SECTION I: INFORMATION ON GLENCORE

Investors should read the whole of this Prospectus and not just rely upon the summarised information, including the tables, in this Section I. Where stated, information in this section has been extracted without material adjustment from Sub-section B of Section VI: "Historical Financial Information" and from Section XIV: "Independent Technical Reports". Investors can find further background information on the commodities that Glencore markets in Section XIII: "Information on Commodities".

Overview

Glencore is a leading integrated producer and marketer of commodities, with worldwide activities in the marketing of metals and minerals, energy products and agricultural products and the production, refinement, processing, storage and transport of these products. Glencore operates on a global scale, marketing and distributing physical commodities sourced from third party producers and own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. Glencore also provides financing, logistics and other services to producers and consumers of commodities. Glencore's long experience as a commodity merchant has allowed it to develop and build upon its expertise in the commodities which it markets and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions. Glencore's marketing activities are supported by investments in industrial assets operating in Glencore's core commodities. Glencore's industrial, geographical, commodity, supplier and customer diversity, in combination with its long-term supplier and customer relationships, has enabled Glencore to operate profitably, even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness. In addition, Glencore's marketing operations are less correlated to commodity prices than its industrial operations, which makes Glencore's earnings less volatile than those of producers of metals and mining products and energy products that do not also have marketing and logistics operations.

As a marketer, Glencore is able to differentiate itself from other production entities as, in addition to focusing on minimising costs and maximising operational efficiencies, Glencore focuses on maximising 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, extensive market insight, business optionality, its extensive customer base, strong market position and penetration in most commodities and economies of scale. In contrast, this is not the business model of Glencore's mainly industrial competitors who are generally not set up to exploit the full range of value added margin and arbitrage opportunities which exist throughout the commodity supply chain.

Glencore's consolidated revenues for the years ended 31 December 2009 and 31 December 2010 were U.S.$106,364 million and U.S.$144,978 million, and its income before attribution for the years ended 31 December 2009 and 31 December 2010 were U.S.$1,729 million and U.S.$4,106 million. As at 31 December 2010, Glencore's total assets amounted to U.S.$79,787 million. Measured by revenues, Glencore believes it was one of the world's largest privately held companies during this period.

Selected key financial information in relation to Glencore's marketing and industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 is set out below. This information has been extracted without material adjustment from Section VI: "Historical Financial Information" except where marked as unaudited. Unaudited information has been extracted without material adjustment from Glencore's accounting records.

	2008	2009	2010
		(U.S.$ million)	
Marketing activities			
Revenue (unaudited)(1)	141,876	97,804	133,977
Adjusted EBITDA pre-exceptional items(2)	3,215	1,606	2,367
Adjusted EBIT pre-exceptional items(2)	3,202	1,591	2,337
Industrial activities			
Revenue (unaudited)(1)	10,360	8,560	11,001
Adjusted EBITDA pre-exceptional items(2)(3)(4)	1,853	1,468	1,992
Adjusted EBIT pre-exceptional items(2)(3)(4)	1,291	861	1,111
Share of income from associates and dividends (excl. Xstrata)(4)(5)	183	31	113
Share of income from associates (Xstrata)(4)(5)	1,536	824	1,729
Capex	1,875	1,116	1,890
Group			
Revenue	152,236	106,364	144,978
Adjusted EBITDA pre-exceptional items(2)(6)	6,787	3,929	6,201
Adjusted EBIT pre-exceptional items(2)(6)	6,212	3,307	5,290

Notes:

(1) Revenue is not split between Marketing and Industrial activities in the audited Historical Financial Information set out in Section VI of this document and is therefore marked as unaudited. Total segment and total Group revenue is audited.

(2) Includes variable bonus and other corporate selling, general and administrative expenses.

(3) Excludes share of income from associates and dividends.

(4) Adjusted EBITDA pre-exceptional items plus Share of income from associates and dividends and Adjusted EBIT pre-exceptional items plus Share of income from associates and dividends are audited.

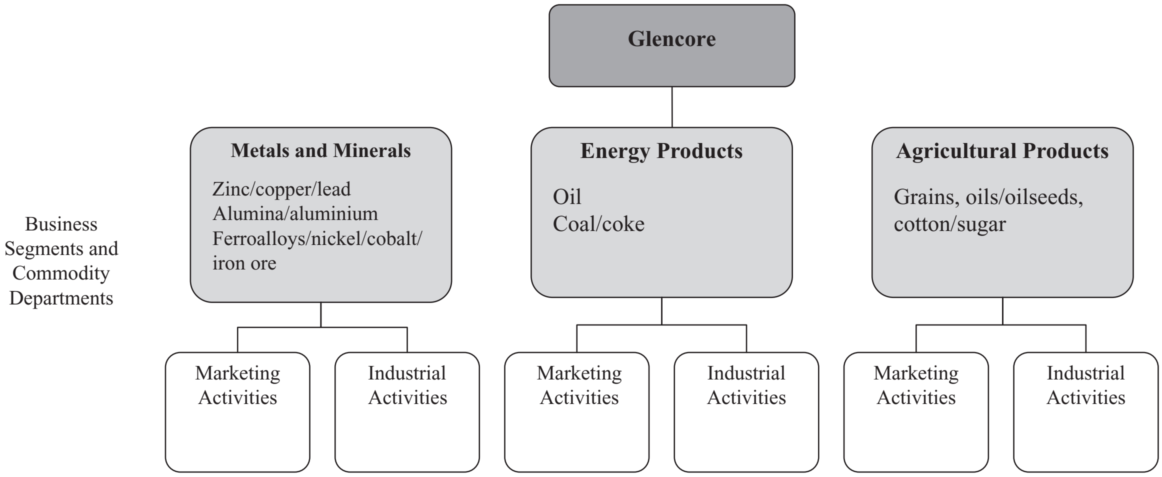
(5) Excludes exceptional items, see "Presentation of Information".

