year. Non-current assets increased from U.S.$63,457 million as at 31 December 2011 to U.S.$70,683 million as at 31 December 2012, primarily due to capital expenditure.

Capital expenditure and contractual obligations/contingencies

The Group

Capital expenditure

The Group's capital expenditure for the year ended 31 December 2013 was U.S.$9,587 million (2012: U.S.$3,117 million), relating primarily to the progression of the various development projects assumed with the Acquisition, notably Las Bambas, Koniambo, Australian thermal coal projects and McArthur River, combined with African copper and oil exploration and production.

Future commitments

As at 31 December 2013, U.S.$2,817 million (2012: U.S.$756 million; 2011 U.S.$884 million), of which 74 per cent. (2012: 63 per cent.; 2011: 92 per cent.) relates to expenditure to be incurred over the next year, was contractually committed for the acquisition of property, plant and equipment.

Certain of the Group's exploration tenements and licenses require it to spend a minimum amount per year on development activities, a significant portion of which would have been incurred in the ordinary course of operations. As at 31 December 2013, U.S.$623 million (2012: U.S.$343 million; 2011: U.S.$549 million) of such development expenditures is to be incurred, of which 55 per cent. (2012: 41 per cent.; 2011: 57 per cent.) is for commitments to be settled over the next year.

The Group procures seagoing vessel/chartering services to meet its overall marketing objectives and commitments. At year end 2013, the Group had committed to future hire costs to meet future physical delivery and sale obligations and expectations of U.S.$1,035 million (2012: U.S.$1,419 million; 2011: U.S.$2,171 million) of which U.S.$578 million (2012: U.S.$596 million; 2011: U.S.$570 million) are with associated companies. A total of 56 per cent. (2012: 55 per cent.; 2011: 50 per cent.) of these charters is for services to be received over the next two years.

As part of the Group's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either (a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or (b) the guarantor by way of issuing a bank guarantee accepting responsibility for the Group's contractual obligations. As at 31 December 2013, U.S.$13,886 million (2012: U.S.$10,509 million; 2011: U.S.$8,642 million) of such commitments have been issued on behalf of the Group, which will generally be settled simultaneously with the payment for such commodity.

The Group has entered into various operating leases mainly as lessee for office and warehouse/storage facilities. Rental expenses for these leases totaled U.S.$203 million, U.S.$99 million and U.S.$77 million for the years ended 31 December 2013, 2012 and 2011, respectively. Future net minimum lease payments under non-cancelable operating leases are as follows:

	2011	2012	2013
		(U.S.$ million)	
Within 1 year	76	110	105
Between 2 and 5 years	147	213	216
After 5 years	120	160	114
Total	343	483	435

The Group has entered into finance leases for various plant and equipment items, primarily vessels and machinery. Future net minimum lease payments under finance leases together with the future finance charges are as follows:

	Undiscounted minimum lease payments			**Present value of minimum lease payments**		
	2011	**2012**	**2013**	**2011**	**2012**	**2013**
			(U.S.$ million)			
Within 1 year	50	62	70	39	48	49
Between 1 and 5 years	197	188	276	164	146	188
After 5 years	136	109	201	114	87	156
Total minimum lease payments	383	359	547	317	281	393
Less: amounts representing finance lease charges	66	78	154	—	—	—
Present value of minimum lease payments	317	281	393	317	281	393

Future development and related commitments

Las Bambas

In accordance with the Acquisition Remedy Commitments made to MOFCOM related to the Acquisition, the Group has agreed, subject to a minimum defined reserve price, to sell the Las Bambas copper mine project in Peru by 30 September 2014. On 16 July 2013, the Group commenced the process to sell its entire interest in Las Bambas. On 13 April 2014, the Company announced that it had signed an agreement for the sale of its entire interest in Las Bambas to the Consortium. The consideration for the transaction is approximately U.S.$5.85 billion, payable to the Company in cash on closing. In addition, all capital expenditure and other costs incurred in developing Las Bambas in the period from 1 January 2014 to closing will also be payable by the Consortium. At the end of March 2014, capital expenditure and other costs incurred since the start of the year amounted to approximately U.S.$400 million. The transaction is subject to certain regulatory approvals (including by MOFCOM) as well as the approval of MMG Limited shareholders. The transaction is expected to close prior to the end of the third quarter of 2014.

Off-balance sheet arrangements

The Group has no off-balance sheet entities or off-balance sheet arrangements.

Contingent liabilities

The amount of corporate guarantees in favor of third parties as at 31 December 2013 was U.S.$nil.

Litigation

Certain legal actions, other claims and unresolved disputes are pending against the Group. Whilst the Group cannot predict the results of any litigation, it believes that it has meritorious defenses against those actions or claims. The Group believes the likelihood of any material liability arising from these claims to be remote and that the liability, if any, resulting from any litigation will not have a material adverse effect on its consolidated income, financial position or cash flows.

Environmental contingencies

The Group's operations, mainly those arising from the ownership in industrial investments, are subject to various environmental laws and regulations. The Group is in material compliance with those laws and regulations. The Group accrues for environmental contingencies when such contingencies are probable and reasonably estimable. Such accruals are adjusted as new information develops or circumstances change. Recoveries of environmental remediation costs from insurance companies and other parties are recorded as assets when the recoveries are virtually certain. At this time, the Group is unaware of any material environmental incidents at its locations.

Tax audits

The Group assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters that it is probable that an adjustment will be made, the Group records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws. Whilst the Group believes it has adequately provided for the outcome of these matters, future results may include favorable or unfavorable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved. The final outcome of tax examinations may result in a materially different outcome than assumed in the tax liabilities.

Xstrata

Capital expenditure

The following table sets forth Xstrata's capital expenditure for the periods indicated:

	Year ended 31 December	
	2011	**2012**
	(in U.S.$ millions)	
Sustaining	2,392	2,750
Expansionary	5,773	7,582
Total	8,165	10,332

Xstrata originally budgeted U.S.$8.2 billion for expansionary capital expenditure (in addition to U.S.$2.5 billion in sustaining capital expenditure) for the year ending 31 December 2012, of which U.S.$1 billion was deferred. Xstrata's budgeted expansionary capital expenditure for 2013 increased from U.S.$6.1 billion to U.S.$6.5 billion (in addition to U.S.$2.5 billion in sustaining capital expenditure), with U.S.$600 million to be deferred beyond 2013.

Financial risk management

The Group

Value at Risk (VaR)

One of the tools used by the Group to monitor and limit its primary market risk exposure, namely commodity price risk related to its physical marketing activities, is the use of a VaR computation. VaR is a risk measurement technique which estimates the potential loss that could occur on risk positions as a result of movements in risk factors over a specified time horizon, given a specific level of confidence and based on a specific price history. The VaR methodology is a statistically defined, probability-based approach that takes into account market volatilities, as well as risk diversification by recognizing offsetting positions and correlations between commodities and markets. In this way, risks can be measured consistently across all markets and commodities and risk measures can be aggregated to derive a single risk value. The Group has set a consolidated VaR limit (one-day 95 per cent.) of U.S.$100 million representing less than 0.2 per cent. of total equity, which it reviews annually.

The Group uses a VaR approach based on Monte Carlo simulations and is computed at a 95 per cent. confidence level with a weighted data history using a combination of a one-day and one-week time horizon.

Average market risk VaR (one-day 95 per cent.) during the year ended 31 December 2013 was U.S.$32 million (2012: U.S.$40 million), representing a modest 0.1 per cent. of total equity.

Whilst it is the Group's policy to substantially hedge its commodity price risks, there remains the possibility that the hedging instruments chosen may not always provide effective mitigation of the underlying price risk. The hedging instruments available to the marketing businesses may differ in specific characteristics to the risk exposure to be hedged, resulting in an on-going and unavoidable basis risk exposure. Residual basis risk exposures represent a key focus point for the Group's commodity division teams who actively engage in the management of such.

Interest rate risk

The Group is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its assets and liabilities and cash flows. Matching of assets and liabilities is utilized as the dominant method to hedge interest rate risks, other methods include the use of interest rate swaps and similar derivative instruments. Floating-rate debt which is predominantly used to fund fast turning working capital (interest is internally charged on the funding of this working capital) is primarily based on U.S. dollar LIBOR plus an appropriate premium. Accordingly, prevailing market interest rates are continuously factored into transactional pricing and terms.

Assuming the amount of floating rate liabilities at the reporting period end were outstanding for the whole year, interest rates were 50 basis points higher/lower and all other variables held constant, the Group's income and equity for the year ended 31 December 2013 would decrease/increase by U.S.$105 million (2012: U.S.$109 million).

Currency risk

The U.S. dollar is the predominant functional currency of the Group. Currency risk is the risk of loss from movements in exchange rates related to transactions and balances in currencies other than the U.S. dollar. Such transactions include operating expenditure, capital expenditure and to a lesser extent purchases and sales in currencies other than the functional currency. Purchases or sales of commodities concluded in currencies other than the functional currency, apart from certain limited domestic sales at industrial operations which act as a hedge against local operating costs, are hedged through forward exchange contracts. Consequently, foreign exchange movements against the U.S. dollar on recognized transactions would have an immaterial financial impact. The Group enters into currency hedging transactions with leading financial institutions.

The Group's debt-related payments (both principal and interest) are denominated in or swapped using hedging instruments into U.S. dollars. The Group's operating expenses, being a small portion of its revenue base, are incurred in a mix of currencies of which the U.S. dollar, Swiss Franc, pound sterling, Canadian dollar, Australian dollar, Euro, Kazakhstani Tenge, Colombian Peso and South African Rand are the predominant currencies.

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle obligations due to the Group within their agreed payment terms. Financial assets which potentially expose the Group to credit risk consist principally of cash and cash equivalents, receivables and advances, derivative instruments and non-current advances and loans. The Group's credit management process includes the assessment, monitoring and reporting of counterparty exposure on a regular basis. The Group's cash and cash equivalents are placed overnight with a diverse group of highly credit rated financial institutions. Credit risk with respect to receivables and advances is mitigated by the large number of customers comprising the Group's customer base, their diversity across various industries and geographical areas, as well as the Group's policy to mitigate these risks through letters of credit, netting, collateral and insurance arrangements where appropriate. Additionally, it is the Group's policy that transactions and activities in trade-related financial instruments be concluded under master netting agreements or long form confirmations to enable offsetting of balances due to/from a common counterparty in the event of default by the counterparty. The Group actively and continuously monitors the credit quality of its counterparties through internal reviews and a credit scoring process, which includes, where available, public credit ratings. Balances with counterparties not having a public investment grade or equivalent internal rating are typically enhanced to investment grade through the extensive use of credit enhancement products, such as letters of credit or insurance products. The Group has a diverse customer base, with no customer representing more than 2.5 per cent. (2012: 3.0 per cent.) of its trade receivables (on a gross basis taking into account credit enhancements) or accounting for more than 3.0 per cent. of its revenues over the year ended 31 December 2013 (2012: 2.0 per cent.).

Xstrata

Currency hedging

Xstrata historically used currency cash flow hedging to reduce its short-term exposure to fluctuations in local currency exchange rates to the U.S. dollar, sterling and the Euro. The currency hedging gains reflected in Xstrata's consolidated income statement for the years ended 31 December 2012 and 2011 amounted to U.S.$117 million and U.S.$86 million, respectively.

Commodity hedging

Xstrata's Australian and South African operations historically entered into forward contracts for coal to hedge prices of future sales of coal. Hedges relating to sales were classified as cash flow hedges. The fair value of these hedges was deferred within equity on the statement of financial position until the sale was recorded.

No new hedging contracts were entered into by Xstrata for base metals, gold or silver during the years ended 31 December 2011 or 2012. The net unrealized mark-to-market gain on commodity hedges maturing in 2013 as of 31 December 2012 was U.S.$15 million.

Critical accounting policies

The preparation of the financial information contained in the Group's annual financial statements required estimates and assumptions that affect the reported amounts of assets and liabilities, as well as the disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates.

The Group has identified several areas as being critical to understanding the their financial position, as they required its directors to make complex and/or subjective judgments and estimates about matters that are inherently uncertain. An explanation of significant accounting estimates and their principal accounting policies are disclosed in Note 1 to the Group Audited Financial Statements incorporated by reference into this Offering Circular.

As part of Xstrata's historical audited financial statements, its directors were required to disclose the accounting policies adopted in respect of items that were judged material in determining the results and financial position of Xstrata used in preparing the financial statements. In addition, the preparation of financial statements requires management to make estimates and judgments that affect the reported amount of certain assets, liabilities, revenues and expenses, as well as the disclosure of certain contingent assets and liabilities. The application of these accounting policies involves the exercise of judgment and the use of assumptions as to future uncertainties and, as a result, actual results could differ from these estimates.

An explanation of significant accounting estimates and Xstrata's principal accounting policies are disclosed in Note 4 "Significant accounting estimates" and Note 6 "Principal accounting policies" to the Xstrata Audited Financial Statements incorporated by reference into this Offering Circular.

DESCRIPTION OF INDEBTEDNESS

Indebtedness and capital resources

The Group's business requires high levels of working capital funding and significant liquidity. The Group's funding requirements are generally correlated with movements in commodity prices and the extent of business opportunities. Increasing commodity prices primarily lead to increased funding requirements for the Group's marketing activities, but may also lead to increased funding associated with acquisitions and/or capital expenditures in the Group's industrial activities as it looks to increase production in a higher commodity price environment. In a falling commodity price environment, the Group will generally generate less cash flow from its industrial activities but will also require lower working capital funding in its marketing activities. In these circumstances, it may also choose to defer discretionary capital expenditure and shut or curtail production of certain assets. The Group's primary financial objective is to maintain a strong financial profile in line with an investment grade rating, including having access to sufficient amounts of liquidity to finance its operations and planned growth.

The Group uses short- and medium-term debt to finance its current assets, comprising inventories and trade receivables, which are either self-liquidating or otherwise subject to a high rate of turnover. The Group meets these financing requirements by maintaining appropriate levels of cash reserves and/or ensuring that it has sufficient headroom under its committed revolving credit facilities. Against a backdrop where near-term debt maturities and investment commitments are deemed "normal", it is the Group's policy to maintain a minimum level of committed liquidity headroom of U.S.$3 billion to meet all expected and unexpected cash requirements of its business. The liquidity headroom is provided in the form of cash, undrawn committed revolving credit facilities and marketable securities. As at 31 December 2013, the Group had available committed undrawn credit facilities and cash amounting to approximately U.S.$13 billion. The Group has alternative sources of headroom which are not included in these figures, e.g. liquidity can be raised quickly through undrawn uncommitted credit facilities which are not included in the reported headroom. Certain borrowing arrangements require compliance with specific financial covenants related to working capital, minimum current ratio and a maximum long-term debt to tangible net worth ratio. During the financial year ended 31 December 2013, the Group complied with the requirements of its borrowing arrangements. None of the Group's credit facilities or funding programs include rating triggers which would accelerate repayment obligations in the event of a credit rating downgrade.

Following the Acquisition, a cross-guarantee structure was implemented such that (i) existing rated external debt providers to Glencore received a Glencore Schweiz guarantee, (ii) existing rated external debt providers to Xstrata received a guarantee from GIAG and the Company and (iii) future unsecured debt raised by the Group in public or international banking markets (including the Notes) is expected to benefit from a guarantor group comprising the Company, GIAG and Glencore Schweiz.

As at 31 December 2013, the Group had the following principal indebtedness outstanding:

	Amount issued or outstanding as at 31 December 2013
	(U.S.$ million) *(unaudited)*
Non-current borrowings	
Capital market notes	30,900
Ordinary profit participation certificates	110
Committed syndicated revolving credit facilities	5,702
Finance lease obligations	344

	Amount issued or outstanding as at 31 December 2013
	(U.S.$ million) *(unaudited)*
Other bank loans	1,688
Total non-current borrowings	38,724
Current borrowings	
Committed secured inventory/receivables facilities	1,353
Uncommitted secured inventory/receivables facilities	3,676
Other committed secured facilities	590
Convertible bonds	2,236
U.S. commercial paper	1,645
Capital market notes	1,750
Ordinary profit participation certificates	223
Finance lease obligations	49
Other bank loans(1)	4,939
Total current borrowings	16,461
Total borrowings	55,185
Less: cash and cash equivalents and marketable securities	(2,885)
Net funding	52,228
Less: readily marketable inventories	(16,418)
Net debt	35,810

Note:

(1) Comprises various uncommitted bilateral bank credit facilities and other financings.

Ordinary profit participation certificates

Profit participation certificates bear interest at six-month U.S. dollar LIBOR, are repayable over five years (with final payments due in 2016) and, in the event of certain triggering events, which include any breach of a financial covenant, would be subordinated to unsecured lenders.

Committed syndicated revolving credit facility

In June 2013, the Group signed new committed revolving credit facilities totaling U.S.$17,340 million, which extended and increased previous revolving credit facilities. The facilities comprise a U.S.$5,920 million 12-month revolving credit facility with a borrower's 12-month term-out option and a 12-month extension option, a U.S.$7,070 million three-year facility with two 12-month extension options and a U.S.$4,350 million five-year facility. Funds drawn under the facilities bear interest at U.S. dollar LIBOR plus a margin ranging from 80 to 90 basis points per annum.

U.S. commercial paper

The Group has in place a standalone U.S. commercial paper program for U.S.$4,000 million rated A2 and P2 by Standard & Poor's and Moody's, respectively. The notes issued under this program carry interest at floating market rates and mature not more than 397 days from the date of issue. Funds drawn under the facilities bear interest at U.S. dollar LIBOR plus a margin ranging from 35 to 70 basis points per annum.