(6) Includes share of income from associates and dividends.

Glencore believes it is:

- the world's largest physical supplier of third party sourced commodities in respect of the majority of the metals and minerals it markets;
- among the world's largest non-integrated physical suppliers of crude oil and oil products;
- the world's largest participant in the supply of seaborne steam coal, including attribution of the volumes under a number of exclusive advisory and agency agreements with, amongst others, its associate company Xstrata;
- among the world's leading suppliers of sugar; and
- one of the leading exporters of grain from Europe, the CIS and Australia.

Glencore conducts its operations in three business segments: Metals and Minerals, Energy Products and Agricultural Products. The following chart summarises Glencore's business structure:



Glencore's business segments are responsible for managing the marketing, sourcing, hedging, logistics and industrial investment activities relating to the commodities which they cover.

Glencore's marketing and industrial investment activities are supported by a global network of more than 50 offices located in more than 40 countries throughout Europe, North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. Glencore's main offices are located in Baar (Switzerland), Stamford (Connecticut), London, Rotterdam, Beijing, Moscow and Singapore. This network provides Glencore with significant worldwide sourcing and distribution capabilities.

Glencore has an established record of successful strategic investments in industrial assets which have become an important component of its physical marketing activities. Glencore intends to continue to pursue selective strategic acquisitions and alliances to support and strengthen its core physical marketing activities as and when opportunities arise. Glencore evaluates each industrial asset investment opportunity on a stand-alone basis, however, also recognising its potential to support and strengthen Glencore's physical marketing activities or existing industrial coverage. Similarly, Glencore evaluates disposals of investments in industrial assets when they are no longer deemed to support its marketing activities and/or when compelling selling opportunities arise.

Selected key financial information in relation to the marketing and industrial activities of Glencore's business segments for the year ended 31 December 2010 is set out below. This information has been extracted without material adjustment from Section VI: "Historical Financial Information" except where marked as unaudited. Unaudited information has been extracted without material adjustment from Glencore's accounting records.

	Metals and Minerals		Energy Products		Agricultural Products		Corporate and Other[4]		Total	
	As a percentage of Glencore		As a percentage of Glencore		As a percentage of Glencore		As a percentage of Glencore		As a percentage of Glencore	
	(U.S.$ million)	*%*	*(U.S.$ million)*	*%*	*(U.S.$ million)*	*%*	*(U.S.$ million)*	*%*	*(U.S.$ million)*	*%*
Marketing activities										
Revenue (unaudited)[1]	37,889	28	87,850	66	8,238	6	0	0	133,977	100
Adjusted EBITDA pre-exceptional items	1,401	59	470	20	659	28	(163)	(7)	2,367	100
Adjusted EBIT pre-exceptional items	1,401	60	450	19	659	28	(173)	(7)	2,337	100
Industrial activities										
Revenue (unaudited)[1]	7,322	67	1,499	14	2,180	20			11,001	100
Adjusted EBITDA pre-exceptional items[2][3]	1,820	91	313	16	88	4	(229)	(11)	1,992	100
Adjusted EBIT pre-exceptional items[2][3]	1,112	100	189	17	39	4	(229)	(21)	1,111	100
Share of income from associates and dividends (excl. Xstrata)[3][4]	48	42	46	41	19	17			113	100
Share of income from associates (Xstrata)[3][4]	N/A		N/A		N/A		1,729	100	1,729	100
Capex	1,001	53	818	43	71	4			1,890	100
Group										
Revenue	45,211	31	89,349	62	10,418	7	0	0	144,978	100
Adjusted EBITDA pre-exceptional items[5]	3,269	53	829	13	766	12	1,337	22	6,201	100
Adjusted EBIT pre-exceptional items[5]	2,561	48	685	13	717	14	1,327	25	5,290	100

Notes:

(1) Revenue is not split between Marketing and Industrial activities in the audited Historical Financial Information set out in Section VI of this document and is therefore marked as unaudited. Total segment and total Group revenue is audited.

(2) Excludes share of income from associates and dividends.

(3) Adjusted EBITDA pre-exceptional items plus Share of income from associates and dividends and Adjusted EBIT pre-exceptional items plus Share of income from associates and dividends are audited.

(4) Includes variable bonus and other corporate selling, general and administrative expenses, as well as share of income from Xstrata.

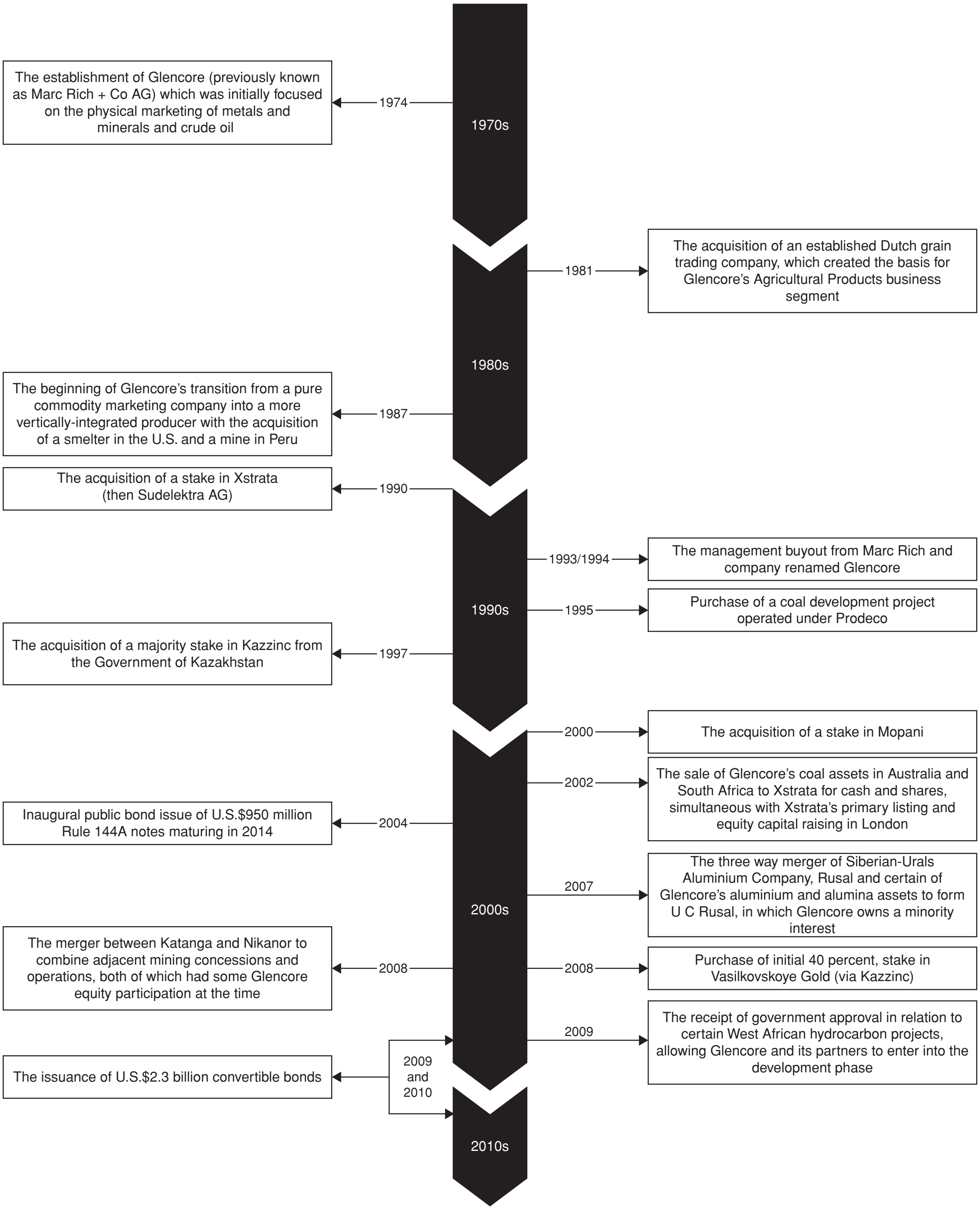
(5) Includes share of income from associates and dividends.

History

Glencore was founded 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 Glencore 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 its 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 aluminium 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 and the company was renamed Glencore International.

The following diagram sets out some key milestones in Glencore's history and shows its development over the course of 37 years into a leading diversified natural resources group with worldwide marketing and industrial activities.



Glencore has always been principally or wholly owned by management and key employees. See "Description of ownership structure" in Section II: "Directors and Corporate Governance", for further details of the group's ownership structure.

Competitive strengths

Glencore 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. These competitive strengths include:

Scale and leading market shares in commodity marketing globally

Glencore believes that it has significant market share positions in the addressable markets for zinc metal (approximately 60 per cent.), zinc concentrate (approximately 50 per cent.), copper metal (approximately 50 per cent.), copper concentrate (approximately 30 per cent.), alumina (approximately 38 per cent.), aluminium (approximately 22 per cent.), cobalt (approximately 23 per cent.), seaborne export thermal coal (approximately 28 per cent.) and grains (approximately nine per cent.). In addition, Glencore's daily oil sales volumes represent approximately 3 per cent. of the world's daily oil consumption. Glencore's global network of offices, its mining, smelting, refining and processing operations and its logistics and storage capabilities enable it efficiently to source, transport, process and physically deliver commodities throughout the world.