Convertible bonds

U.S.$2,300 million outstanding 5 per cent. coupon convertible bonds due December 2014. The bonds are convertible at the option of the investors into 430,924,474 ordinary shares of the Company. The bonds consist of a liability component and an equity component. The fair values of the liability component (U.S.$2,211 million) and the equity component (U.S.$89 million) were determined, using the residual method, at issuance of the bonds. The liability component is measured at amortized cost at an effective interest rate of 5.90 per cent. per annum.

Capital markets notes

	Maturity	Amount outstanding as at 31 December 2013
		(U.S.$ million)
Euro 750 million 7.125% coupon bonds	Apr 2015	1,029
Euro 600 million 6.250% coupon bonds	May 2015	855
Euro 1,250 million 1.750% coupon bonds	May 2016	1,708
Euro 1,250 million 5.250% coupon bonds	Mar 2017	1,722
Euro 500 million 5.250%, coupon bonds	Jun 2017	780
Euro 1,250 million 4.625% coupon bonds	Apr 2018	1,713
Euro 1,000 million 2.625% coupon bonds	Nov 2018	1,396
Euro 750 million 3.375% coupon bonds	Sept 2020	1,026
Euro 400 million 3.700% coupon bonds	Oct 2023	548
Eurobonds		10,777
GBP 650 million 6.500% coupon bonds	Feb 2019	1,067
GBP 500 million 7.375% coupon bonds	May 2020	913
GBP 500 million 6.000% coupon bonds	Apr 2022	842
Sterling bonds		2,822
CHF 825 million 3.625% coupon bonds	Apr 2016	927
CHF 450 million 2.625% coupon bonds	Dec 2018	505
CHF 175 million 2.125% coupon bonds	Dec 2019	196
Swiss Franc bonds		1,628
CAD 200 million 6.406% coupon bonds	Feb 2021	188
U.S.$250 million 5.375% coupon bonds	Jun 2015	264
U.S.$1,250 million 2.050% coupon bonds	Oct 2015	1,261
U.S.$341 million 6.000% coupon bonds	Oct 2015	367
U.S.$500 million Libor plus 1.16% coupon bonds	May 2016	499
U.S.$1,000 million 1.700% coupon bonds	May 2016	998
U.S.$1,000 million 5.800% coupon bonds	Nov 2016	1,117
U.S.$700 million 3.600% coupon bonds	Jan 2017	735
U.S.$250 million 5.500% coupon bonds	Jun 2017	278
U.S.$1,750 million 2.700% coupon bonds	Oct 2017	1,778
U.S.$500 million Libor plus 1.36% coupon bonds	Jan 2019	498

	Maturity	Amount outstanding as at 31 December 2013
		(U.S.$ million)
U.S.$1,500 million 2.500% coupon bonds	Jan 2019	1,489
U.S.$400 million 5.950% coupon bonds	Aug 2020	400
U.S.$1,000 million 4.950% coupon bonds	Nov 2021	1,085
U.S.$1,000 million 4.250% coupon bonds	Oct 2022	1,025
U.S.$1,500 million 4.125% coupon bonds	May 2023	1,446
U.S.$250 million 6.200% coupon bonds	Jun 2035	275
U.S.$500 million 6.900% coupon bonds	Nov 2037	604
U.S.$500 million 6.000% coupon bonds	Nov 2041	546
U.S.$500 million 5.550% coupon bonds	Oct 2042	471
U.S.$350 million 7.500% coupon bonds	Perpetual	349
U.S.$ bonds		15,485
Total non-current bonds		30,900
U.S.$950 million 6.000% coupon bonds	Apr 2014	950
U.S.$800 million 2.85% coupon bonds	Nov 2014	800
Total current bonds		1,750

On 1 April 2014, the Group issued €600 million 2.75 per cent. Notes due 2021 and €500 million 3.75 per cent. Notes due 2026 through its subsidiary, Glencore Finance (Europe) S.A.

DIRECTORS AND SENIOR MANAGEMENT

Board of Directors

The Directors of the Company are as follows and their profiles are set out below:

Name	Age	Role
Anthony Hayward	56	Interim Independent Non-Executive Chairman
Ivan Glasenberg	57	Chief Executive Officer
Peter Coates AO	68	Non-Executive Director
Leonhard Fischer	51	Independent Non-Executive Director
Peter Grauer	69	Independent Non-Executive Director
William Macaulay	68	Independent Non-Executive Director
John Mack	69	Independent Non-Executive Director

Anthony Hayward, aged 56 (Interim Independent Non-Executive Chairman)

Anthony Hayward was appointed Interim Independent Non-Executive Chairman in May 2013 and was previously the Senior Independent Non-Executive Director of the Company.

Dr Hayward is chief executive officer of Genel Energy plc, a partner and member of the European advisory Board of AEA Capital and Chairman of Compact GTL Limited.

Dr Hayward was group chief executive of BP plc from 2007 to 2010, having joined BP in 1982 as a rig geologist in the North Sea. Following a series of technical and commercial roles in Europe, Asia and South America, he returned to London in 1997 as a member of the upstream executive committee. He became group treasurer in 2000, chief executive for BP upstream activities and member of the main Board of BP in 2003.

Dr Hayward studied geology at Aston University in Birmingham and completed a Ph.D. at Edinburgh University. He is also a fellow of the Royal Society of Edinburgh and holds honorary doctorates from the University of Edinburgh, Aston University and the University of Birmingham.

Ivan Glasenberg, aged 57 (Chief Executive Officer)

Ivan Glasenberg joined Glencore in April 1984 and has been Chief Executive Officer since January 2002.

Mr Glasenberg initially spent three years working in the coal commodity department in South Africa as a marketer, before spending two years in Australia as head of the Asian coal commodity division. Between 1988 and 1989, he was based in Hong Kong as head of Glencore's Hong Kong and Beijing offices, as well as head of coal marketing in Asia, where his responsibilities included overseeing the Asian coal marketing business of Glencore and managing the administrative functions of the Hong Kong and Beijing offices. In January 1990, he was made responsible for the worldwide coal business of Glencore for both marketing and industrial assets, and remained in this role until he became Chief Executive Officer in January 2002.

Mr Glasenberg is a Chartered Accountant of South Africa and holds a Bachelor of Accountancy from the University of Witwatersrand. Mr Glasenberg also holds an MBA from the University of Southern California. He is currently a non-executive director of United Company Rusal plc. Before joining Glencore, Mr Glasenberg worked for five years at Levitt Kirson Chartered Accountants in South Africa.

Peter Coates AO, aged 68 (Non-Executive Director)

Peter Coates became a Non-Executive Director on 1 January 2014. In June 2013 Mr Coates was appointed an Executive Director. His responsibilities concerned integration of Xstrata following the Acquisition, which role came to an end on 31 December 2013.

Prior to joining Glencore in 1994 as a senior executive in the coal department, Mr Coates had occupied many senior positions in a diverse range of resource companies, including those mining silver, lead, nickel, iron ore, bauxite and coal. He joined Xstrata in 2002 as chief executive of Xstrata's coal business, when Glencore sold its Australian and South African coal assets to Xstrata, stepping down in December 2007. He was non-executive chairman of Xstrata Australia from January 2008 until August 2009. From April 2008 until April 2011, he was a non-executive director and Chairman of Minara Resources Ltd. He was appointed as an independent non-executive director of the Company in April 2011 and stepped down upon the Acquisition taking place in May 2013.

Mr Coates is a non-executive director of Sphere Minerals Limited, Santos Limited and Amalgamated Holdings Limited. Mr Coates is a past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.

Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales. He was appointed to the Office of the Order of Australia in June 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal for 2010.

Leonhard Fischer, aged 51 (Independent Non-Executive Director)

Leonard Fischer was appointed an Independent Non-Executive Director in April 2011.

Mr Fischer was appointed chief executive officer of RHJ International S.A. in January 2009, having been co-chief executive officer from May 2007. He has been a member of the board of directors of RHJ International S.A. since 18 September 2007. He is also chief executive officer of Kleinwort Benson Group and chairman of the board of directors at Kleinwort Benson Bank Ltd. He is also a member of the board of directors at Julius Baer Gruppe AG.

Mr Fischer was chief executive officer of Winterthur Group from 2003 to 2006 and a member of the executive board of Credit Suisse Group from 2003 to March 2007. He joined Credit Suisse Group from Allianz AG, where he had been a member of the management board and head of the Corporates and Markets Division. Prior to this, he had been a member of the executive board of Dresdner Bank AG in Frankfurt.

Mr Fischer holds an M.A. in Finance from the University of Georgia.

Peter Grauer, aged 68 (Independent Non-Executive Director)

Peter Grauer was appointed as an Independent Non-Executive Director in June 2013.

Mr Grauer is chairman of Bloomberg Inc., the global financial media company that was founded in 1981. Mr Grauer was chairman and chief executive officer from 2002 to 2011 and has been a member of Bloomberg's board of directors since 1996.

Prior to this, Mr Grauer was managing director of Donaldson, Lufkin & Jenrette from 1992 to 2000 when DLJ was acquired by Credit Suisse First Boston and founder of DLJ Merchant Banking. He served as managing director and senior partner of CSFB Private Equity until 2002.

Mr Grauer is a director of Davita Healthcare Partners, a healthcare services company. Mr Grauer is also a member of the International Business Council of the World Economic Forum, the UNC Chapel Hill Board of Trustees and a trustee of Rockefeller University.

Mr Grauer graduated from the University of North Carolina and the Harvard University Graduate School of Business, Program for Management Development in 1975.

William Macaulay, aged 68 (Independent Non-Executive Director)

William Macaulay was appointed as an Independent Non-Executive Director in April 2011

Mr Macaulay is the chairman and chief executive officer of First Reserve Corporation, a private equity investment firm focused on the energy industry, and has been with the company since its founding in 1983.

Prior to joining First Reserve, he was a co-founder of Meridien Capital Company, a private equity buyout firm. From 1972 to 1982, he was with Oppenheimer & Co., where he served as director of corporate finance with direct responsibility for the firm's buyout business. He also served as president of Oppenheimer Energy Corporation.

Mr Macaulay is chairman of the board of Dresser-Rand, chairman of the board of CHC Group Ltd and a director of Weatherford International. He also serves on numerous private energy company boards. In addition, he is chairman of the advisory board of the City University of New York.

Mr Macaulay holds a B.B.A. degree (with honors) in Economics from City College of New York, and an MBA from the Wharton School of the University of Pennsylvania. He has also received an Honorary Doctor of Humane Letters degree from Baruch College.

John Mack, aged 69 (Independent Non-Executive Director)

John Mack was appointed an Independent Non-Executive Director in June 2013.

Mr Mack previously served as chief executive officer of Morgan Stanley from June 2005 until December 2009. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a director on the board of directors in 1987 and was named President in 1993.

Before rejoining Morgan Stanley as chairman and chief executive officer in June 2005, Mr Mack served as co-chief executive officer of Credit Suisse Group and chief executive officer of Credit Suisse First Boston.

Mr Mack is a non-executive director of OJSC Rosneft Oil Company and of Enduring Hydro and Corinthian Opthalmic. He is also non-executive chairman of Tri-Alpha Energy Inc. Mr Mack also serves on the Advisory Board of China Investment Corporation, is a member of the International Business Council of the World Economic Forum, the NYC Financial Services Advisory Committee and the Shanghai International Financial Advisory Council.

Mr Mack is a graduate of Duke University.

Senior Managers

Steven Kalmin, aged 43 (Chief Financial Officer)

Steven Kalmin joined Glencore in September 1999 as general manager of finance and treasury functions at Glencore's coal industrial unit (which became part of Xstrata). Mr Kalmin moved to Glencore's Baar head office in October 2003 to oversee Glencore's accounting and reporting functions, becoming Chief Financial Officer in June 2005.

Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of the Institute of Chartered Accountants of Australia and the Financial Services Institute of Australasia. He is currently a director of Century Aluminum Co.

Before joining Glencore, Mr Kalmin worked for nine years at Horwath Chartered Accountants in Sydney, leaving the firm as a director.

Corporate governance

The Board structure

As at the date of this document, the Board consists of the Interim Independent Non-Executive Chairman, one Executive Director and five Non-Executive Directors.

The Company is committed to high standards of corporate governance. As at the date of this document, the Board is compliant with the UK Corporate Governance Code and will continue to comply with its terms.

Board committees

The Board has established the following committees:

Audit committee

The audit committee meets not less than three times a year and has responsibility for, among other things, monitoring the integrity of the Group's financial statements and reviewing its summary financial statements. It oversees the Group's relationship with its external auditors and reviews the effectiveness of the external audit process. The committee gives due consideration to laws and regulations, the provisions of the UK Corporate Governance Code and the requirements of the Listing Rules. It also has responsibility for reviewing the effectiveness of the Group's system of internal controls and risk management systems. The ultimate responsibility for reviewing and approving the interim and annual financial statements remains with the Directors. The audit committee is also responsible for reviewing, updating and presenting to the Board the Group's policies on risk management in relation to the Group's marketing and operational activities. The current members of the audit committee are Leonhard Fischer (Chair), Peter Grauer and William Macaulay.

Nominations committee

The nominations committee meets not less than once a year and has responsibility for making recommendations to the Board on the composition of the Board and its committees and on retirements and appointments of additional and replacement Directors and ensuring compliance with the UK Corporate Governance Code. The current members of the nominations committee are Anthony Hayward (Chair), Peter Grauer and John Mack.

Remuneration committee

The remuneration committee meets not less than once a year and has responsibility for making recommendations to the Board (i) on the Group's policy on the remuneration of management and (ii) for the determination, within agreed terms of reference, of the remuneration of the chairman and of specific remuneration packages for each of the executive Directors and the members of management, including pension rights and any compensation payments. The remuneration committee will also ensure compliance with the UK Corporate Governance Code in this respect. The current members of the remuneration committee are John Mack (Chair), Leonhard Fischer and William Macaulay.

Health, safety, environment and communities committee

The health and safety, environment and communities committee meets not less than once a year and is responsible for formulating and recommending to the Board the Group's policy on health and safety as well as environmental, security and local community issues as they affect the Group's operations. The current members of the health and safety, environment and communities committee are Peter Coates (Chair), Ivan Glasenberg and Anthony Hayward.

Board compensation

The total emoluments, including contributions made in respect of pension plans, for the Directors of the Company serving as at 31 December 2013 (being Anthony Hayward, Ivan Glasenberg, Peter Coates, Leonhard Fischer, Peter Grauer, William Macaulay and John Mack) for the year then ended was U.S.$3,752,000.

SIGNIFICANT SHAREHOLDERS

Interests of significant shareholders

As of 31 March 2014, notifications had been received of the following interests in 3 per cent. or more of the Group's issued ordinary share capital:

Shareholder	Number of Shares	Percentage of Group Ordinary Share Capital
Qatar Holding LLC	1,129,780,700	8.51
Ivan Glasenberg	1,101,848,752	8.30
BlackRock Inc[(1)]	685,752,391	5.16
Daniel Francisco Maté Badenes	417,468,330	3.14
Aristotelis Mistakidis	414,730,597	3.12

Note:

(1) In addition, BlackRock Inc. holds 61,534,557 U.S.$2,300 million outstanding 5 per cent. coupon convertible bonds due December 2014.

Save as disclosed above, the Group Directors are not aware of any person who, as of 31 March 2014, directly or indirectly, has a holding which exceeds the threshold of 3 per cent. of the total voting rights attaching to the issued ordinary share capital of the Group.

Save as disclosed above, as of 31 March 2014, the Group was not aware of any person or persons who directly, indirectly, jointly or severally exercise or could exercise control over the Group, nor is it aware of any arrangements the operation of which may, at a subsequent date, result in a change in control of the Group.

None of the Group's major shareholders has, or will have, different voting rights attached to the ordinary shares they hold.

DESCRIPTION OF THE NOTES AND GUARANTEES

The following is a summary of the material provisions of the Notes, the Guarantees and the Indenture. This summary does not purport to be complete and is qualified in its entirety by reference to all of the provisions of the Notes, the Guarantees and the Indenture. Copies of the Indenture will be available for inspection during normal business hours at any time after 29 April 2014 (the "Closing Date") at the offices of the Trustee currently located at Winchester House, 1 Great Winchester Street, London EC2N 2DB. Any capitalized term used herein but not defined shall have the meaning assigned to such term in the Notes, the Guarantees or the Indenture.

General

The Notes and the Guarantees will be issued pursuant to the Indenture to be dated as of the Closing Date, among the Issuer, the Company, GIAG and Glencore Schweiz, as Guarantors, Deutsche Trustee Company Limited, as Trustee, Deutsche Bank AG, London Branch, as Principal Paying Agent, Deutsche Bank Luxembourg S.A., as European Registrar and a Transfer Agent, and Deutsche Bank Trust Company Americas, as DTC Registrar (together with the European Registrar, the "Registrars" and each a "Registrar"), the U.S. Paying Agent (together with the Principal Paying Agent, the "Paying Agents" and each a "Paying Agent") and a Transfer Agent.

The Notes will not be registered under the Securities Act and may not be sold or otherwise transferred except pursuant to registration under the Securities Act or in accordance with Rule 144A or Rule 904 of Regulation S thereunder or in a resale transaction that is otherwise exempt from such registration requirements, and will bear a legend to this effect.

The Indenture is not required to be nor will it be qualified under the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act") and will not incorporate by reference all of the provisions of the Trust Indenture Act.

References to the "Notes" include the Guarantees. References to the "Noteholders" are to the registered holders of the Notes. The Notes are not listed.

The Notes will be in registered form in denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof. The Notes will be issued in the form of Global Notes in registered form and may be exchanged into Definitive Notes only in the circumstances described in the Indenture and Global Notes.