Glencore believes that being a major global physical marketer with leading market positions in its key commodities enables it to:

- flexibly and optimally manage product flows and logistics;
- access a broad spectrum of commodities in different grades and specifications to meet customer requirements;
- be competitive with pricing in tender and other bid processes;
- develop strong relationships with suppliers and customers;
- maintain a reputation for reliability with suppliers and customers;
- maintain knowledge of local market supply and demand dynamics;
- gain significant insight into trade flows and marketing requirements which enables continuous price discovery and rapid identification and investigation of arbitrage opportunities;
- benefit from economies of scale in relation to all key transaction components, including commodity purchases and sales, storage, transportation and risk management activities;
- market commodities linked to several different international exchanges;
- operate as a commodity supplier of last resort in difficult market conditions;
- act as a quasi-clearance house in the global physical commodities market; and
- identify strategic investment opportunities.

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

Glencore is an established marketer of commodities and has, over a period of years, built an outstanding market reputation as a reliable supplier of quality product on a timely basis. In addition, Glencore's long experience has allowed it to build up the extensive market knowledge and insight, as well as full logistics capabilities, required to generate value added margins, as well as seek arbitrage potential throughout the physical commodity supply chain. Glencore'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.

The broad range of value added services Glencore can offer fulfils the needs of customers that do not have the equivalent internal capability and cannot outsource to other providers who can offer these services as seamlessly or efficiently as Glencore can provide them. Furthermore, Glencore's ability to arrange for short- and long-term financing for its customers and suppliers provides Glencore with long-term demand for and supply of its physical commodities. Glencore believes that the combination of its outstanding market reputation, its market knowledge and these value added services enables it frequently to be a preferred purchaser or supplier of commodities and generally to strengthen its long-term relationships with customers and suppliers. By way of illustration, six, nine and eight of the top ten suppliers of each of the Metals and Minerals, Energy Products and Agricultural Products business segments, respectively, have been clients for more than ten years. Similarly, nine, ten and eight of the top ten customers of each of the Metals and Minerals, Energy Products and Agricultural Products business segments, respectively, have been clients for more than ten years.

Access to a large shipping fleet and various freight intermediaries provides Glencore with very useful information on trade flows. Access to storage and other logistical assets increases Glencore's flexibility to blend products (such as oil distillates, metal concentrates and coal) and to manage the delivery of products in line with specific contractual quality requirements. Furthermore, Glencore believes that all of the above enable Glencore quickly and efficiently to seize time (contango) and other arbitrage opportunities, as they arise.

Investments in high-quality low-cost extraction/processing operations with strong growth prospects

Glencore owns many high-quality assets, for example Prodeco, which produces high grade thermal coal, and Katanga, which has significant high grade copper and cobalt reserves. Glencore continues to invest in its high-quality, large-scale, long-life assets to increase production capacity over the coming years. Production is expected to expand materially at several of Glencore's mining and processing assets, including Katanga's plans to ramp up copper production from 70k MT of annualised fourth quarter 2010 production capacity to 310k MT by 2015. Kazzinc is finalising the completion of major new metallurgy facilities (new copper smelter and lead smelter upgrade), while gold production is expected materially to increase, following the commissioning of the new Vasilkovskoje gold mine during 2010. At Mutanda a 20k MT SXEW plant was commissioned in the fourth quarter of 2010 and a 40k MT SXEW plant is due to be commissioned during the third quarter of 2011. Glencore is also, together with its partners, investing in the development of its West African Oil Assets, namely an initial two fields in Blocks I and O, with the aim of achieving production in the first quarter of 2012 and first quarter of 2014 at daily production levels of 50,000 bbls and 37,500 bbls, respectively. Finally, Prodeco is targeting 20.7 million MT of coal production per annum by 2015 compared to 10 million MT of production in 2010.

Marketer with integrated production and processing capabilities

Glencore is differentiated from commodity production competitors in that, in addition to being a producer, it is also a substantial marketer of commodities produced by third parties. Accordingly, Glencore sees its ownership of industrial assets not solely as sources of self-produced commodities, but also as tools for increasing flexibility, optionality and security of supply and for gaining valuable market knowledge.

Glencore's ownership of certain controlled industrial assets provides Glencore with access to long-term supply and throughput for its marketing activities. Of Glencore's total marketing purchases in the year ended 31 December 2010, approximately 30.6 per cent. related to commodities mined, produced or processed within Glencore's controlled industrial assets and associates (excluding oil department purchases). In addition to its investments in controlled industrial assets, Glencore also has stakes in non-controlled industrial assets, some of which are publicly traded companies, with which Glencore has secured long-term, arm's-length marketing and off-take agreements. This positioning throughout the supply chain allows Glencore to capture value at each stage and differentiates Glencore from less integrated producers of commodities, which tend to be more focused on the competitive sale of own products rather than enhanced global sourcing, distribution and marketing activities.

Glencore's ownership of industrial assets and knowledge of supply and end user commodity demand conditions gained from its global network of offices and relationships spanning more than 7,200 suppliers and customers (excluding agricultural farming origination) also provide Glencore with valuable insight into the broad production spectrum, flexibility to optimise between its own production and third party suppliers, access to strategic markets and operating and technical know-how. In addition, these factors provide Glencore with valuable access and insight into a range of industrial assets investment opportunities and, more broadly, assist Glencore to manage its industrial assets portfolio, including production volume and expansion decisions, as well as asset purchase and disposal decisions. This combination also promotes credibility with customers and other suppliers by positioning Glencore as both producer and marketer and enhancing Glencore's overall reputation as a secure and reliable long-term supplier.

Diversified across multiple commodities, suppliers and customers

Glencore markets a broad range of commodities from a diverse supply base to a diverse customer base. Glencore'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. Glencore 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 and geographic regions. No customer represented more than 3.4 per cent. of Glencore's trade receivables as at 31 December 2010, or accounted for more than 3.0 per cent. of its consolidated revenues in the year ended 31 December 2010. For the year ended 31 December 2010, Glencore's top ten customers represented approximately 16 per cent. of Glencore's consolidated revenues, with the top ten customers for the Metals and Minerals, Energy Products and Agricultural Products business segments representing approximately 18 per cent., 26 per cent. and 23 per cent. of the revenue for each business segment, respectively. Other than oil, which represented approximately 56 per cent. of Glencore's consolidated revenues in the year ended 31 December 2010, no single commodity department accounted for more than approximately 13 per cent. of such revenues in that period. In addition, the geographic diversity of suppliers, including Glencore's own industrial assets, mitigates the risk of exposure to any one particular country or region and helps to ensure a steady supply of commodities for the marketing operations. Glencore's top ten suppliers represented approximately 22 per cent. of Glencore's consolidated cost of goods sold, with the top ten suppliers for the Metals and Minerals, Energy Products and the Agricultural Products business segments representing approximately 36 per cent., 32 per cent. and 21 per cent. of the costs of goods sold for each business segment, respectively. This industrial, geographical, commodity, supplier and customer diversity, in combination with Glencore's long-term supplier and customer relationships, has enabled Glencore to operate profitably even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness.

The geographic diversity of Glencore's operations is further demonstrated by the fact that it has skills and experience in operating and providing services across the globe, including in Eastern Europe, Central Africa and South America. Part of Glencore'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 and Glencore believes that its successful track record in this regard has enabled it to gain an effective first-mover advantage in a number of countries with high-quality strategic resources. Many of Glencore's important industrial assets are located in the CIS, Central Africa and South America, in which Glencore has been successfully operating for many years. By following its established strategy of teaming with experienced local partners, fostering good working relationships with local and national governments, investing in local infrastructure and communities and actively managing risk, Glencore believes that it has established a competitive advantage over many of its peers in this respect.

Track record of value creation

Glencore has been consistently profitable since the completion of the management buyout in 1994 and has a track-record of growth across industry cycles. Over the past ten years, Glencore has achieved an average annual return on equity of 38 per cent., ranging between 15 and 61 per cent.

Glencore has a favourable track record of creating value through both acquisitions and organic development of existing assets in its portfolio. For example, since Glencore's initial 2007 investment in Nikanor, Glencore has accumulated a 74.4 per cent. interest in Katanga resulting in an internal rate of return of approximately 50 per cent., based on Katanga's attributable market capitalisation as at 29 April 2011. Similarly, Kazzinc's recent acquisition and development of a large gold deposit is expected to produce favourable returns. Finally, Prodeco, which Glencore acquired in 1995, which together with the subsequent acquisition and consolidation of nearby coal mines, is now the third largest producer of export thermal coal in Colombia and should improve its market position going forward as it targets 20.7 million MT of coal capacity per annum by 2015 compared to 10 million MT of production in 2010. Glencore has also disposed of various assets over the years, which resulted in substantial gains, including the merger of part of its alumina/aluminium asset portfolio into UC Rusal in 2007 and the sale of certain coal assets to Xstrata at the time of its London IPO and the Cerrejón stake thereafter. In total, over the past ten years, Glencore has spent approximately U.S.$9.6 billion on its capital expenditure in controlled industrial assets.

World-class management and Board

Glencore's management is led by Ivan Glasenberg (Chief Executive Officer), supported by Steven Kalmin (Chief Financial Officer) and the rest of the management team. Between them, management has more than 200 years of experience working together at Glencore, where they have a proven track record of developing and growing the business. Ivan Glasenberg and the commodity heads have worked at Glencore for an average of 16 years and each was promoted to their current position from within the Company. Notwithstanding their long service with Glencore, they have a relatively low average age of 46 years.

In addition to the management team and the relevant experience of the Board, Glencore believes that there is considerable strength and depth below this level and it seeks to develop internal talent to ensure that this remains the case. Senior employees are incentivised to optimise the performance of their departments and have been empowered to make the decisions to achieve this.