Principal, maturity and interest

The Notes will be unsecured and unsubordinated obligations of the Issuer and will be unconditionally guaranteed on a senior, unsecured and joint and several basis by the Guarantors. The 2019 Notes are initially issuable in an aggregate principal amount not to exceed U.S.$1,000,000,000 and will mature on 29 April 2019. The 2024 Notes are initially issuable in an aggregate principal amount not to exceed U.S.$1,000,000,000 and will mature on 29 April 2024.

The 2019 Notes will bear interest at 3.125 per cent. per annum and the 2024 Notes will bear interest at 4.625 per cent. per annum, both from the date of the initial issue of the Notes or from the most recent interest payment date to which interest has been paid or provided for, payable semi-annually in arrears on 29 April and 29 October of each year commencing on 29 October 2014 for the 2019 Notes and on 29 April and 29 October commencing on 29 October 2014 for the 2024 Notes, to the Person in whose name the relevant Note is registered at the close of business on the day 1 Business Day prior to each respective interest payment date, notwithstanding any transfer or exchange of such Notes subsequent to the record date and prior to such interest payment date. Interest will be computed on the basis of a 360-day year consisting of 12 30-day months. If the date on which any interest payment or principal payment is to be made is not a Business Day, such payment will be made on the next day which is a Business Day in New York City and the place of payment of such interest or principal without any further interest or other amounts being paid or payable in connection therewith.

Payment of default interest

Notwithstanding the foregoing, if and to the extent the Issuer shall default in the payment of the interest due on an interest payment date and the applicable grace period shall have expired, such defaulted interest may at the option of the Issuer be paid to the Persons in whose names the Notes are registered at the close of business on a subsequent record date (which shall not be less than five days which are Business Days in New York City prior to the date of payment of such defaulted interest) established by notice given as provided in the Notes by or on behalf of the Issuer to the Noteholders not less than 15 days preceding such subsequent record date.

Further issuances

The Issuer may from time to time without the consent of the Noteholders issue further securities having identical terms and conditions as any of the series of Notes described herein, in all respects except for the first payment of interest on such further securities so that any further issue is consolidated and forms a single series of securities with such Notes. Notwithstanding the foregoing, the Issuer shall not issue any further securities intended to be consolidated and form a single series of securities with the Notes unless such issuance would constitute a "qualified reopening" as defined for U.S. federal income tax purposes or otherwise forms part of a single issue with the Notes for U.S. federal income tax purposes.

Status of the Notes and the Guarantees

The Notes will be unsecured and unsubordinated obligations of the Issuer. Upon issue, the Guarantors will unconditionally guarantee, on a senior, unsecured and joint and several basis, the due and punctual payment (and not collectability) of the principal of and interest on the Notes (and the payment of additional amounts described below in "— Payment of Additional Amounts") when and as the same shall become due and payable, whether at stated maturity, by declaration of acceleration, call for redemption or otherwise. The obligations of a Guarantor are limited to the maximum amount that will result in its obligations under the relevant Guarantee not constituting a fraudulent conveyance or fraudulent transfer under applicable law. Each Guarantee will be an unsecured and unsubordinated obligation of the relevant Guarantor and will rank *pari passu* in right of payment with other unsecured and unsubordinated indebtedness of such Guarantor except that any liability of GIAG and Glencore Schweiz with respect to any obligations of the Company under any Guarantee is limited as described below.

Ranking and other indebtedness

As at 31 December 2013, the total gross indebtedness of the Group was U.S.$55,185 million.

As at 31 December 2013, the Group had approximately U.S.$5,619 million of secured financial indebtedness which effectively ranks senior to the Notes and the Guarantees. Substantially all remaining financial indebtedness of the Group has either been issued or guaranteed by the Issuer and the Guarantors on a senior basis and therefore ranks *pari passu* with the Notes and the Guarantees except that any liability of GIAG and Glencore Schweiz with respect to any obligations of the Company is limited as described below.

The total liability of GIAG on behalf of, or to the direct or indirect benefit of, any of its affiliates (other than its direct or indirect subsidiaries) under the Notes, the Indenture, the Purchase Agreement, the Guarantees and otherwise in connection therewith (to the extent that there is still a requirement of the applicable Swiss law in force at the relevant time) is limited to a sum equal to the maximum amount of GIAG's freely disposable equity in accordance with Swiss law, presently being the total shareholder equity less the total of (i) the aggregate share capital and (ii) statutory reserves (including reserves for own shares and revaluations, as well as agio), to the extent such reserves cannot be transferred into unrestricted, distributable reserves. The amount of freely disposable equity shall be determined on the basis of an audited annual or interim balance sheet of GIAG, provided that such limitations shall not free GIAG from payment obligations under the Notes, the Indenture, the Purchase Agreement, the Guarantees and otherwise in connection therewith in excess of its freely disposable equity, but merely postpone the payment date of those obligations until such times as payment is permitted notwithstanding such limitations. Any payment made by GIAG under the Notes, the Indenture, the Purchase Agreement, the Guarantees and otherwise in connection therewith may (a) require certain corporate formalities to be completed prior to payment, including, but not limited to, obtaining shareholder resolutions and board resolutions approving payment and (b) be subject to Swiss Withholding Taxes (the present rate of which is 35 per cent.), which GIAG would have to deduct from such payment and directly pay to the Swiss federal tax authorities.

The total liability of Glencore Schweiz on behalf of, or to the direct or indirect benefit of, any of its affiliates (other than its direct or indirect subsidiaries) under the Notes, the Indenture, the Purchase Agreement, the Guarantees and otherwise in connection therewith (to the extent that there is still a requirement of the applicable Swiss law in force at the relevant time) is limited to a sum equal to the maximum amount of Glencore Schweiz's freely disposable equity in accordance with Swiss law, presently being the total shareholder equity less the total of (A) the aggregate share capital and (B) statutory reserves (including reserves for own shares and revaluations, as well as agio), to the extent such reserves cannot be transferred into unrestricted, distributable reserves. The amount of freely disposable equity shall be determined on the basis of an audited annual or interim balance sheet of Glencore Schweiz, provided that such limitations shall not free Glencore Schweiz from payment obligations under the Notes, the Indenture, the Purchase Agreement, the Guarantees and otherwise in connection therewith in excess of its freely disposable equity, but merely postpone the payment date of those obligations until such times as payment is permitted notwithstanding such limitations. Any payment made by Glencore Schweiz under the Notes, the Indenture, the Purchase Agreement, the Guarantees and otherwise in connection therewith may (1) require certain corporate formalities to be completed prior to payment, including, but not limited to, obtaining shareholder resolutions and board resolutions approving payment and (2) be subject to Swiss Withholding Taxes on dividends (the present rate of which is 35 per cent.), which Glencore Schweiz would have to deduct from such payment and directly pay to the Swiss federal tax authorities.

For further information in relation to the Group's outstanding indebtedness, see "Description of Indebtedness".

Payment of Additional Amounts

All payments by the Issuer in respect of the Notes and by the Guarantors under the Guarantees will be made without withholding or deduction for or on account of any and all present or future tax, levy, impost or other governmental charge whatsoever ("Taxes") imposed, assessed, levied or collected by or for the account of the Relevant Jurisdiction (as defined below) unless such withholding or deduction is required by law. See "Taxation".

If such a withholding or deduction is required by the law of a Relevant Jurisdiction, the Issuer and the Guarantors (pursuant to the terms of the applicable Guarantee) will pay, in respect of any payment on the Notes or any payment pursuant to the applicable Guarantee, to a Noteholder or beneficial owner of a Note such additional amounts ("Additional Amounts") as may be necessary so that the net amount received by such Noteholder or beneficial owner, after deduction or withholding for any Taxes whatsoever imposed, assessed, levied or collected by or for the account of or as a result of such payment by the Relevant Jurisdiction, will not be less than the amount such Noteholder would have received if such Taxes had not been withheld or deducted; provided, however, that none of the Issuer or the Guarantors shall be required to pay any Additional Amounts for or on account of:

(i) any Taxes that would not have been so imposed, assessed, levied or collected but for the fact that the registered holder of the Note or Guarantee (or a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such Noteholder, if such Noteholder is an estate, trust, partnership or corporation) is or has been a domiciliary, national or resident of, or engaging or having been engaged in a trade or business or maintaining or having maintained a permanent establishment or being or having been physically present in the jurisdiction by which such Taxes have been imposed, assessed, levied or collected, or otherwise having or having had some connection with such jurisdiction, other than the mere holding or ownership of, or the collection of principal of, and interest on, an applicable Note or the enforcement of the applicable Guarantee, as the case may be;

(ii) any Taxes that would not have been so imposed, assessed, levied or collected but for the fact that the registered holder of the applicable Note or Guarantee at any time did not deal at arm's length with the Issuer or such Guarantor;

(iii) any Taxes, to the extent it would not have been so imposed, assessed, levied or collected but for the fact that, where presentation is required in order to receive payment, the applicable Note or Guarantee was presented more than 30 days after the date on which such payment became due and payable or was provided for, whichever is later;

(iv) any estate, inheritance, gift, transfer, personal property or similar Tax;

(v) any Taxes that are payable otherwise than by deduction or withholding from payments on or in respect of the applicable Note or Guarantee;

(vi) any Taxes that would not have been so imposed, assessed, levied or collected but for the failure by the Noteholder or the beneficial owner of the applicable Note or Guarantee to comply (following a written request addressed to the Noteholders or beneficial owner, as applicable), with any certification, identification or other reporting requirements concerning the nationality, residence or identity of such Noteholder or beneficial owner or its connection with the Relevant Jurisdiction if compliance is required by statute, regulation or administrative practice of the Relevant Jurisdiction, as a condition to relief or exemption from such Tax;

(vii) any withholding or deduction imposed on a payment to an individual that is required to be made pursuant to European Union Directive 2003/48/EC (as modified from time to time) or any law implementing or complying with, or introduced in order to conform to, such Directive or equivalent measures applicable in Switzerland (such as the agreement between the European Community and the Swiss Confederation providing for measures equivalent to those laid down in Council Directive 2003/48/EC on taxation of savings income in the form of interest payments);

(viii) any withholding or deduction that is imposed on the applicable Note or Guarantee that is presented for payment, where presentation is required, by or on behalf of a Noteholder who would have been able to avoid such withholding or deduction by presenting the applicable Note or Guarantee to another paying agent; or

(ix) any combination of the Taxes described in paragraphs (i) through (viii) above,

nor will Additional Amounts be paid in respect of any payment to any Noteholder or beneficial owner of the applicable Notes or Guarantees that is a fiduciary or partnership or any Person other than the sole beneficial owner of such payment to the extent such payment would be required by the laws of the Relevant Jurisdiction to be included in the income for tax purposes of a beneficiary or settlor with respect to such Noteholder or a beneficial owner and such beneficiary or settlor would not have been entitled to such amounts had such beneficiary or settlor been the holder of such Notes or Guarantees.

"Issuer Jurisdiction" means any of the jurisdictions of incorporation or residence for tax purposes of the Issuer or any successor entity, or any political subdivision or taxing authority thereof or therein.

"Guarantor Jurisdiction" means any of the jurisdictions of incorporation or residence for tax purposes of a Guarantor or any successor entity, or any political subdivision or taxing authority thereof or therein.

"Relevant Jurisdiction" means an Issuer Jurisdiction and/or a Guarantor Jurisdiction.

If the Issuer or a Guarantor becomes subject at any time to any taxing jurisdiction other than an Issuer Jurisdiction or a Guarantor Jurisdiction, as the case may be, references to "Issuer Jurisdiction" or "Guarantor Jurisdiction", as the case may be, shall for these purposes be construed as references to the Issuer Jurisdiction or Guarantor Jurisdiction, as the case may be, and such other jurisdiction.

Optional redemption

The Notes may be redeemed, in whole or in part, at the Issuer's option, at any time and from time to time at a redemption price equal to the greater of (i) 100 per cent. of the principal amount of the Notes to be redeemed and (ii) as determined by the Independent Investment Banker, the sum of the present values of the Remaining Scheduled Payments discounted to the date of redemption ("Redemption Date"), on a semi-annual basis (assuming a 360-day year consisting of 12 30-day months or in the case of an incomplete month, the number of days elapsed) at the Treasury Rate plus 25 basis points in the case of the 2019 Notes and plus 30 basis points in the case of the 2024 Notes, together with, in each case, accrued and unpaid interest on the principal amount of the relevant Notes to be redeemed to the Redemption Date. In connection with such optional redemption of Notes, the following defined terms apply:

- "Treasury Rate" means, with respect to any Redemption Date, the rate per annum equal to the semi-annual equivalent yield to maturity (computed as at the third Business Day immediately preceding that Redemption Date) of the Comparable Treasury Issue, assuming a price for the Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Comparable Treasury Price for that Redemption Date;

- "Comparable Treasury Issue" means the United States Treasury security selected by the Independent Investment Banker that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the relevant Notes;

- "Comparable Treasury Price" means, with respect to any Redemption Date, (i) the average of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) on the third Business Day preceding that Redemption Date, as set forth in the daily statistical release designated H.15 (519) (or any successor release) published by the Federal Reserve Bank of New York and designated "Composite 3:30 p.m. Quotations for U.S. Government Notes" or (ii) if such release (or any successor release) is not published or does not contain such prices on such Business Day, (A) the average of the Reference Treasury Dealer Quotations for that Redemption Date, after excluding the highest and lowest of such Reference Treasury Dealer Quotations or (B) if the Independent Investment Banker for the Notes obtains fewer than five such Reference Treasury Dealer Quotations, the average of all such Quotations;

- "Independent Investment Banker" means one of the Reference Treasury Dealers appointed by the Issuer to act as the "Independent Investment Banker";

- "Reference Treasury Dealer" means each of Barclays Capital Inc., Citigroup Global Markets Inc., Morgan Stanley & Co. LLC and J.P. Morgan Securities LLC and other nationally recognized investment banking firms that are Primary Treasury Dealers specified from time to time by the Issuer; provided, however, that if any of the foregoing shall cease to be a primary U.S. Government securities dealer in New York City (a "Primary Treasury Dealer"), the Issuer shall substitute therefor another nationally recognized investment banking firm that is a Primary Treasury Dealer;

- "Reference Treasury Dealer Quotation" means, with respect to each Reference Treasury Dealer, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker by such Reference Treasury Dealer at 3:30 p.m., New York City time, on the third Business Day preceding that Redemption Date; and
- "Remaining Scheduled Payments" means, with respect to the Note to be redeemed, the remaining scheduled payments of the principal thereof and interest thereon that would be due after the related Redemption Date but for such redemption, provided that if that Redemption Date is not an interest payment date with respect to such Note, the amount of the next succeeding scheduled interest payment thereon will be reduced by the amount of interest accrued thereon to that Redemption Date.

The redemption price of the Notes shall be calculated by the Independent Investment Banker and the Issuer, and the Trustee shall be entitled to rely on such calculation.

Notice of any redemption will be given at least 30 days but not more than 60 days before the Redemption Date to each registered holder of any Notes to be redeemed. On and after any Redemption Date, interest will cease to accrue on the Notes or any portion thereof called for redemption.

Any redemption and notice may, in the Issuer's discretion, be subject to the satisfaction of one or more conditions, which shall be set out in the notice of redemption.

Upon presentation of any Note redeemed in part only, the Issuer will execute and the Trustee, an authentication agent on its behalf or the relevant Registrar will authenticate and deliver to or on the order of the Noteholder thereof, at the expense of the Issuer, a new Note or Notes, of authorized denominations, in principal amount equal to the unredeemed portion of the Note so presented.

On or before any Redemption Date, the Issuer shall deposit with the relevant Paying Agent money sufficient to pay the redemption price of and accrued interest and Additional Amounts, if any, on the Notes to be redeemed on such date. If less than all of a series of Notes are to be redeemed at any time, subject to the requirements of DTC, Clearstream and Euroclear, the Paying Agent or the Registrar will select Notes for redemption as follows:

(1) if such series of the Notes are listed on any securities exchange, in compliance with the requirements, if any, of the securities exchange on which such series of the Notes are listed as certified to the Trustee by the Issuer; or

(2) if the exchange on which such series of the Notes are listed prescribes no method of selection (or if such series of Notes are not listed on any securities exchange and the Notes are not held through DTC, Euroclear or Clearstream, or DTC, Euroclear or Clearstream prescribe no method of selection), on a pro rata basis by use of pool factor.

Neither the Paying Agent nor the Registrar shall be liable for selections made by it in accordance with this paragraph.

Maturity

Unless previously purchased or redeemed by the Issuer or the Guarantors or any of their Subsidiaries, (i) the principal amount of the 2019 Notes will mature and become due and payable on 29 April 2019 with accrued and unpaid interest to such date and (ii) the principal amount of the 2024 Notes will mature and become due and payable on 29 April 2024 with accrued and unpaid interest to such date.

Reacquisition

There is no restriction on the ability of the Issuer or the Guarantors or any of their Subsidiaries to purchase or repurchase Notes.

Redemption for tax reasons

The Notes are also redeemable by the Issuer, in whole but not in part, in an amount equal to their respective principal amounts with accrued and unpaid interest to the applicable Redemption Date without reduction for any applicable withholding taxes imposed by the Relevant Jurisdiction, at the Issuer's option at any time prior to their maturity if, due to a Change in Tax Law (as defined below): (i) the Issuer or a Guarantor, in accordance with the terms of the Notes or the Guarantees, respectively, has, or would, become obligated to pay to the Noteholder or beneficial owner of any Note any Additional Amounts; (ii) in the case of a Guarantor, (A) such Guarantor would be unable, for reasons outside its control, to procure payment by the Issuer or (B) the procuring of such payment by the Issuer would be subject to withholding taxes imposed by the Relevant Jurisdiction; and (iii) such obligation otherwise cannot be avoided by the Issuer or such Guarantor taking reasonable measures available to it. In such case, the Issuer may redeem the Notes as a whole but not in part, upon not less than 30 nor more than 60 days' notice in accordance with the requirements for notice as set forth in the Indenture, in an amount equal to their respective principal amounts with accrued and unpaid interest to the Redemption Date without reduction for any applicable withholding taxes imposed by the Relevant Jurisdiction; provided that, (1) no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or such Guarantor would be obligated to pay any such Additional Amounts were a payment in respect of the Notes or the Guarantees, as applicable, then due and (2) at the time such notice is given, such obligation to pay such Additional Amounts remains in effect. The Issuer's right to redeem the Notes shall continue as long as the Issuer or a Guarantor, as the case may be, is obligated to pay such Additional Amounts, notwithstanding that the Issuer or such Guarantor shall have made payments of Additional Amounts. Prior to the giving of any such notice of redemption, the Issuer must deliver to the Trustee (a) a certificate stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (b) an opinion of independent counsel of recognized standing selected by the Issuer or the Guarantors, as applicable, to the effect that the Issuer or the Guarantors have, or would, become obligated to pay such Additional Amounts as a result of such Change in Tax Law.

For purposes hereof, "Change in Tax Law" shall mean (i) any change in, or amendment to, any law of an Issuer Jurisdiction or a Guarantor Jurisdiction (including any regulations or rulings promulgated thereunder) or any amendment to or change in the application or official interpretation (including judicial or administrative interpretation) of such law, which change or amendment is announced, if applicable, and becomes effective on or after the Closing Date or (ii) if the Issuer or a Guarantor consolidates or merges with, or transfers or leases its assets substantially as an entirety to, any Person that is incorporated or tax resident under the laws of any jurisdiction other than an Issuer Jurisdiction or a Guarantor Jurisdiction, respectively, and as a consequence thereof such Person becomes the successor obligor to the Issuer or such Guarantor in respect of Additional Amounts that may become payable (in which case, for purposes of this redemption provision, all references to the Issuer or such Guarantor hereunder, as applicable, shall be deemed to be and include references to such Person), any change in, or amendment to, any law of the jurisdiction of incorporation of such Person or any successor entity or any amendment to or change in the application or official interpretation (including judicial or administrative interpretation) of such law, which change or amendment becomes effective on or after the date of such consolidation, merger or other transaction.

Certain definitions

Set forth below is a summary of certain of the defined terms used in the Notes and the Indenture. You should refer to the Notes and the Indenture for the full definition of all defined terms.

"Business Day" means any day which is not, in London, England, New York City, or the place or payment of such interest or principal, a Saturday, Sunday, a legal holiday or a day on which banking institutions are authorized or obligated by law, regulation or executive order to close.

"Consolidated Assets" means all of the assets of the Group as reported in the latest audited consolidated financial statements of the Group.

"Consolidated Borrowing Costs" of the Group means all continuing, regular or periodic costs, charges and expenses (including, but not limited to, interest, whether capitalized or not and the interest element of Finance Leases) incurred by the Group in effecting, servicing or maintaining Financial Indebtedness, plus rent payments under operating leases, less interest received by the Group, all as reported in the latest audited consolidated financial statements of the Group.

"Consolidated (Loss)/Income" means income for the year less attribution to minorities, each as reported (or as comprised by those items having a substantially similar description) in the latest audited annual consolidated financial statements of the Group or any Subsidiary, as the case may be.

"Consolidated Income (or Loss) before Borrowing Costs and Tax" means Consolidated (Loss)/Income adjusted by adding back minority interests, taxes, extraordinary items and Consolidated Borrowing Costs for the period, all by reference to the latest audited annual consolidated financial statements of the Group.

"Financial Indebtedness" of any Person, means (without duplication and excluding trade credit in the ordinary course of the Group's business on the Group's normal commercial terms):

(i) all obligations of such Person for monies borrowed and its redemption obligations in respect of mandatorily redeemable preferred stock (being any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment for any amounts upon liquidation or dissolution of such corporation);

(ii) all obligations of such Person evidenced by any debenture, bond, note, loan, stock, commercial paper or other similar security;

(iii) all actual (as opposed to contingent) reimbursement and other payment obligations of such Person (other than accounts payable) in respect of any acceptance of financial letters of credit or instruments serving similar functions;

(iv) all obligations of such Person in respect of capitalized rentals or Finance Leases;

(v) all guarantees by such Person of Financial Indebtedness of third parties; and

(vi) the remaining recourse element of receivables sold by such Person or any of its Subsidiaries in a jurisdiction where such receivables financing is not a usual and customary financing transaction,

but with respect to the Group shall exclude monies borrowed or raised by any entity within the Group from any other entity within the Group.

"Finance Lease" as applied to any Person means any lease of any property (whether real, personal or mixed) by such Person as lessee which would, in accordance with IFRS, be required to be classified and accounted for as a finance lease in the financial accounts or statements of such Person.

"Government Obligations" means money or obligations issued by the United States government.

"Group" means, at any time, the Company and its Subsidiaries (including the Issuer), through which the Company may own its assets and conduct operations indirectly.

"IFRS" means International Financial Reporting Standards as adopted by the European Union.

"Material Subsidiary" means:

(i) any Subsidiary of the Company where (A) the Subsidiary Income (or Loss) before Borrowing Costs and Tax in respect of such a Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10 per cent. of the Consolidated Income (or Loss) before Borrowing Costs and Tax of the Group during the immediate preceding complete financial year of the Company or (B) the Subsidiary Assets in respect of such Subsidiary during the immediately preceding complete financial year of such Subsidiary exceeded 10 per cent. of the Consolidated Assets of the Group as at the end of the immediately preceding complete financial year of the Company; or

(ii) any other Subsidiary of the Company which has been designated by the Company to the Trustee in writing to constitute a "Material Subsidiary", provided that, subject to paragraph (i) above, the Company may, by notice in writing to the Trustee, specify that a Subsidiary previously designated to be a "Material Subsidiary" pursuant to this provision shall no longer be treated as a "Material Subsidiary"; or

(iii) any other Subsidiary of the Company held directly or indirectly which owns, directly or indirectly, a Subsidiary which is a Material Subsidiary in accordance with paragraph (i) or (ii) above,

provided that no Subsidiary of the Group that has common stock listed on a public securities exchange, nor any of their respective direct or indirect Subsidiaries, shall be deemed to be a Material Subsidiary.

"Mortgage" means any mortgage, deed of trust, pledge, hypothecation, lien, encumbrance, charge or security interest of any kind.

"Non-recourse Indebtedness" means Financial Indebtedness of a Project Company, none of which retains the benefit of any guarantee, bond, security (other than third party security over shares in or debts or other obligations of a Project Company solely to secure that Financial Indebtedness), indemnity or other commitment from another member of the Group to assure the repayment of, or indemnify against loss in respect of non-payment of, that Financial Indebtedness.

"Permitted Securitization Transaction" means a sale of receivables, inventories or other assets by a member of the Group to a special purpose entity, whereby either (i) the sale does not meet the derecognition requirements of, or (ii) the special purpose entity is required to be consolidated under, IFRS such that the assets and related liabilities appear on the Company's consolidated financial statements.

"Permitted Security Interest" means:

(i) any Security Interest over property or assets of a Person which becomes a Subsidiary after the Issue Date (and at the same time or subsequently becomes a Material Subsidiary), but only if:

    (A) the Security Interest (1) was in existence prior to the date of the Person concerned becoming a Subsidiary and (2) was not created in contemplation of such Person becoming a Subsidiary; and

    (B) the principal or nominal amount secured by the Security Interest as at the date the Person became a Subsidiary is not subsequently increased; and

(ii) any Security Interest on accounts receivable, inventory or other assets in connection with Permitted Securitization Transactions.

"Person" means any individual, corporation, partnership, joint venture, association, limited liability company, joint stock company, trust, unincorporated organization or government or any agency or political subdivision thereof.

"Project Company" means any member of the Group (which is not the Issuer or a Guarantor) whose sole activity is or will be the ownership and development and/or operation of a project, including, without limitation:

(i) the discovery, mining, extraction, transportation or development (in each case whether directly or indirectly) of metals or minerals, energy products or agricultural products; or

(ii) the development or operation of processing facilities (in each case whether directly or indirectly) related to natural resources or agriculture, including, without limitation, metals smelting, processing and refining.

"Relevant Indebtedness" means (i) any present or future indebtedness (whether being principal, premium, interest or other amount) in the form of, or represented or evidenced by, notes, bonds, debentures, debenture stock, loan stock or other securities which are, or are intended to be, with the consent of the person issuing the same, quoted, listed or ordinarily traded on any stock exchange or recognized over the counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness.

"Security Interest" means any mortgage, charge, pledge, lien or other security interest, including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction.

"Shareholders' Equity" means the aggregate amount of shareholders' equity of the Group as shown on the most recent audited annual consolidated balance sheet of the Group and computed in accordance with IFRS.

"Subsidiary" means, in relation to any Person, any corporation, association or other business entity more than 50 per cent. of the Voting Shares of which is at the time owned directly or indirectly by such Person. Unless otherwise specified, any reference to a Subsidiary is intended as a reference to a direct or indirect Subsidiary of the Company.

"Subsidiary Assets" means the total assets of a Subsidiary of the Company, excluding all intercompany assets and liabilities, all as reported in the latest consolidated financial statements of that Subsidiary (or, in relation to a Subsidiary of the Company that does not have any Subsidiaries, the latest non-consolidated financial statements of such Subsidiary).

"Subsidiary Borrowing Costs" of any Subsidiary of the Company means all continuing, regular or periodic costs, charges and expenses (including, but not limited to, interest, whether capitalized or not, and the interest element of Finance Leases) incurred by such Subsidiary in effecting, servicing or maintaining Financial Indebtedness plus rent payments under operating leases, less interest received by such Subsidiary, all as reported in the latest consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of the Company, which does not have any Subsidiaries, the latest non-consolidated financial statements of such Subsidiary).

"Subsidiary Income (or Loss) before Borrowing Costs and Tax" means the Consolidated (Loss)/Income of any Subsidiary of the Company (or, in relation to such a Subsidiary which does not have any Subsidiaries, the non-consolidated income), adjusted by adding back any cumulative effect of changes in accounting policy, minority interests, income taxes, extraordinary items and Subsidiary Borrowing Costs for the year, but excluding all inter-Subsidiary transactions such as, but not limited to, dividends, commissions and management fees all as reported in the latest consolidated financial statements of such Subsidiary (or, in relation to a Subsidiary of the Company that does not have any Subsidiaries, the latest non-consolidated financial statements of such Subsidiary).

"Voting Shares" means, with respect to any person, the securities of any class or classes of such person, the holders of which are ordinarily, in the absence of contingencies, entitled to elect a majority of the corporate directors (or persons performing similar functions) of such person.

Repurchase on Change of Control Repurchase Event

Unless the Notes are otherwise subject to redemption as described under "— Optional redemption" or "— Redemption for tax reasons" and the Issuer has elected to exercise its right to redeem the Notes, if a Change of Control Repurchase Event occurs, the Issuer will make an offer to each Noteholder to repurchase all or any part of such Noteholder's Notes (in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof) at a repurchase price in cash equal to 101 per cent. of the aggregate principal amount of Notes repurchased plus any accrued and unpaid interest on the principal amount of the Notes repurchased to the date of repurchase.

Within:

- 30 days of a Change of Control Repurchase Event; or
- at the Issuer's option, prior to a Change of Control,

but after the public announcement of an impending Change of Control, the Issuer shall give notice to each Noteholder, with a copy to the Trustee, describing the transaction or transactions that constitute or may constitute the Change of Control Repurchase Event and offering to repurchase Notes on the payment date specified in the notice (the "Repurchase Payment Date"), which date will be no earlier than 30 days and no later than 60 days from the date on which such notice is dispatched. The notice shall, if given prior to the Change of Control, state that the offer to repurchase is conditional on the Change of Control Repurchase Event occurring on or prior to the Repurchase Payment Date.

The Issuer shall comply with the requirements of Rule 14e-1 under the Exchange Act and any other securities laws and regulations thereunder to the extent those laws and regulations are applicable in connection with the repurchase of the Notes as a result of a Change of Control Repurchase Event. To the extent that the provisions of any securities laws or regulations conflict with the "Repurchase on Change of Control Repurchase Event" provision in the Indenture, the Issuer shall comply with the applicable securities laws and regulations and shall be deemed not to have breached its obligations under the "Change of Control Repurchase Event" provision by virtue of such conflict.

On the Repurchase Payment Date, the Issuer shall, to the extent lawful:

- accept for payment all Notes or portions of Notes (in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof) properly tendered pursuant to its offer;
- deposit with the relevant Paying Agent money sufficient to pay the repurchase price of and accrued interest on the Notes or portions of Notes so properly tendered; and
- deliver or cause to be delivered to the Trustee an officers' certificate stating the aggregate principal amount of Notes being purchased by it.

Upon presentation of any Note repurchased in part only, the Issuer will execute and the Trustee, an authentication agent on its behalf or the relevant Registrar will authenticate and deliver to or on the order of the Noteholder thereof, at the expense of the Issuer, a new Note or Notes, of authorized denominations, in principal amount equal to the unredeemed portion of the Note so presented.

The Issuer shall not be required to make an offer to repurchase the Notes upon the occurrence of a Change of Control Repurchase Event if a third party makes an offer in the manner, at the times and otherwise in compliance with the requirements for an offer made by the Issuer, and such third party purchases all Notes properly tendered, and not withdrawn, under its offer.

In connection with such repurchase of Notes, the following defined terms apply:

- a "Below Investment Grade Rating Event" occurs once the Notes are rated below Investment Grade by each Rating Agency on any date from 30 days prior to the date of the public notice of an arrangement that could result in a Change of Control until the end of the 60-day period following public notice of the occurrence of a Change of Control (which period shall be extended so long as the rating of the Notes is under publicly announced consideration for possible downgrade by a Rating Agency);
- each of the following constitutes a "Change of Control":

(i) the direct or indirect sale, transfer, conveyance or other disposition (other than by way of consolidation, amalgamation or merger), in one or a series of related transactions, of the Group's properties or assets as an entirety or substantially as an entirety to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act), other than to a member of the Group;

(ii) the consummation of any transaction (including, without limitation, any consolidation, amalgamation or merger) the result of which is that (A) any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) becomes the beneficial owner, directly or indirectly, of more than 50 per cent. of the then outstanding number of shares of the Voting Stock or (B) any of the outstanding Voting Stock is converted into or exchanged for cash, securities or other property, other than any such transaction where the shares of the Voting Stock outstanding immediately prior to such transaction constitute, or are converted into or exchanged for, a majority of the aggregate voting power of the voting stock of the surviving Person immediately after giving effect to such transaction; or

(iii) the first day on which a majority of the members of the Board of Directors are not Continuing Directors;

- a "Change of Control Repurchase Event" occurs once a Change of Control and a Below Investment Grade Rating Event have both occurred;
- "Continuing Directors" means, as of any date of determination, any member of the Board of Directors:

  (i) who was a member of such Board of Directors on the date of the issuance of the Notes; or

  (ii) who was nominated for election or elected to the Board of Directors with the approval of a majority of the Continuing Directors who were members of the Board of Directors at the time of such nomination or election;

- "Investment Grade" means a rating of Baa3 or better by Moody's (or its equivalent under any successor rating categories of Moody's) and a rating of BBB- or better by S&P (or its equivalent under any successor rating categories of S&P); or the equivalent investment grade credit rating from any additional Rating Agency or Rating Agencies selected by the Issuer;
- "Moody's" means Moody's Investors Service, Inc.;
- "Rating Agency" means:

  (i) each of Moody's and S&P; and

  (ii) if any of Moody's or S&P ceases to rate the Notes or fails to make a rating of the Notes publicly available, a "nationally recognized statistical rating organization" (as such term is defined in Section 3(a)(62) of the Exchange Act) selected by the Issuer as a replacement agency for Moody's or S&P, as the case may be;

- "S&P" means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.; and
- "Voting Stock" means the Company's issued ordinary share capital.

Covenants of the Issuer and the Guarantors

Negative pledge

None of the Issuer and the Guarantors will, and the Guarantors will not permit any Material Subsidiary to, directly or indirectly, create, incur, assume or permit to exist any Security Interest, except for Permitted

Security Interests, on or with respect to any property or assets of the Issuer, any Guarantor or any Material Subsidiary (whether held on the date hereof or hereafter acquired) or any interest therein or any income or profits therefrom to secure any Relevant Indebtedness unless, at the same time or prior thereto, the Issuer's obligations under the Notes, or the Guarantors' obligations under the Guarantees, are secured equally and ratably therewith or benefit from another arrangement (whether or not comprising a Security Interest) as the Trustee deems is not materially less beneficial to the interests of the Noteholders or as approved with the consent of the Noteholders of not less than a majority in aggregate principal amount of the Notes of the affected series then outstanding.

Provision of financial information

For so long as the Notes are outstanding, the Company shall deliver to the Trustee copies of its annual reports, half-year result announcements and other filings it forwards to the FCA within 15 days of it forwarding such documents to the FCA.