Assuming the Over-Allotment Option is not exercised, the Kazzinc Consideration Shares have not been issued and the Offer Price is set at the mid-point of the Offer Price Range the number of Ordinary Shares in issue following the Global Offer will be 6,893,292,886 and, of these, 83.6 per cent. will be held by Existing Shareholders. Such Shareholders will be subject to lock-ups as described in Section VIII: "Details of the Global Offer". Glencore believes that this ownership structure aligns the interests of Shareholders, management and employees and will continue to foster a culture of excellence, teamwork and accountability. Existing Employee Shareholders have also entered into lockup arrangements as described in Section X: "Additional Information". Certain employees will in due course be incentivised through participation in employee share plans established by Glencore as described in Section X: "Additional Information".

Resilient financial performance of marketing

Since the management buyout in 1994, Glencore's marketing operations have been profitable in every year of operation and have a proven track record of resilience through industry cycles. Glencore believes that the financial performance of the marketing operations is less correlated to commodity prices than the industrial operations, as Glencore uses price hedging strategies, meaning that marketing profitability is primarily determined by volume activity and associated value added supply chain margins and other market conditions rather than the absolute flat price itself. Owing to the marketing activities being less volatile than the industrial activities, their relative contribution to group results tends to increase during times of falling commodity prices, such as occurred during the second half of 2008 and first half of 2009.

This lower correlation with commodity prices makes Glencore's earnings less volatile than those of producers of metals, mining and energy products that do not also have marketing and logistics operations. For example, in the period of the second half of 2008, where the Thomson Reuters Equal Weight Continuous Commodity Index fell 20 per cent. (as compared to the first half of 2008), Glencore's marketing operations reported positive net income before exceptional items for the same period. Glencore believes that the resilient financial performance of marketing will contribute to its ability to adhere to its stated dividend policy as described in this Section I.

Furthermore, because the marketing operations' funding requirements are highly linked to commodity prices, during periods of falling commodity prices (as experienced in the fourth quarter of 2008 in particular), the marketing operations require less working capital. Accordingly, the marketing activities tend to generate significant amounts of cash (via release of working capital) during periods of low commodity prices (such as those which occurred at the end of 2008), at a time when industrial operations tend to be less profitable and cash generative.

Barriers to entry

The advantages provided by scale, global reach and a solid track record are also believed to present significant barriers to sustainable competitive entry into the global physical commodity marketing industry, which requires, amongst other attributes, substantial access to credit markets and a global network which supports the assembly of logistics and risk management capabilities and strong producer relationships.

Strategy

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

Continue to leverage geographic scope and diversification of operations

Glencore already has a large geographic footprint, with more than 50 offices in more than 40 countries around the world and, in many cases, industrial assets in key commodity producing and consuming locations. Similarly, Glencore's operations are already extremely diverse, covering a wide range of commodities, industries, suppliers and customers. Glencore's geographic scope and diversification of operations have allowed it to develop a track record of reliable supply performance with other large, global companies such as BHP Billiton and Shell. Glencore intends to build upon its position as one of the world's largest physical commodity suppliers and track record of extending product and geographical range by continuing to target market share increases in the geographies in which it currently operates and further expansion in emerging markets. Glencore believes that this strategy will allow it flexibly to align the geographic scope and diversity of its operations with the evolving global flows of natural resources. Glencore believes that the global scope of its operations will enable it to continue to supply a diversified range of physical commodities to its existing customer base and provide opportunities to continue developing new producer and consumer relationships and selectively target new business opportunities worldwide. Furthermore, Glencore believes that its geographic scope in countries and markets in which some of its competitors have historically avoided, or been slower to enter, has and will continue to provide an effective first-mover advantage in a number of geographies with high-quality strategic resources such as the CIS, parts of South America, the African Copperbelt and Australia.

Capitalise on strategic investments in industrial assets

Glencore's strategic investments in industrial assets are an important component of its physical sourcing strategy for its marketing activities, and Glencore believes these investments provide a competitive advantage over its marketing peers which are less vertically integrated, both upstream and downstream, and which do not have the market presence to build up the strong supply relationships that Glencore enjoys. Glencore's investments in industrial assets also provide it with other advantages such as information, technical expertise and local presence. While Glencore intends to remain focused on physical commodity sourcing, distribution and marketing, it also intends to continue to pursue selective strategic acquisitions and alliances which support and strengthen its core physical marketing and value added activities where such acquisitions have their own industrial and financial justification as and when such opportunities arise. Glencore believes that investment opportunities will continue to be created by, among other things, (i) the privatisation of natural resources producers in primarily 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. Glencore will continue to apply its investment criteria to these opportunities, pursuing investments in industrial assets that are of strategic importance to its core business and that are projected to achieve its targeted return-on-capital objectives on a stand-alone basis. Glencore 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, Glencore evaluates disposals of certain investments, from time to time, particularly when they are no longer deemed to support its core business and/or when attractive selling opportunities arise.