Consolidation, amalgamation and merger and sale of assets

Each of the Issuer and the Guarantors may not consolidate or amalgamate with or merge into with any other Person, or, directly or indirectly, convey, transfer or lease their respective properties and assets as an entirety or substantially as an entirety to any Person, unless:

- the Person formed by or continuing from such consolidation or amalgamation or into which the Issuer or such Guarantor is merged or the Person which acquires or leases the Issuer's or such Guarantor's properties and assets as an entirety or substantially as an entirety is organized and existing under the laws of the United States, any state thereof or the District of Columbia, the United Kingdom or Switzerland or any other country that is a member of the Organization for Economic Cooperation and Development or, if such consolidation, amalgamation, merger or other transaction would not impair the rights of the Noteholders under the Indenture, in any other country, provided that, if such successor Person is organized under the laws of a jurisdiction other than the United States, any state thereof or the District of Columbia, the United Kingdom or Switzerland or any other country that is a member of the Organization for Economic Cooperation and Development the successor Person assumes the Issuer's or such Guarantor's obligations under the Notes and the Indenture to pay Additional Amounts (as defined above under the section headed "— Payment of Additional Amounts");
- the successor Person expressly assumes or assumes by operation of law all of the Issuer's or such Guarantor's obligations under the Notes and under the Indenture;
- immediately before and after giving effect to such transaction, no Event of Default (as defined below) and no event which, after notice or lapse of time or both, would become an Event of Default will have happened and be continuing; and
- certain other conditions are met.

If, as a result of any such transaction, any of the Issuer's or such Guarantor's property or assets becomes subject to a Mortgage, then, unless such Mortgage could be created pursuant to the Indenture provisions described above in the section headed "— Negative pledge" without equally and ratably securing the Notes, the Issuer or such Guarantor, simultaneously with or prior to such transaction, will cause the Notes to be secured equally and ratably with or prior to the Financial Indebtedness secured by such Mortgage.

The Notes will not contain covenants or other provisions to afford protection to Noteholders in the event of a highly leveraged transaction or a change in control of the Issuer or the Guarantors except as provided above.

Upon certain mergers or consolidations involving the Issuer or the Guarantors, or upon certain sales or conveyances of the respective properties of the Issuer or the Guarantors as an entirety or substantially as an entirety, the obligations of the Issuer or the Guarantors, as the case may be, under the Notes or the Guarantees, as the case may be, shall be assumed by the Person formed by such merger or consolidation or which shall have acquired such property and upon such assumptions such Person shall succeed to and be substituted for the Issuer or the Guarantors, as the case may be, and then the Issuer or the Guarantors, as the case may be, will be relieved from all obligations under the Notes and the Guarantees, as the case may be. The terms "Issuer", "Guarantor" and "Guarantors", as used in the Notes and the Indenture, also refer to any such successors or assigns so substituted.

Events of Default

The following will be Events of Default (each an "Event of Default") with respect to any series of Notes:

(i) default in the payment of any installment of interest (excluding Additional Amounts) upon any series of Notes as and when the same shall become due and payable, and continuance of such default for 30 days;

(ii) default in the payment of the Additional Amounts as and when the same shall become due and payable, and continuance of such default for a period of 30 days;

(iii) default in the payment of all or any part of the principal of or premium, if any, on any series of Notes as and when the same shall become due and payable either at maturity, upon any redemption, by declaration or otherwise;

(iv) default in the performance or breach of any covenant or warranty of the Issuer or the Guarantors in respect of any series of Notes or the Indenture (other than those described in paragraphs (i), (ii) and (iii) above), and continuance of such default or breach for a period of 60 days after there has been given written notice to the Issuer, the Guarantors and the Trustee by the registered holders of at least 25 per cent. in principal amount of such series of Notes;

(v) any present or future Financial Indebtedness other than (A) Non-recourse Indebtedness of the Issuer, a Guarantor or any Material Subsidiary, (B) intra-Group indebtedness and (C) trade credit incurred in the ordinary course and on standard commercial terms, other than the Notes, having a then outstanding principal amount in excess of U.S.$100,000,000 being accelerated by any holder or holders thereof or any trustee or agent acting on behalf of such holder or holders in accordance with any agreement or instrument evidencing such indebtedness;

(vi) the Issuer, a Guarantor or any Material Subsidiary admits in writing that it is unable to pay its debts generally; or a resolution is passed by the board of directors of the Issuer or a Guarantor to be wound up or dissolved; or

(vii) certain events in bankruptcy, insolvency or reorganization involving the Issuer, a Guarantor or any Material Subsidiary ("Bankruptcy Events" as defined therein).

If an Event of Default occurs and is continuing, then and in each and every such case (other than the Events of Default specified in paragraph (vii) above), unless the principal of such series of Notes shall have already become due and payable, the Noteholders of not less than 25 per cent. in aggregate principal amount of such series of Notes then outstanding (each such series voting as a separate class), by notice in writing to the Issuer, the Guarantors and the Trustee, may declare the entire principal amount of such series of Notes and interest accrued and unpaid thereon, if any, to be due and payable immediately, and upon any such declaration the same shall become immediately due and payable. If an Event of Default described in paragraph (vii) above occurs and is continuing, the principal amount of and accrued and unpaid interest on all the Notes shall become immediately due and payable, without any declaration or other act on the part of any Noteholder. Under certain circumstances, the Noteholders of a majority in aggregate principal amount of the Notes of a series affected by the default, each series voting as a separate class, by written notice to the Issuer, the Guarantors and the Trustee, may waive defaults and rescind and annul declarations of acceleration and its consequences, but no such waiver or rescission and annulment shall extend to or shall affect any subsequent default or shall impart any right consequent thereon.

Defeasance

The Issuer will have the option either (i) to be deemed (together with the Guarantors) to have paid and discharged the entire indebtedness represented by, and obligations under, the Notes and the Guarantees and to have satisfied all the obligations under the Indenture, the Notes and the Guarantees (except for certain obligations, including those relating to the defeasance trust and obligations to register the transfer or exchange of the Notes, to replace mutilated, destroyed, lost or stolen Notes and to maintain paying agencies) on the 91st day after the conditions described below have been satisfied or (ii) to cease (together with the Guarantors) to be under any obligation to comply with the covenants described above in the sections headed "— Covenants of the Issuer and the Guarantors — Negative pledge", and "— Covenants of the Issuer and the Guarantors — Provision of financial information" and the condition relating to the absence of any events of default above in the section headed "— Consolidation, amalgamation and merger and sale of assets" under the Notes, and non-compliance with such covenants and the occurrence of certain events described above in the section headed "— Events of Default" will not give rise to any Event of Default under the Notes, at any time after the conditions described below have been satisfied.

In order to exercise either defeasance option, the Issuer must: (a) deposit with a defeasance agent, irrevocably in trust, money or Government Obligations for the payment of principal and interest on the outstanding Notes to and including the Redemption Date irrevocably designated by the Issuer on or prior to the date of deposit of such money or Government Obligations; (b) comply with certain other conditions, including delivering to a defeasance agent either an opinion of U.S. counsel or a ruling received from or published by the United States Internal Revenue Service, to the effect that Noteholders will not recognize income, gain or loss for United States federal income tax purposes as a result of the exercise of such option and will be subject to United States federal income tax on the same amount and in the same manner and at the same time as would have been the case if such option had not been exercised and which, in the case of (a) above, is based on a change of law after the Closing Date; and (c) pay in full all other amounts due and owing under the Indenture.

Modification and waiver

Without consent of Noteholders

The Issuer, the Guarantors and the Trustee may, without the consent of the Noteholders, from time to time and at any time, amend the Indenture or the Notes or enter into an agreement:

- to convey, transfer, assign, mortgage or pledge to the Trustee as security for the Notes any property or assets;
- to evidence the succession of another Person to the Issuer or the Guarantors, as the case may be, or successive successions, and the assumption by the successor Person of the covenants, agreements and obligations of the Issuer or the Guarantors, as the case may be, pursuant to the Indenture;
- to evidence and provide for the acceptance of appointment of a successor Trustee, Paying Agent, Registrar or Transfer Agent, as the case may be;
- to add to the covenants of the Issuer and the Guarantors, as the case may be, such further covenants, restrictions, conditions or provisions as the Issuer and the Guarantors, as the case may be, shall certify to be for the protection of the Noteholders, and to make the occurrence, or the occurrence and continuance, of a default in any such additional covenants, restrictions, conditions or provisions an Event of Default permitting the enforcement of all or any of the several remedies

provided in the Notes or Guarantees; provided that, in respect of any such additional covenant, restriction, condition or provision, the relevant agreement may provide for a particular period of grace after default (which may be shorter or longer than that allowed in the case of other defaults) or may provide for an immediate enforcement upon such an Event of Default or may limit the right of the Noteholders of a majority in aggregate principal amount of the Notes to waive such an Event of Default;

- to modify the restrictions on, and procedures for, resale and other transfers of the Notes pursuant to law, regulation or practice relating to the resale or transfer of restricted securities generally;

- to cure any ambiguity or to correct or supplement any provision contained in the Notes which may be defective or inconsistent with any other provision contained therein or to make such other provision in regard to matters or questions arising under the Notes as the Issuer or Guarantors may deem necessary or desirable and which will not adversely affect the interests of the Noteholders in any material respect; and

- to issue further securities having identical terms and conditions in all respects (or in all respects except for the first payment of interest on such further securities) as the Notes so that the further issue is consolidated and forms a single series with the Notes and would be treated as fungible with the Notes for U.S. federal income tax purposes.

In connection with any amendment or supplement pursuant to the foregoing, the Trustee shall be entitled to receive and rely on an opinion of counsel and a certificate from an authorized representative of the Issuer as to the permissibility of the entry into such amendment.

With consent of Noteholders

The Issuer, the Guarantors and the Trustee may, with the consent of the Noteholders of not less than a majority in aggregate principal amount of the Notes of each series affected by the amendment or modification at the time outstanding (voting as one class) (including consents obtained in connection with a tender offer or exchange offer for such series of Notes), from time to time and at any time, enter into an agreement to add any provisions to or change in any manner or eliminate any of the provisions of the Notes or the Indenture or to modify in any manner the rights of the Noteholders; provided that no such amendment of the Notes or the Indenture may, without the consent of the registered holders of 90 per cent. of the Notes so affected:

- change the stated maturity of the principal of or the date for payment of any installment of interest on such series of Notes;

- reduce the principal amount of or interest on such series of Notes or Additional Amounts payable with respect thereto or reduce the amount payable thereon in the event of redemption or default;

- change the currency of payment of principal of or interest on such series of Notes or Additional Amounts payable with respect thereto;

- change the obligation of the Issuer or any Guarantor, as the case may be, to pay Additional Amounts;

- impair the right to institute suit for the enforcement of any such payment on or with respect to such series of Notes; or

- reduce the above-stated percentage of aggregate principal amount of such series of Notes outstanding necessary to modify or amend the Indenture or any such series of Notes or to waive any future compliance or past default or reduce the percentage of the aggregate principal amount of such series of Notes outstanding necessary to rescind or annul any declaration of the principal of and all accrued and unpaid interest on such series of Notes to be due and payable, *provided* that no consent of any Noteholder shall be necessary to permit the Trustee, the Issuer and the Guarantors to execute a supplemental Indenture described above in the section headed "— Without consent of Noteholders".

Any modifications, amendments or waivers to the Indenture or to any series of Notes will be conclusive and binding on all Noteholders of such series of Notes, whether or not they have consented to such action, and on all future Noteholders of the affected series, whether or not notation of such modifications, amendments or waivers is made upon such Notes. Any instrument given by or on behalf of any Noteholder of such a Note in connection with any consent to any such modification, amendment or waiver will be irrevocable once given and will be conclusive and binding on all subsequent registered Noteholders.

Consent to service

Each of the Issuer and the Guarantors will accept service of process in any legal suit, action or proceeding arising out of or relating to the performance of its obligations under the Notes or the Guarantees brought in any state or federal court in the Borough of Manhattan, the City of New York, by, among other methods, mail or facsimile, and will irrevocably submit (but for those purposes only) to the non-exclusive jurisdiction of any such court in any such suit, action or proceeding.

Governing law

The Notes and the Indenture shall be governed by and construed in accordance with the laws of the State of New York. The Guarantee provided by the Company will be governed by English law. The Guarantees provided by GIAG and Glencore Schweiz will be governed by Swiss law.

The Indenture also contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified or secured to its satisfaction.

BOOK-ENTRY, DELIVERY AND FORM

The Notes are being offered and sold within the United States initially to qualified institutional buyers in reliance on Rule 144A (the "Rule 144A Notes") and outside the United States initially to, or for the account or benefit of, persons other than U.S. persons in reliance on Regulation S (the "Regulation S Notes"). Except as set forth below, the Notes will be issued in registered, global form in minimum denominations of U.S.$2,000 and integral multiples of U.S.$1,000 in excess thereof.

The Notes will initially be represented by two or more Notes in global form that together will represent the aggregate principal amount of the Notes. Rule 144A Notes will be represented by one or more global notes in registered form without interest coupons attached (collectively the "Rule 144A Global Notes"). Regulation S Notes initially will be represented by one or more temporary global notes in registered form without interest coupons attached (collectively, the "Temporary Regulation S Global Notes"). The Temporary Regulation S Global Notes will be exchangeable for one or more permanent global notes (together with the Temporary Regulation S Global Notes, the "Regulation S Global Notes"). Following the expiration of the 40 day distribution compliance period the Rule 144A Global Notes will be deposited on or about the Closing Date with a custodian for, and registered in the name of, Cede & Co., as nominee for DTC, in each case, for credit to an account of a direct or indirect participant in DTC, as described below. The Regulation S Global Notes will be deposited with a common depositary for Euroclear and Clearstream, Luxembourg and registered in the name of the nominee of the common depositary for Euroclear and Clearstream, Luxembourg.

The Rule 144A Global Notes and the Regulation S Global Notes together comprise the "Global Notes". Beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time, except in the limited circumstances described below. See "— Exchanges Between Regulation S Global Notes and Rule 144A Global Notes".

Beneficial interests in the Global Notes may not be exchanged for definitive registered Notes in certificated form (the "Definitive Registered Notes") except in the limited circumstances described below. See "— Definitive Registered Notes". Except in the limited circumstances described in "— Definitive Registered Notes", owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Beneficial interests in a Regulation S Global Note may be held only through Euroclear or Clearstream, Luxembourg at any time. By acquisition of a beneficial interest in a Regulation S Global Note, the purchaser thereof will be deemed to represent, among other things, that it is not a U.S. Person, and that, if it determines to transfer such beneficial interest prior to the expiration of the 40-day distribution compliance period, it will transfer such interest only to a person whom the seller reasonably believes (a) to be a non-U.S. person in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S or (b) to be a person who takes delivery in the form of an interest in a Rule 144A Global Note (if applicable). See "Transfer Restrictions". Beneficial interests in a Rule 144A Global Note may only be held through DTC at any time. By acquisition of a beneficial interest in a Rule 144A Global Note, the purchaser thereof will be deemed to represent, among other things, that it is a QIB and that, if in the future it determines to transfer such beneficial interest, it will transfer such interest in accordance with the procedures and restrictions contained in the relevant agency agreement. See "Transfer Restrictions". Except as described in "— Definitive Registered Notes", owners of interests in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Notes in certificated form and will not be considered the registered owners or "holders" thereof under the Indenture for any purpose.

Payments on Global Notes

Payments in respect of the principal of, and interest and premium, if any, on, a Rule 144A Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the Indenture. Payments in respect of the principal of, and interest and premium, if any, on, a Regulation S Global Note registered in the name of Euroclear or Clearstream, Luxembourg or its nominee will be payable to Euroclear or Clearstream, Luxembourg in its capacity as the registered holder under the Indenture. Under the terms of the Indenture, the Issuer and the Trustee and any agent of the Issuer or the Trustee will treat the persons in whose names the Notes, including the Global Notes, are registered as the owners of the Notes for the purpose of receiving payments and for all other purposes. Consequently, neither the Group, the Trustee nor any of the Group's or the Trustee's respective agents has or will have any responsibility or liability for:

- any aspect of the accuracy of DTC's, Euroclear's or Clearstream, Luxembourg's records or any Participant's or Indirect Participant's (each, as defined below) records relating to or payments made on account of beneficial ownership interest in the Global Notes or for maintaining, supervising or reviewing any of DTC's, Euroclear's or Clearstream, Luxembourg's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in the Global Notes; or

- any other matter relating to the actions and practices of DTC, Euroclear or Clearstream, Luxembourg or any of their Participants or Indirect Participants.

DTC, Euroclear and Clearstream, Luxembourg have advised the Issuer and the Guarantors that their current practice, upon receipt of any payment in respect of securities, such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC, Euroclear or Clearstream, Luxembourg have reason to believe that it will not receive payment on such payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC, Euroclear or Clearstream, Luxembourg. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, Euroclear or Clearstream, Luxembourg, the Trustee or the Group. Neither the Group nor the Trustee, nor any of their respective agents, will be liable for any delay by DTC, Euroclear or Clearstream, Luxembourg or any of the Participants or the Indirect Participants in identifying the beneficial owners of the Notes, and the Group and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC, Euroclear or Clearstream, Luxembourg or their nominees for all purposes. Subject to the procedures and limitations described herein, transfers of beneficial interests within a Global Note may be made without delivery to the Issuer, the Guarantors, the Trustee or any of their respective agents of any written certifications or other documentation by the transferor or transferee.

Currency of payment for the Global Notes

The principal of, premium, if any, and interest on, and all other amounts payable in respect of, the Global Notes will be paid to holders of interests in such Notes in U.S. dollars.

Payments will be subject in all cases to any fiscal or other laws and regulations (including any regulations of the applicable clearing system) applicable thereto. Neither the Group nor the Trustee nor the Paying Agents nor the Initial Purchasers nor any of their respective agents will be liable to any holder of a Global Note or any other person for any commissions, costs, losses or expenses in relation to or resulting from any currency conversion or rounding effected in connection with any such payment.