Use additional capital and liquidity to grow the business

Glencore believes the Global Offer will provide it with the financial resources needed to move it to the next stage of its development and achieve further sustainable growth. More specifically, the Global Offer will provide Glencore with an upfront capital injection and, going forward, access to the equity capital markets. The amounts attributed out of net income for the year to profit participation shareholders are presented within "Invested Capital", comprising equity share capital, reserves, accumulated amounts attributed to profit participation shareholders and non-controlling interests. All amounts attributed to profit participation shareholders are to convert to ordinary shares in the Company as part of the Global Offer. Such conversion of existing partnership interests into traditional permanent equity capital on Glencore's balance sheet is also likely lead to enhanced and/or more robust credit ratings. Glencore intends to use this additional capital and access to liquidity, in combination with its existing brand, scale, product portfolio and logistics capabilities, to grow the business by, for example:

- investing in and expanding its existing industrial and logistics capacity;
- increasing the volumes marketed, for example, by purchasing additional commodities, in each case allowing Glencore to take advantage of additional opportunities which may present themselves in the market; and
- acquiring new industrial and logistics businesses as and when appropriate opportunities arise.

Focus on cost management and further enhancing logistical capabilities

Glencore intends to continue its focus on cost control and operational efficiencies at the industrial assets it controls and maintain its focus on the sourcing of competitively priced physical commodities from reliable third party suppliers. Glencore intends to supplement this focus on low-cost production and competitive sourcing with the continued development of its transport, shipping, storage and other logistical capabilities and, where appropriate, its ability to source these services from third parties at attractive levels. Glencore believes that the continued focus on these factors will enable it to continue to benefit from and exploit arbitrage opportunities occurring in the physical commodities markets in which it operates.

Maintain conservative financial profile and investment grade ratings

Glencore's conservative financial profile and investment grade credit ratings (currently BBB− from Standard & Poor's and Baa2 from Moody's) have enabled it consistently to access the bank and international debt capital markets on competitive terms to obtain required funding and maintain healthy levels of liquidity. Glencore intends to continue to manage its financial position around maintaining its investment grade credit ratings.

Disciplined risk management

Glencore already has a highly disciplined approach to risk management supported by its flat organisational structure and the privately owned nature of the business. Glencore intends to continue its focus in this key area by maintaining and expanding its centralised risk management resources and information systems and continuing to adopt and follow policies which are intended to mitigate and manage commodity price, credit and political risks. Examples of such policies which are already in place include:

- Minimise price risk: Glencore routinely hedges its exposure to price movements in its marketing inventories and forward purchase and sale commitments through futures and swap transactions or physically sells forward at pre-determined prices—in 2010, around 98 per cent. of Glencore's marketing inventory was covered by a sale at a pre-determined price or a hedge, which virtually eliminated Glencore's price risk on this inventory;
- Minimise credit risk: Glencore seeks to reduce the risk of non-payment by its customers by setting limits on open accounts extended to certain more creditworthy customers and by imposing credit support requirements and/or purchasing credit insurance products in respect of remaining customers; and
- Minimise political risk: Glencore seeks to remain diversified and where possible to obtain political risk insurance from creditworthy financial institutions in situations where Glencore believes that obtaining such insurance is financially prudent.

Place highest priority on employees, the environment and local communities

Glencore places the highest priority on its employees, the environment and the local communities where it operates. Regarding employees, Glencore takes a broad approach to employee welfare and will seek to maintain and improve its strong health and safety record. Regarding the environment, Glencore will demand high environmental performance standards from its controlled operations and, while executing marketing and logistics activities, to work with its partners and suppliers to ensure similar standards are demanded within the supply chain, as well as demanded of its non-controlled operations. Regarding local communities, Glencore will consult with and invest in the local communities where it operates.

Marketing activities—group level

Functions of the marketing activities

Glencore's marketing activities source a diversified range of physical commodities from third party suppliers and from industrial assets in which Glencore 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 Glencore enjoys long-term commercial relationships. As a marketer, Glencore is able to differentiate itself from other production entities as, in addition to focusing on minimising costs and maximising operational efficiencies, Glencore focuses on maximising 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, extensive market insight, business optionality, extensive customer base, strong market position and penetration in most commodities and economies of scale. In contrast, this is not the business model of Glencore's mainly industrial competitors who 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 Glencore operates are fragmented or periodically volatile. As a result, discrepancies generally 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 Glencore with arbitrage opportunities whereby Glencore is able to generate profit by sourcing, transporting, blending, storing or otherwise processing the relevant commodities. Whilst the strategies used by Glencore's business segments to generate such margin vary from commodity to commodity, the main arbitrage strategies can be generally described as being:

- geographic: where Glencore 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.

Glencore uses market information made available by its marketing and industrial teams across its many locations to identify arbitrage opportunities. Glencore's marketing and investment activities and relationships with producers and consumers of raw materials are supported by a global network of more than 50 offices providing sourcing and distribution capabilities located in more than 40 countries throughout Europe; North, Central and South America, the CIS, Asia, Australia, Africa and the Middle East. This network provides Glencore with visibility over shifting supply and demand dynamics in respect of significant volumes of physical commodities across the globe. The detailed information from Glencore's widespread operations and close relationships with producers, consumers and logistics providers is available to Glencore's marketing operations and often enables them to identify opportunities, taking into account Glencore's extensive logistics capabilities, to source and supply physical commodities at attractive margins.