Action by owners of beneficial interests in the Global Notes

DTC, Euroclear and Clearstream, Luxembourg have advised the Group that they will take any action permitted to be taken by a holder of Notes only at the direction of one or more Participants to whose account DTC, Euroclear or Clearstream, Luxembourg has credited the interests in the Global Notes and only in respect of such portion of the aggregate principal amount of the Notes as to which such Participant or Participants has or have given such direction. However, if there is an Event of Default under the Notes, DTC, Euroclear and Clearstream, Luxembourg reserve the right to exchange the Global Notes for legended Definitive Registered Notes, and to distribute such Definitive Registered Notes to their Participants.

Transfers

Subject to the transfer restrictions set forth under “Transfer Restrictions”, transfers between the Participants will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream, Luxembourg will be effected in accordance with their respective rules and operating procedures, which rules and operating procedures may change from time to time.

Definitive Registered Notes

Under the terms of the Indenture, owners of beneficial interests in the Global Notes will receive Definitive Registered Notes if:

- DTC (a) notifies the Issuer that it is unwilling or unable to continue as depositary for the Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuer fails to appoint a successor depositary;
- Euroclear or Clearstream, Luxembourg, as the case may be, is closed for business for a continuous period of 14 days (other than by reason of holidays, statutory or otherwise) or announces an intention permanently to cease business or does in fact do so, by the holder giving notice to the relevant Registrar or any Transfer Agent;
- the Issuer, at its option, notifies the Trustee in writing that it elects to cause the issuance of the Definitive Registered Notes; or
- there has occurred and is continuing a default or Event of Default with respect to the Notes and the Trustee receives a written request for Definitive Registered Notes from a holder of Notes.

In addition, beneficial interests in a Global Note may be exchanged for Definitive Registered Notes upon prior written notice given to the Trustee by or on behalf of DTC, Euroclear or Clearstream, Luxembourg in accordance with the Indenture. In all cases, Definitive Registered Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depositary (in accordance with its customary procedures) and will bear the applicable restrictive legend set forth in “Transfer Restrictions”, unless that legend is not required by applicable law.

Definitive Registered Notes may not be exchanged for beneficial interests in any Global Note unless the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer will comply with the appropriate transfer restrictions applicable to such Notes. See “Transfer Restrictions”.

Exchanges between Regulation S Global Notes and Rule 144A Global Notes

Prior to the expiration of the Restricted Period, beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- such exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and
- the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that the Notes are being transferred to a person: (a) who the transferor reasonably believes to be a qualified institutional buyer within the meaning of Rule 144A; (b) purchasing for its own account or the account of a qualified institutional buyer in a transaction meeting the requirements of Rule 144A; and (c) in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Restricted Period, only if the transferor first delivers to the Trustee a written certificate (in the form provided in the Indenture) to the effect that such transfer is being made in accordance with Rule 903 or 904 of Regulation S or Rule 144 under the Securities Act (if available) and that, if such transfer occurs prior to the expiration of the Restricted Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream, Luxembourg.

Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in such Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interests in such other Global Note for so long as it remains such an interest. The policies and practices of DTC, Euroclear or Clearstream, Luxembourg may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Restricted Period.

Settlement

Settlement and transfer of Notes

Subject to the rules and procedures of each applicable clearing system, purchases of Notes held within a clearing system must be made by or through Participants, which will receive a credit for such Notes on the clearing system's records. The ownership interest of each actual purchaser of each such note (the "Beneficial Owner") will in turn be recorded on the Participants' and Indirect Participants' records. Beneficial Owners will not receive written confirmation from any clearing system of their purchase, but Beneficial Owners are expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant or Indirect Participant through which such Beneficial Owner entered into the transaction.

Transfers of ownership interests in Notes held within the clearing system will be affected by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in such Notes, unless and until interests in any Global Note held within a clearing system are exchanged for Definitive Notes.

No clearing system has knowledge of the actual Beneficial Owners of the Notes held within such clearing system and their records will reflect only the identity of the Participants to whose accounts such Notes are credited, which may or may not be the Beneficial Owners. The Participants will remain responsible for keeping account of their holdings on behalf of their customers. Conveyance of notices and other communications by the clearing systems to Participants, by Participants to Indirect Participants, and by Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

The laws of some jurisdictions may require that certain persons take physical delivery in definitive form of securities. Consequently, the ability to transfer interests in a Global Note to such persons may be limited. Because DTC can only act on behalf of Participants, who in turn act on behalf of Indirect Participants, the ability of a person having an interest in a Rule 144A Global Note to pledge such interest to persons or entities that do not participate in DTC, or otherwise take actions in respect of such interest, may be affected by a lack of physical certificate in respect of such interest. Although DTC, Euroclear and Clearstream, Luxembourg have agreed to the foregoing procedures to facilitate transfers of interests in the Rule 144A Global Notes and the Regulation S Global Notes among participants in DTC, Euroclear and Clearstream, Luxembourg, they are under no obligation to perform or to continue to perform such procedures, and may discontinue or modify such procedures at any time. Neither the Group, the Trustee, the Paying Agents, the Transfer Agents, the Registrars nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream, Luxembourg or their respective participants or indirect participants of their respective obligations under the rules and procedures governing their operations.

Information concerning DTC, Euroclear and Clearstream, Luxembourg

The following description of the operations and procedures of DTC, Euroclear and Clearstream, Luxembourg are provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. Neither we nor the Initial Purchasers take any responsibility for these operations and procedures and we urge investors to contact the system or their participants directly to discuss these matters.

DTC is a limited purpose trust company organized under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC has advised the Group that DTC is a limited purpose trust company created to hold securities for its participating organizations (collectively the "Participants") and to facilitate the clearance and settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants, thereby eliminating the need for physical movement of securities certificates. The Participants include securities brokers and dealers (including the Initial Purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants. DTC has also advised us that, pursuant to procedures established by it:

- upon deposit of the Global Notes, DTC will credit the accounts of the Participants designated by the Initial Purchasers with portions of the principal amount of the Global Notes; and
- ownership of these interests in the Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interest in the Global Notes).

Investors in the Rule 144A Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream, Luxembourg) which are Indirect Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, Luxembourg, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Restricted Period (but not earlier), investors may also hold interests in the Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream, Luxembourg. Euroclear and Clearstream, Luxembourg will hold interests in the Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which are participants in DTC. All interests in a Global Note, including those held through Euroclear or Clearstream, Luxembourg, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream, Luxembourg may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of the Participants, which in turn act on behalf of the Indirect Participants, the ability of a person having beneficial interests in a Global Note to pledge such interests to persons that do not participate in the DTC system, or otherwise take actions in respect of such interests, may be affected by the lack of a physical certificate evidencing such interests.

TAXATION

U.S. taxation

TO ENSURE COMPLIANCE WITH TREASURY DEPARTMENT CIRCULAR 230, HOLDERS ARE HEREBY NOTIFIED THAT: (A) ANY DISCUSSION OF U.S. FEDERAL TAX ISSUES IN THIS OFFERING CIRCULAR IS NOT INTENDED OR WRITTEN TO BE RELIED UPON, AND CANNOT BE RELIED UPON, BY HOLDERS FOR THE PURPOSE OF AVOIDING PENALTIES THAT MAY BE IMPOSED ON HOLDERS UNDER THE INTERNAL REVENUE CODE; (B) SUCH DISCUSSION IS INCLUDED HEREIN BY THE ISSUER IN CONNECTION WITH THE PROMOTION OR MARKETING (WITHIN THE MEANING OF CIRCULAR 230) BY THE ISSUER OF THE TRANSACTIONS OR MATTERS ADDRESSED HEREIN; AND (C) HOLDERS SHOULD SEEK ADVICE BASED ON THEIR PARTICULAR CIRCUMSTANCES FROM AN INDEPENDENT TAX ADVISOR.

The following discussion is a summary based on present law of certain U.S. federal income tax considerations relevant to the purchase, ownership and disposition of the Notes by a U.S. Holder. This discussion addresses only U.S. Holders who purchase Notes in the original offering at the original offering price, hold the Notes as capital assets and use the U.S. dollar as their functional currency. This discussion is not a complete description of all U.S. tax considerations relating to the Notes. It does not address the tax treatment of prospective purchasers that will hold the Notes in connection with a permanent establishment or other qualified business unit outside of the United States. It also does not address the tax treatment of prospective purchasers subject to special rules, such as banks, dealers, traders that elect to mark to market, insurance companies, investors liable for the alternative minimum tax, individual retirement accounts and other tax-deferred accounts, entities treated as partnerships for U.S. federal income tax purposes, U.S. expatriates, tax-exempt entities, investors subject to tax on net investment income or persons holding the Notes as part of a hedge, straddle, conversion or other integrated financial transaction.

For purposes of this discussion, a "U.S. Holder" is a beneficial owner that is, for U.S. federal income tax purposes, (i) a citizen or individual resident of the United States, (ii) a corporation created or organized under the laws of the United States or its political subdivisions, (iii) a trust subject to the control of one or more U.S. persons and the primary supervision of a U.S. court, or the trust has validly elected to be treated as a domestic trust for U.S. federal income tax purposes, or (iv) an estate the income of which is subject to U.S. federal income taxation regardless of its source.

If an entity treated as a partnership for U.S. federal income tax purposes acquires or holds the Notes, the tax treatment of a partner generally will depend upon the status of the partner and the activities of the partnership. A partner of an entity treated as a partnership for U.S. federal income tax purposes that acquires or holds the Notes should consult its own tax advisors concerning the U.S. federal income tax consequences to their partners of the purchase, ownership and disposition of Notes by the partnership.

This summary is based on the tax laws of the United States, including the Internal Revenue Code of 1986, as amended, its legislative history, existing and proposed regulations thereunder, published rulings and court decisions, all as of the date hereof and all subject to change at any time, possibly with retroactive effect.

THE SUMMARY OF U.S. FEDERAL INCOME TAX CONSEQUENCES SET OUT BELOW IS FOR GENERAL INFORMATION ONLY. ALL PROSPECTIVE PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS AS TO THE PARTICULAR TAX CONSEQUENCES TO THEM OF OWNING THE NOTES, THE APPLICABILITY AND EFFECT OF STATE, LOCAL, FOREIGN AND OTHER TAX LAWS AND POSSIBLE CHANGES IN TAX LAW.

Interest

Interest on the Notes, including any additional amounts, generally will be includible in the gross income of a U.S. Holder in accordance with its regular method of tax accounting. The interest on the Notes generally will be ordinary income from sources outside the United States. Prospective purchasers should consult their tax advisors concerning the applicability of the foreign tax credit and source of income rules to income attributable to the Notes.

Disposition

A U.S. Holder generally will recognize gain or loss on the sale, redemption or other disposition of a Note in an amount equal to the difference between the amount realized (less any accrued but unpaid interest, which will be taxable as ordinary interest income to the extent not previously included in income) and the holder's adjusted tax basis in the Note. A U.S. Holder's adjusted tax basis in a Note generally will be the cost of the Note.

Gain or loss on disposition of a Note generally will be treated as capital gain or loss from U.S. sources. Capital gain or loss will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year. The long-term capital gains of non-corporate U.S. Holders may be taxed at lower rates. Deductions for capital losses are subject to limitations. Prospective purchasers should consult their tax advisors as to the foreign tax credit implications of the sale or retirement of Notes.

Reporting and backup withholding

Payments of interest and proceeds from the sale, redemption or other disposition of a Note may be reported to the U.S. Internal Revenue Service unless the holder establishes a basis for exemption. Backup withholding may apply to amounts subject to reporting if the holder fails to provide an accurate taxpayer identification number or fails to report all interest and dividends required to be shown on its U.S. federal income tax returns. A U.S. Holder can claim a credit against its U.S. federal income tax liability for the amount of any backup withholding and a refund of any excess. Prospective investors should consult their tax advisors as to their qualification for exemption from backup withholding and the procedure for establishing an exemption.

U.S. Holders must report information to the U.S. Internal Revenue Service with respect to their investment in Notes not held through an account with a domestic financial institution. Investors who fail to report required information could become subject to substantial penalties. Potential investors should consult their own tax advisors regarding the possible implications of these reporting requirements for their investment in Notes.

United Kingdom taxation

The comments below are of a general nature based on current United Kingdom law and HMRC practice (which may not be binding on HMRC). They are not intended to be, nor should they be construed to be, legal or tax advice and are included below solely for information purposes. They assume that neither interest on the Notes nor payments in respect of the Guarantees have a United Kingdom source and, in particular, that neither the Issuer nor the Guarantors are United Kingdom resident or acts through a permanent establishment in the United Kingdom in relation to the Notes. The comments are not intended to be exhaustive and relate only to the position of persons who are the absolute beneficial owners of their Notes and coupons. In particular, Noteholders holding their Notes via a depositary receipt system or clearance service should note that they may not always be the beneficial owners thereof. The comments do not relate to any further issuances of the same series of Notes. The comments may not necessarily apply where the income is deemed for tax purposes to be the income of any other person and they further may not apply to certain classes of persons such as dealers or certain professional investors or persons who are connected with the Issuer. Prospective Noteholders should consult their own professional advisors as to the United Kingdom tax consequences of holding and disposing of Notes and receiving payments of interest or principal under the Notes, as well as if they are in any doubt as to their own technical position.

Interest withholding and information reporting requirements

Payments of interest on the Notes made by the Issuer may be made without any withholding or deduction for or on account of United Kingdom tax. Any payments in respect of the Guarantees may be made without withholding or deduction for or on account of United Kingdom income tax.

Information relating to securities may be required to be provided to HMRC in certain circumstances. This may include details of the beneficial owners of the Notes (or the persons for whom the Notes are held), details of the persons to whom payments derived from the Notes are or may be paid and information and documents in connection with transactions relating to the Notes. Information may be required to be provided by, amongst others, the holders of the Notes, persons by (or via) whom payments derived from the Notes are made or who receive (or would be entitled to receive) such payments, persons who effect or are a party to transactions relating to the Notes on behalf of others and certain registrars or administrators. In certain circumstances, the information obtained by HMRC may be exchanged with tax authorities in other countries.

Corporate Noteholders within the charge to United Kingdom corporation tax

The tax treatment of Noteholders within the charge to United Kingdom corporation tax (including non-resident Noteholders whose Notes are used, held or acquired for the purposes of a trade carried on in the United Kingdom through a permanent establishment) will in most cases depend on their respective statutory accounting treatment so long as such accounting treatment is in accordance with IFRS or UK generally accepted accounting practice. The accounting treatment will affect the tax treatment of holding or disposing of the Notes. Noteholders within the charge to United Kingdom corporation tax should therefore consult their own accounting and tax advisors concerning the tax liabilities that may arise in respect of the Notes.

Other UK taxpayers

On the date of issue of the Notes, it is not expected that the Notes will constitute "Deeply Discounted Securities" within the meaning of Chapter 8 of Part 4 of the Income Tax (Trading and Other Income) Act 2005. Noteholders who are either individuals or trustees and are resident for tax purposes in the United Kingdom or who carry on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Notes are attributable (and who are not subject to United Kingdom corporation tax) will generally be liable to United Kingdom tax on the amount of any interest received in respect of the Notes.

A disposal of a Note by a Noteholder resident for tax purposes in the United Kingdom or who carries on a trade, profession or vocation in the United Kingdom through a branch or agency to which the Note is attributable may give rise to a chargeable gain or allowable loss for the purposes of United Kingdom taxation of capital gains. In calculating any gain or loss on disposal of a Note, sterling values are compared at acquisition and transfer. Accordingly, a taxable profit can arise even where the foreign currency amount received on a disposal is less than or the same as the amount paid for any Note. Any accrued interest at the date of disposal may be taxed under the provisions of Chapter 2 of Part 12 of the Income Tax Act 2007.

Stamp duty and stamp duty reserve tax

No stamp duty, stamp duty reserve tax or similar tax or duty should be imposed in the United Kingdom on the issue, transfer or redemption of the Notes.

Swiss taxation

The following statements contain an overview of the Swiss tax implications resulting from the Notes. The following statements are based upon Swiss tax laws and administrative practices as currently in force. Modifications of the applicable legal regulations may necessitate a re-evaluation of the tax consequences. The summary below is not a substitute for legal or tax advice sought by interested parties. Prospective investors should seek advice of their tax advisors to clarify any tax implications resulting from an investment in the Notes.

Swiss Income Tax

Swiss Resident Private Noteholders: For private Noteholders resident in Switzerland who hold the Notes as private assets (*Privatvermögen*), the interest payments are treated as taxable interest and, thus, subject to Swiss federal income and cantonal and municipal income taxes. Capital gains realized on the sale or redemption of the Notes are exempt from Swiss federal income and cantonal and municipal income taxes.

Swiss Resident Business Noteholders: Swiss residents who hold the Notes as business assets and foreign residents who hold the Notes through a permanent establishment or a fixed place of business (*Geschäftsvermögen*) are in general taxed according to Swiss statutory accounting principles (*Massgeblichkeitsprinzip*) for purposes of Swiss federal income and cantonal and municipal income taxes. Interest payments are in general part of the taxable business profit. Capital gains realized on the sale or redemption of the Notes are part of their taxable business profit subject to Swiss federal income and cantonal and municipal income taxes. This provision also applies to individuals who qualify as so-called professional securities dealers (*gewerbsmässige Wertschriftenhändler*) for tax purposes.

Swiss Withholding Taxes

According to the current practice of the Swiss Federal Tax Administration, payments in respect of the Notes should not be subject to Swiss Withholding Taxes, provided that a Swiss resident entity will make no use within the Group of the net proceeds of the Offering within Switzerland. Any payment made by GIAG or Glencore Schweiz pursuant to its Guarantee may be subject to Swiss Withholding Taxes on dividends (the present rate of which is 35 per cent.).

Stamp duties

No Swiss stamp duties will be imposed in connection with the issuance or redemption of the Notes. The transfer of the Notes will be subject to the Swiss Transfer Stamp Duty (*Umsatzabgabe*) if (i) such transfer or sale is made by or through the intermediary of a securities dealer resident in Switzerland or Liechtenstein, as defined in the Swiss Stamp Tax Act (*Bundesgesetz über die Stempelabgaben*), and (ii) no exception applies.

Jersey taxation

The following summary of the anticipated tax treatment in Jersey of Noteholders (other than residents of Jersey) is based on Jersey taxation law as it is understood to apply at the date of this document. It does not constitute legal or tax advice. Noteholders should consult their professional advisors on the implications of acquiring, buying, holding, selling or otherwise disposing of Notes under the laws of the jurisdictions in which they may be liable to taxation. Noteholders should be aware that tax rules and practice and their interpretation may change.

The Company will be entitled to make payments in respect of the Guarantee without any withholding or deduction for or on account of Jersey income tax (however, please see the following two paragraphs in relation to payments made by a paying agent established in Jersey).

As part of an agreement reached in connection with the European Union directive on the taxation of savings income in the form of interest payments, and in line with steps taken by other relevant third countries, Jersey introduced with effect from 1 July 2005 a retention tax system in respect of payments of interest, or other similar income, made to an individual beneficial owner resident in an EU Member State by a paying agent established in Jersey. The retention tax system applies for a transitional period prior to the implementation of a system of automatic communication to EU Member States of information regarding such payments. During this transitional period, such an individual beneficial owner resident in an EU Member State will be entitled to request a paying agent not to retain tax from such payments but instead to apply a system by which the details of such payments are communicated to the tax authorities of the EU Member State in which the beneficial owner is resident.

The retention tax system in Jersey is implemented by means of bilateral agreements with each of the EU Member States, the Taxation (Agreements with European Union Member States) (Jersey) Regulations 2005 and Guidance Notes issued by the Policy & Resources Committee of the States of Jersey. Based on these provisions and the Company's understanding of the current practice of the Jersey tax authorities (and subject to the transitional arrangements described above), the Company would not be obliged to levy retention tax in Jersey under these provisions in respect of interest payments made by it to a paying agent established outside Jersey.

European Savings Directive

Under EC Council Directive 2003/48/EC (the "Savings Directive"), on the taxation of savings income, EU member states are required to provide to the tax authorities of another EU member state details of payments of interest (or similar income) paid by a person within its jurisdiction to, or for, an individual or certain other persons resident in that other EU member state. However, for a transitional period, Luxembourg and Austria are instead required (unless during that period they elect otherwise) to operate a withholding system in relation to such payments (subject to a procedure whereby, on meeting certain conditions, the beneficial owner of the interest or other income may request that no tax be withheld). The transitional period is to terminate at the end of the first full fiscal year following an agreement by certain non-EU countries to the exchange of information relating to such payments, although the Luxembourg government has announced its intention to elect out of the withholding system in favor of an automatic exchange of information with effect from 1 January 2015. A number of non-EU countries and territories, including Switzerland, have agreed to adopt similar measures (a withholding system in the case of Switzerland).

On 24 March 2014, the Council of the European Union adopted a Directive (the "**Amending Directive**") amending the Savings Directive, which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the Amending Directive will broaden the circumstances in which information must be provided or tax withheld pursuant to the Savings Directive and will require additional steps to be taken in certain circumstances to identify the beneficial owner of interest (and other income) payments. EU Member States have until 1 January 2016 to adopt national legislation necessary to comply with this Amending Directive, which legislation must apply from 1 January 2017. Investors should inform themselves of, and where appropriate take advice on, the impact of the Savings Directive (as modified by the Amending Directive) on their investment.

If a payment were to be made or collected through an EU member state which has opted for a withholding system and an amount of, or in respect of, tax were to be withheld from that payment pursuant to the Savings Directive, as modified by the Amending Directive, or any law implementing or complying with, or introduced in order to conform to such Directive, neither the Issuer nor the Paying Agents nor any other person would be obligated to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. Furthermore, once the Amending Directive is implemented and takes effect in EU Member States, such withholding may occur in a wider range of circumstances than at present, as discussed above. Investors should choose their custodians and intermediaries with care and provide each custodian or intermediary with any information that may be necessary to enable such persons to make payments free from withholding and in compliance with the Savings Directive, as modified by the Amending Directive.

PLAN OF DISTRIBUTION

Pursuant to the Purchase Agreement dated 22 April 2014, the Initial Purchasers (who are named below) have severally agreed with the Issuer, subject to the satisfaction of certain conditions, to purchase the principal amount of Notes set forth opposite their names below:

	Principal amount of 2019 Notes	Principal amount of 2024 Notes
	(U.S.$)	
Initial Purchasers		
Barclays Capital Inc.	US$225,000,000	US$225,000,000
Citigroup Global Markets Inc.	US$225,000,000	US$225,000,000
J.P. Morgan Securities LLC	US$225,000,000	US$225,000,000
Morgan Stanley & Co. LLC	US$225,000,000	US$225,000,000
CIBC World Markets Corp.	US$33,334,000	US$33,334,000
Mizuho Securities USA Inc.	US$33,333,000	US$33,333,000
Scotia Capital (USA) Inc.	US$33,333,000	US$33,333,000
Total	US$1,000,000,000	US$1,000,000,000

Barclays Capital Inc., Citigroup Global Markets Inc., J.P. Morgan Securities LLC and Morgan Stanley & Co. LLC are acting as joint book-running managers for the Offering. CIBC World Markets Corp., Mizuho Securities USA Inc. and Scotia Capital (USA) Inc. are acting as co-managers for the Offering.

The Purchase Agreement entitles the Initial Purchasers to terminate the issue of the Notes in certain circumstances prior to payment to the Issuer. The Issuer and the Guarantors have agreed to indemnify the Initial Purchasers against certain liabilities in connection with the Offering and may be required to contribute to payments the Initial Purchasers may be required to make in respect thereof.

The Initial Purchasers initially propose to offer the Notes at the offering prices set forth on the cover page hereof. After the initial Offering, the offering prices may from time to time be varied by the Initial Purchasers.

Each of the Issuer and the Guarantors has agreed with the Initial Purchasers that neither it nor any person acting on its behalf will, without the prior written consent of the Initial Purchasers, for the period from and including the date of the Purchase Agreement through and including the date that is one day after the Closing Date, offer, sell, contract to sell or otherwise dispose of any debt securities (other than the Notes) of, or guaranteed by, the Issuer or the Guarantors and having a tenor of more than one year.

The Notes are new issues of securities with no established trading market.

The Initial Purchasers are not obligated to make a market in the Notes, and, accordingly, no assurance can be given as to the liquidity of, or trading market for, the Notes.

In connection with the Offering, the Initial Purchasers may over-allot or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail for a limited period after the date of issue of the Notes. However, there may be no obligation on the Initial Purchasers to do this. Such stabilization, if commenced, may be discontinued at any time.

No action has been or will be taken in any jurisdiction that would permit a public offering of the Notes or the possession, circulation or distribution of any material relating to the Issuer or the Guarantors in any jurisdiction where action for such purpose is required. Accordingly, the Notes and the Guarantees may not be offered or sold, directly or indirectly, nor may any offering material or advertisement in connection with the Notes and the Guarantees (including this Offering Circular and any amendment or supplement hereto) be distributed or published in or from any country or jurisdiction, except under circumstances that would result in compliance with any applicable rules and regulations of any such country or jurisdiction.

Certain of the Initial Purchasers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform services for, the Issuer and its affiliates in the ordinary course of business. In addition, in the ordinary course of their business activities, the Initial Purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuer or the Issuer's affiliates (including the Notes). Certain of the Initial Purchasers or their affiliates that have a lending relationship with the Issuer or its affiliates routinely hedge and certain other of those Initial Purchasers or their affiliates may hedge, their credit exposure to the Issuer and/or affiliates consistent with their customary risk management policies. Typically, such Initial Purchaser and its affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities (including potentially the Notes). Any such short positions could adversely affect future trading prices of the Notes. The Initial Purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. The Group will use the net proceeds of the Offering to repay part of the amounts outstanding under certain indebtedness and for general corporate purposes. Some of the Initial Purchasers and/or their affiliates may be lenders under such indebtedness and may accordingly receive a portion of the proceeds from the Offering.

Pre-issue trades settlement

It is expected that delivery of Notes will be made against payment therefor on the Closing Date, which is expected to be on or around the fifth business day following the date of pricing (such settlement being referred to as "T+5"). Under Rule 15c6-l under the Exchange Act, trades in the United States secondary market generally are required to settle in three business days ("T+3"), unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes in the United States on the date of pricing or the next succeeding business day will be required, by virtue of the fact the Notes will initially settle in T+5, to specify an alternate settlement cycle at the time of any such trade to prevent a failed settlement. Settlement procedures in other countries may vary and purchasers of Notes may be affected by such local settlement practices. Purchasers of Notes who wish to trade the Notes on the date of pricing or the next succeeding business day should consult their own advisor.

United States

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

Each Initial Purchaser has agreed that, except as permitted by the Purchase Agreement, it will not offer, sell or deliver the Notes and the Guarantees (i) as part of their distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the Offering and the Closing Date, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Initial Purchaser to which it sells Notes and the Guarantees during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes and the Guarantees within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S.

In addition, until 40 days after the commencement of the Offering of the Notes and the Guarantees, an offer or sale of Notes or Guarantees within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act.

European Economic Area

In relation to each member state of the European Economic Area which has implemented the Prospectus Directive (each a "Relevant Member State"), each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State it has not made and will not make an offer of Notes which are the subject of the Offering contemplated by this Offering Circular to the public in that Relevant Member State other than:

(i) to any legal entity which is a qualified investor as defined in the Prospectus Directive;

(ii) to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive) as permitted under the Prospectus Directive, subject to obtaining the prior consent of the relevant Initial Purchaser or Initial Purchasers nominated by the Issuer for any such offer; or

(iii) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes shall require the Issuer or any Initial Purchaser to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression "an offer of Notes to the public" in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and the expression "Prospectus Directive" means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression "2010 PD Amending Directive" means Directive 2010/73/EU.

United Kingdom

Each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that:

- it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000, as amended ("FSMA")) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the Guarantors; and

- it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended, the "Financial Instruments and Exchange Act"). Accordingly, each Initial Purchaser has represented and agreed that it has not, directly or indirectly, offered or sold and will not, directly or indirectly, offer or sell any Notes in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Act and other relevant laws and regulations of Japan.

Hong Kong

Each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that (i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (A) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong (the "SFO") and any rules made under the SFO or (B) in other circumstances which do not result in this Offering Circular being a "prospectus" as defined in the Companies Ordinance (Cap. 32) of Hong Kong (the "CO") or which do not constitute an offer to the public within the meaning of the CO and (ii) it has not issued, or had in its possession for the purpose of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "Professional Investors" as defined in the SFO (Cap. 571) and any rules made under the SFO.

South Africa

Each Initial Purchaser has represented and agreed with the Issuer and the Guarantors that (i) this Offering Circular will not be registered as a prospectus in terms of the Companies Act 2008 in South Africa and as such, any offer of the Notes in South Africa may only be made if it shall not be capable of being construed as an offer to the public as envisaged by such Act and (ii) any offer or sale of the Notes shall be subject to compliance with South African exchange control regulations.

Switzerland

This Offering Circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes described herein. The Notes may not be publicly offered, sold or advertised, directly or indirectly, in, into or from Switzerland and will not be listed on the SIX or on any other exchange or regulated trading facility in Switzerland. Neither this Offering Circular nor any other offering or marketing material relating to the Notes constitutes a prospectus as such term is understood pursuant to article 652a or article 1156 of the Swiss Code of Obligations, and neither this Offering Circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

TRANSFER RESTRICTIONS

The following restrictions will apply to the Notes (including the Guarantees). Prospective Noteholders are advised to consult legal counsel prior to making any offer, sale, resale, pledge or transfer of the Notes offered hereby.

The Notes and the Guarantees have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons, except pursuant to an effective registration statement or an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. Accordingly, the Notes are being offered and sold only (i) to QIBs in accordance with Rule 144A and (ii) to persons other than U.S. persons (each a “Foreign Purchaser”, which term shall include dealers or other professional fiduciaries in the United States acting on a discretionary basis for non-U.S. beneficial owners (other than an estate or trust)) in offshore transactions meeting the requirements of Rule 903 or Rule 904 of Regulation S. As used herein, the terms “offshore transactions”, “United States” and “U.S. person” have the respective meanings given to them in Regulation S.

In addition, until 40 days after the later of the commencement of the Offering and the Closing Date an offer or sale of the Notes within the United States by a dealer (whether or not participating in the Offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A.

Each purchaser of the Notes offered hereunder (other than each of the Initial Purchasers) will be deemed to have represented and agreed as follows (terms used in this section that are defined in Rule 144A or Regulation S are used herein as defined therein):

(a) it is purchasing the Notes (including the Guarantees) for its own account or an account with respect to which it exercises sole investment discretion, and it and any such account (1) is a QIB and is aware that the sale to it is being made in reliance on Rule 144A or (2) is a Foreign Purchaser and is aware that the sale is being made in accordance with Regulation S;

(b) it understands that the Notes (including the Guarantees) have not been and will not be registered under the Securities Act and may not be offered, sold, pledged or otherwise transferred, except (1) in accordance with Rule 144A to a person that it and any person acting on its behalf reasonably believe is a QIB purchasing for its own account or for the account of a QIB, (2) in an offshore transaction in accordance with Rule 903 or Rule 904 of Regulation S, pursuant to an exemption from registration under the Securities Act provided by Rule 144 thereunder (if available) or (3) pursuant to an effective registration statement under the Securities Act, in each case in accordance with any applicable securities laws of any state of the United States;

(c) it agrees on its own behalf and on behalf of any investor account for which it is purchasing the Notes, and each subsequent holder of the Notes by its acceptance thereof will agree, to offer, sell or otherwise transfer such Notes prior to (1) the date which is one year after the later of the date of the original issue of the Notes and the last date on which the Issuer or any of its affiliates were the owner of such Notes or (2) such later date, if any, as may be required by applicable law (the “Resale Restriction Termination Date”) only: (A) to the Issuer or any subsidiary thereof; (B) pursuant to a registration statement which has been declared effective under the Securities Act; (C) for so long as the Notes are eligible for resale pursuant to Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of another QIB to whom you give notice that the transfer is being made in reliance on Rule 144A; (D) pursuant to offers and sales to non-U.S. persons occurring outside the United States within the meaning of Regulation S; or (E) pursuant to any other available exemption from the registration requirements of the Securities Act.

(d) it agrees to, and each subsequent Noteholder is required to, notify any purchaser of the Notes from it of the resale restrictions referred to in paragraph (b) above, if then applicable;

(e) if it is a person other than a Foreign Purchaser, it understands and agrees that Notes initially offered to QIBs in reliance on Rule 144A will be represented by the Rule 144A Global Note;

(f) if it is a Foreign Purchaser, it understands and agrees that the Notes initially offered in offshore transactions under Regulation S will be represented by the Regulation S Global Note;

(g) it understands that the Notes will bear a legend to the following effect:

"THIS NOTE HAS NOT BEEN REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933 (THE "U.S. SECURITIES ACT"), OR OTHER SECURITIES LAWS OF ANY STATE OR OTHER JURISDICTION. NEITHER THIS NOTE NOR ANY INTEREST OR PARTICIPATION HEREIN MAY BE OFFERED, SOLD, ASSIGNED, TRANSFERRED, PLEDGED, ENCUMBERED OR OTHERWISE DISPOSED OF IN THE ABSENCE OF SUCH REGISTRATION UNLESS THE TRANSACTION IS EXEMPT FROM, OR NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT.

"THE HOLDER OF THIS NOTE BY ITS ACCEPTANCE HEREOF (1) REPRESENTS THAT (A) IT IS A "QUALIFIED INSTITUTIONAL BUYER" (AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT) OR (B) IT IS NOT A U.S. PERSON AND IS ACQUIRING THIS NOTE IN AN "OFFSHORE TRANSACTION" PURSUANT TO RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, (2) AGREES ON ITS OWN BEHALF AND ON BEHALF OF ANY INVESTOR ACCOUNT FOR WHICH IT HAS PURCHASED NOTES THAT IT WILL NOT, PRIOR TO (X) THE DATE WHICH IS ONE YEAR AFTER THE LATER OF THE ORIGINAL ISSUE DATE HEREOF (OR OF ANY PREDECESSOR OF THIS NOTE) OR THE LAST DAY ON WHICH THE ISSUER OR ANY AFFILIATE OF THE ISSUER WAS THE OWNER OF THIS NOTE (OR ANY PREDECESSOR OF THIS NOTE) AND (Y) SUCH LATER DATE, IF ANY, AS MAY BE REQUIRED BY APPLICABLE LAW (THE "RESALE RESTRICTION TERMINATION DATE"), OFFER, SELL OR OTHERWISE TRANSFER THIS NOTE EXCEPT (A) TO THE ISSUER, (B) PURSUANT TO A REGISTRATION STATEMENT WHICH HAS BEEN DECLARED EFFECTIVE UNDER THE U.S. SECURITIES ACT, (C) FOR SO LONG AS THE NOTES ARE ELIGIBLE FOR RESALE PURSUANT TO RULE 144A UNDER THE U.S. SECURITIES ACT, TO A PERSON IT REASONABLY BELIEVES IS A "QUALIFIED INSTITUTIONAL BUYER" AS DEFINED IN RULE 144A UNDER THE U.S. SECURITIES ACT THAT PURCHASES FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF ANOTHER QUALIFIED INSTITUTIONAL BUYER TO WHOM NOTICE IS GIVEN THAT THE TRANSFER IS BEING MADE IN RELIANCE ON RULE 144A UNDER THE U.S. SECURITIES ACT, (D) PURSUANT TO OFFERS AND SALES TO NON-U.S. PERSONS THAT OCCUR OUTSIDE THE UNITED STATES WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR (E) PURSUANT TO ANY OTHER AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE U.S. SECURITIES ACT, AND (3) AGREES THAT IT WILL GIVE TO EACH PERSON TO WHOM THIS NOTE IS TRANSFERRED A NOTICE SUBSTANTIALLY TO THE EFFECT OF THIS LEGEND; PROVIDED THAT THE ISSUER, THE TRUSTEE, THE PAYING AGENTS AND THE REGISTRARS SHALL HAVE THE RIGHT PRIOR TO ANY SUCH OFFER, SALE OR TRANSFER PURSUANT TO CLAUSE (D) PRIOR TO THE END OF THE 40-DAY DISTRIBUTION COMPLIANCE PERIOD WITHIN THE MEANING OF REGULATION S UNDER THE U.S. SECURITIES ACT OR PURSUANT TO CLAUSE (E) PRIOR TO THE RESALE RESTRICTION TERMINATION DATE TO REQUIRE THAT AN OPINION OF COUNSEL, CERTIFICATIONS AND/OR OTHER INFORMATION SATISFACTORY TO THE ISSUER, THE TRUSTEE, THE PAYING AGENTS AND THE REGISTRARS IS COMPLETED AND DELIVERED BY THE TRANSFEROR. THIS LEGEND WILL BE REMOVED UPON THE REQUEST OF THE HOLDER

AFTER THE RESALE RESTRICTION TERMINATION DATE. AS USED HEREIN, THE TERMS "OFFSHORE TRANSACTION", "UNITED STATES" AND "U.S. PERSON" HAVE THE MEANINGS GIVEN TO THEM BY REGULATION S UNDER THE U.S. SECURITIES ACT".

(h) it acknowledges that prior to any proposed transfer of Notes or beneficial interests in Global Notes (in each case other than pursuant to an effective registration statement), the Noteholders or beneficial interests in Global Notes may be required to provide certifications and other documentation relating to the manner of such transfer and submit such certifications and other documentation as provided in the Notes; and

(i) it acknowledges that the Issuer, the Guarantors, the Initial Purchasers, the Trustee and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations and agreements and agrees that if any of the acknowledgments, representations or agreements deemed to have been made by it by virtue of its purchase of Notes is no longer accurate, it shall promptly notify the Issuer, the Guarantors, the Initial Purchasers and the Trustee. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such account.

The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date. For further information in relation to the requirements (including the presentation of transfer certificates) under the Notes and the Indenture to effect exchanges or transfer of interests in Global Notes, see "Book-Entry, Delivery and Form".

No representation can be made as to the availability of the exemption provided by Rule 144 for resale of the Notes.

VALIDITY OF THE NOTES AND GUARANTEES

The validity of the Notes and Guarantee provided by the Company and certain other matters governed by U.S. federal, New York state and English law will be passed upon for the Group, the Issuer and each of the Guarantors by Linklaters LLP. The validity of the Guarantees provided by GIAG and Glencore Schweiz and certain other matters governed by Swiss law will be passed upon for GIAG and Glencore Schweiz by Pestalozzi Attorneys at Law Ltd. Certain matters governed by U.S. federal and New York state law will be passed upon for the Initial Purchasers by Clifford Chance LLP.

INDEPENDENT AUDITORS

The annual consolidated financial statements of Xstrata as of and for the years ended 31 December 2012 and 2011 appearing in Xstrata's Annual Financial Statements and incorporated by reference into this Offering Circular have been audited by Ernst & Young LLP, independent auditors, as set forth in their reports thereon, included in Xstrata's Annual Financial Statements, and incorporated by reference herein.

The annual consolidated financial statements of the Group as of and for the years ended 31 December 2013, 2012 and 2011 appearing in the Group's Annual Financial Statements and incorporated by reference into this Offering Circular have been audited by Deloitte LLP, independent auditors, as set forth in their reports thereon, included in the Group's Annual Financial Statements, and incorporated by reference herein.

DEFINITIONS AND GLOSSARY OF TECHNICAL TERMS

The definitions set out below apply throughout this Offering Circular, unless the context requires otherwise.

Agrium	means Agrium Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 2880814 and registered office at 13131 Lake Fraser Drive S.E., Calgary AB T2J 7E8, Canada;
AR Zinc	means AR Zinc SA, an entity in which the Group has a 100 per cent. interest;
Acquisition	means the acquisition by Glencore of Xstrata completed on 2 May 2013;
bbls	means barrels;
BEE	means Black Economic Empowerment;
Board	means the board of Directors of the Company;
Caracal	means Caracal Energy Inc. (previously Griffiths Energy);
Century Aluminum	means Century Aluminum Company, an entity in which the Group has a 46.6 per cent. economic interest;
Cerrejón	means Carbones del Cerrejón Limited;
CEZ	means Canadian Electrolyte Zinc Limited;
Chemoil	means Chemoil Energy Limited, an entity in which the Group has a 89.2 per cent. interest;
CIM	means the Canadian Institute of Mining, Metallurgy and Petroleum;
CIM Council	means the council of the CIM;
CIM Definition Standards	means standards for the classification of mineral resources and reserves into various categories as approved by CIM on 20 August 2000, and updated on 14 November 2004, for reporting of exploration information, mineral resources and mineral reserves in Canada, adopted by the CIM Council on 11 December 2005, and are incorporated by reference in NI 43-101;
CIM Estimation Guidelines	means guidelines intended to assist a Qualified Person, as defined in NI 43-101, in the planning, supervision, preparation and reporting of mineral resources and mineral reserves estimates in accordance with NI 43-101, as presented in the report "Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines" dated 30 May 2003 by CIM, adopted by the CIM Council on 23 November 2003;
CIS	means the Commonwealth of Independent States, whose participant countries are certain former members of the Union of Soviet Socialist Republics;
Clearstream, Luxembourg	means Clearstream Banking, S.A.;
Closing Date	means 29 April 2014;
CO	means the Companies Ordinance (Cap. 32) of Hong Kong;

Cobar	means Cobar Management Pty Ltd, an entity in which the Group has a 100 per cent. interest;
COMEX or **NYMEX**	means the Commodity Exchange division of the New York Mercantile Exchange;
Company	means Glencore Xstrata plc (previously known as Glencore International plc);
Consortium	means the consortium owned 62.5 per cent by MMG Limited, 22.5 per cent. by GUOXIN International Investment Corporation Limited and 15.0 per cent. by CITIC Metal Co., Limited;
Definitive Notes	has the meaning given to it in "Book-Entry, Delivery and Form" of this Offering Circular;
Definitive Registered Notes	has the meaning given to it in "Book-Entry, Delivery and Form" of this Offering Circular;
Directors or **Group Directors**	means the directors of the Group, whose names appear in the section headed in "Directors and Senior Management — Board of Directors" of this Offering Circular;
Disclosure and Transparency Rules	means the Disclosure and Transparency Rules of the UK Listing Authority;
DRC	means the Democratic Republic of Congo;
DTC	means The Depository Trust Company;
Eland	means Eland Platinum Holdings Limited, a company organized under the laws of South Africa with limited liability;
EU	means the European Union;
Euroclear	means Euroclear Bank, S.A./N.V.;
FCA	means the Financial Conduct Authority;
Financial Instruments and Exchange Act	means the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948 as amended);
First Coal	means First Coal Corporation;
Foreign Purchasers	has the meaning given to it in "Transfer Restrictions" of this Offering Circular, and "Foreign Purchaser" means any one of them;
FSMA	means the Financial Services and Markets Act 2000;
Glencore	means Glencore Xstrata plc (previously known as Glencore International plc);
Group 2011 Audited Financial Statements	has the meaning given to it in "Presentation of Information and Incorporation by Reference" of this Offering Circular;
Group 2012 Audited Financial Statements	has the meaning given to it in "Presentation of Information and Incorporation by Reference" of this Offering Circular;
Group Audited Financial Statements	has the meaning given to it in "Presentation of Information and Incorporation by Reference" of this Offering Circular;

Glencore International or GIAG	means Glencore International AG, a company incorporated in Switzerland and a wholly-owned subsidiary of the Company;
Glencore Schweiz	means Glencore (Schweiz) AG, formerly known as Xstrata (Schweiz) AG, a company incorporated in Switzerland and an indirect wholly-owned subsidiary of the Company.
Global Notes	has the meaning given to it in "Book-Entry, Delivery and Form" of this Offering Circular;
Group	means the Company and its subsidiaries and any subsidiary thereof from time to time;
Guarantee	means the guarantees relating to the Notes;
Guarantors	means the Company, GIAG and Glencore Schweiz and "Guarantor" means any one of them;
HK or **Hong Kong**	means the Hong Kong Special Administrative Region of the People's Republic of China;
HMRC	means Her Majesty's Revenue & Customs;
Hong Kong Stock Exchange or **HKSE**	means The Stock Exchange of Hong Kong Limited;
IFRS	means International Financial Reporting Standards as adopted by the European Union;
Indenture	means the indenture governing the Notes among the Issuer, the Guarantors, the Paying Agents, Transfer Agents and the Trustee, expected to be dated 29 April 2014;
Indirect Participant	means the banks, brokers, dealers, trust companies and other entities that have access to DTC's system that clear through or maintain a custodial relationship with a Participant either directly or indirectly;
Initial Purchasers	means the persons who are named in "Plan of Distribution" of this Offering Circular;
IPO	means initial public offering;
Issuer	means Glencore Funding LLC, a company incorporated in Delaware and a wholly-owned subsidiary of the Company;
Johannesburg Stock Exchange or **JSE**	means the Johannesburg Stock Exchange;
JORC Code	means the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves;
Jumelles	means Jumelles Limited (BVI);
JX Nippon Oil	means JX Nippon Oil & Energy Corporation;
Katanga	means Katanga Mining Limited, an entity in which the Group has a 75.3 per cent. interest;
Kazzinc	means Kazzinc LLP, a limited liability partnership organized and incorporated under the laws of Kazakhstan in which the Group has a 69.7 per cent. interest;
LBMA	means the London Bullion Market Association;

Listing Rules	means the rules and regulations made by the UK Listing Authority, and contained in the UK Listing Authority's publication of the same name;
LME	means the London Metals Exchange;
London Stock Exchange or LSE	means London Stock Exchange plc;
Lonmin	means Lonmin plc;
Los Quenuales	means Empresa Minera Los Quenuales SA, an entity in which the Group has a 97.6 per cent. interest;
Minara	means Minara Resources Ltd., an entity in which the Group has a 100 per cent. interest;
Minera Alumbrera Limited	means Minera Alumbrera Limited S.A., an entity in which the Group has a 50 per cent. interest;
MOFCOM	means the Ministry of Commerce of the People's Republic of China;
Moody's	means Moody's Investors Service Limited;
Mopani	means Mopani Copper Mines plc, an entity in which the Group has a 73.1 per cent. interest;
MPRDA	means the South African Mineral and Petroleum Resources Development Act 28, as amended;
Murrin Murrin	means the joint venture between Minara Resources Ltd. and Glenmurrin Pty Ltd., in which Glencore has a 100 per cent. interest;
Mutanda	means Mutanda Ya Mukonkota Mining Sprl, an entity in which Glencore has an effective interest of 69.0 per cent.;
NI 43-101	means the Canadian National Instrument 43-101—"Standard Disclosure for Mineral Projects" of the Canadian Securities Administrators;
Noteholders	means the holders of the Notes, and "Noteholder" means any one of them;
Noteholder's Currency	means if a Noteholder's financial activities are denominated principally in a currency or currency unit;
Notes	has the meaning given to that term on the front page of this Offering Circular;
Offering	means the offer and sale of the Notes;
Official List	means the official list of the UK Listing Authority;
Optimum Coal	means Optimum Coal Holdings Limited, an entity in which Glencore has an effective interest of 67.6 per cent.;
Oz	means ounce;
Participants	means the participating organizations of DTC, a limited purpose trust company that holds securities for the participating organizations;

Paying Agent(s)	means Deutsche Bank AG, London Branch as Principal Paying Agent and Deutsche Bank Trust Company Americas as U.S. Paying Agent;
PGM	means platinum group metals;
Purchase Agreement	means the agreement between the Initial Purchasers and the Issuer in relation to this Offering;
Registrar(s)	means Deutsche Bank Luxembourg S.A. as European Registrar and Deutsche Bank Trust Company Americas as DTC Registrar;
Regulation S Global Notes	has the meaning given to it in “Book-Entry, Delivery and Form” of this Offering Circular;
Regulation S Notes	has the meaning given to it in “Book-Entry, Delivery and Form” of this Offering Circular;
Relevant Member State	has the meaning given to it in “Plan of Distribution” of this Offering Circular;
Restricted Period	means through and including the 40th day after the later of the commencement of this Offering and the closing of this Offering;
Richardson	means Richardson International Limited, registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 4135253 and registered office at 2800 One Lombard Place, Winnipeg, MB R3B 0X8, Canada;
ROM	means run of mine;
Rosh Pinah	means Rosh Pinah Zinc Corporation (Proprietary) Limited, a company incorporated in Namibia in which the Company has an 80.1 per cent. interest;
Rule 144A Global Notes	has the meaning given to it in “Book-Entry, Delivery and Form” of this Offering Circular;
Rule 144A Notes	has the meaning given to it in “Book-Entry, Delivery and Form” of this Offering Circular;
SAMREC	means the 2007 edition of the South African Code of Reporting of Exploration Results, Mineral Resources and Mineral Reserves;
Savings Directive	means EC Council Directive 2003/48/EC;
SEC	means the U.S. Securities and Exchange Commission;
Securities Act	means the U.S. Securities Act of 1933 and the rules and regulations promulgated thereunder (as amended);
SFO	means the Securities and Futures Ordinance (Cap. 571) of Hong Kong;
Shanduka Coal	means Shanduka Coal (Pty) Ltd;
Shares	means fully paid up ordinary shares of U.S.$0.01 each in the capital of the Company;
SHFE	means Shanghai Futures Exchange;

SIX	means SIX Swiss Exchange ltd;
South Africa	means the Republic of South Africa;
Sphere	means Sphere Minerals Limited, a company incorporated in Australia in which the Group has an 88.16 per cent. interest;
Standard & Poor's	means Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.;
Swiss GAAP	means Swiss Generally Accepted Accounting Principles;
Swiss Withholding Taxes	means the Swiss federal withholding tax (*Verrechnungssteuer*) under Swiss tax law;
T, **tonne** or **tonnes**	means 1,000 kilograms;
Transfer Agent(s)	means Deutsche Bank Luxembourg S.A. and Deutsche Bank Trust Company Americas;
Trustee	means under the Indenture governing the Notes, the rights of Deutsche Trustee Company Limited, as trustee;
UK or **United Kingdom**	means the United Kingdom of Great Britain and Northern Ireland;
UK Companies Act	means the UK Companies Act 2006, as amended from time to time;
UK Corporate Governance Code	means the UK Corporate Governance Code on the Principles of Good Governance and Code of Best Practice published in June 2010 by the Financial Reporting Council in the UK as amended from time-to-time (including the new edition of which was published in September 2013, which will apply to reporting periods beginning on or after 1 October 2012);
UK Listing Authority	means the FCA acting in its capacity as the competent authority for listing under FSMA;
Umcebo	means Umcebo Mining (Pty) Ltd;
U.S. or **United States** or **United States of America**	means the United States of America, its territories and possessions, any State of the United States and the District of Columbia;
VaR	means Value at Risk;
Verny	means Verny Investments together with Verny Rost, each an independent third party (but for its shareholding in Kazzinc);
Verny Capital	means JSC "Verny Capital" (registered in the Republic of Kazakhstan);
Verny Investments	means closed unit risk investment fund "Vernye Investitsii" (represented by Verny Capital, acting in the best interests of closed unit risk investment fund "Vernye Investitsii");
Verny Rost	means closed unit risk investment fund "Verny Rost" (represented by Verny Capital, acting in the best interests of closed unit risk investment fund "Vernye Rost");

Viterra	means Viterra Inc., registered under the federal laws of Canada pursuant to the Canada Business Corporations Act with corporation number 7501960 and registered office at 2625 Victoria Avenue, Regina SK S4T 7T9, Canada;
Viterra Arrangement	means Glencore's acquisition of 100 per cent. of the issued and outstanding shares in Viterra, by way of court approved plan of arrangement under the Canadian Business Corporations Act, which was completed on 17 December 2012;
Xstrata	means Xstrata Limited (previously known as Xstrata plc) and its subsidiaries and any subsidiary thereof as at completion of the Acquisition;
Xstrata 2011 Audited Financial Statements	has the meaning given to it in "Presentation of Information and Incorporation by Reference" of this Offering Circular;
Xstrata 2012 Audited Financial Statements	has the meaning given to it in "Presentation of Information and Incorporation by Reference" of this Offering Circular; and
Xstrata Audited Financial Statements	has the meaning given to it in "Presentation of Information and Incorporation by Reference" of this Offering Circular.