Types of marketing activities

Glencore's marketing activities can be categorised in order of focus as follows:

- Base supply chain activities: Glencore's primary marketing activities are those performed in the ordinary course of its global sourcing and distribution of commodities, including the provision of multiple value added services across the full supply chain and seeking arbitrage opportunities (discussed above) as they frequently arise.

- Event-driven activities: Glencore also seeks to optimise around an event or an anticipated event such as unexpectedly good or bad weather conditions, transport bottlenecks or failures (for example, a train derailment) or a labour or production issue as its global network alerts it to the possibility of such an event occurring or implications where such event has occurred. These types of events often cause global and/or regional "market tightness" (that is, a situation where available supply is insufficient to meet demand in a particular market) and Glencore's marketing operations will often be able to derive enhanced returns from such market conditions. These situations are, of course, not predictable, but generally occur reasonably frequently during any particular year.
- Price risk activities: Glencore also engages in some position taking within its marketing activities in which it applies its deep market intelligence and analysis to seek to profit from movements in the price and/or spread of a particular commodity, for example, by correctly anticipating a change in the price of a commodity and sourcing that commodity at a lower price than will be available later or selling that commodity at a higher price than will be available later. Glencore engages in price risk activities only in accordance with its risk policies and limits and price risk activities account for the substantial minority of Glencore's overall marketing operations.

Types of contractual arrangements

Glencore's marketing activities can be further segmented according to how much risk Glencore takes on a particular transaction:

- Purchase/off-take agreements: Under these arrangements, representing the substantial majority of transactions (approximately 99.9 per cent. of the Glencore Group's total revenues in 2008, 2009 and 2010), Glencore markets commodities which it purchases as principal (that is, commodities of which Glencore becomes the legal owner) and will receive nothing if it is unable to sell the commodity. Glencore ordinarily hedges or sells forward these commodities, meaning that it does not assume all the price or selling risk.
- Agency and advisory arrangements: Under these arrangements (which represent approximately 0.1 per cent. of the Glencore Group's total revenues in 2008, 2009 and 2010), Glencore markets commodities owned by a third party and is generally paid a fixed fee per unit of goods sold and/or a percentage of the sales revenue. Glencore therefore does not take principal purchase risk and derives fee-based income in respect of marketing services provided.

Glencore mitigates credit and performance risk in relation to suppliers and customers through the extensive application of measures such as credit insurance, letters of credit, security arrangements and/or bank and corporate guarantees. Glencore also leverages its network of global offices, which have direct access to and keep close relationships with its customers and suppliers.

There was no material non-performance by the Glencore Group of its contractual obligations in 2008, 2009 or 2010.

Logistics

Glencore's logistics operations are a key part of its marketing operations as they enable Glencore to fulfil its marketing obligations and to maximise 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 headcount of a business segment. Glencore'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 department, thereby complementing Glencore's overall ability to seize geographic and time spread arbitrage opportunities as they arise.

Competitors

Glencore 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. Glencore believes that it is the most diversified and globally active physical commodity sourcing and marketing company. Glencore believes that the majority of its competitors by segment are niche players that 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. In view of Glencore's diversification in different commodity groups and global geographical presence and scale, Glencore does not believe that there is a precisely comparable company or peer group that can be defined as competing directly with Glencore. However, three types of physical commodity marketing companies compete with Glencore indirectly or directly in certain markets. These include:

- large participants active in specific commodity portfolios, 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 Glencore); and
- smaller marketing companies whose operations are more limited to particular commodities and/or to geographic areas, such as Noble Group.

Industrial activities—group level

Glencore's ownership of controlled and non-controlled industrial assets is seen as both a source of potential and desirable stand-alone financial returns and overall business diversification, complemented by their very useful source of physical commodities into Glencore's marketing arm and access to further market insight and technical know-how. Glencore believes that its corresponding reduced reliance on third parties helps to ensure that suppliers and customers alike see Glencore as a very reliable, and therefore desirable, counterparty, given its integrated business model.

Glencore capitalises on investment opportunities created by, among other things, (i) the privatisation 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 Glencore's marketing activities and requires group level approval. Once acquired, an asset is held within one of the business segments (the only major exception to this is Xstrata, which is held between the Metals and Minerals and Energy Products business segments as it supplies commodities to both segments). The business segments manage the controlled and non-controlled industrial assets via hands-on "asset controllers" to interface between the asset and Glencore in respect of day-to-day operating, financial and commercial matters. Glencore's approach to the management of its industrial assets differs from some of its key competitors in that Glencore encourages its industrial assets to focus primarily on operating performance, which those businesses can largely control and influence, leaving Glencore to handle marketing and distribution activities as part of its integrated global system.

Principal business segments

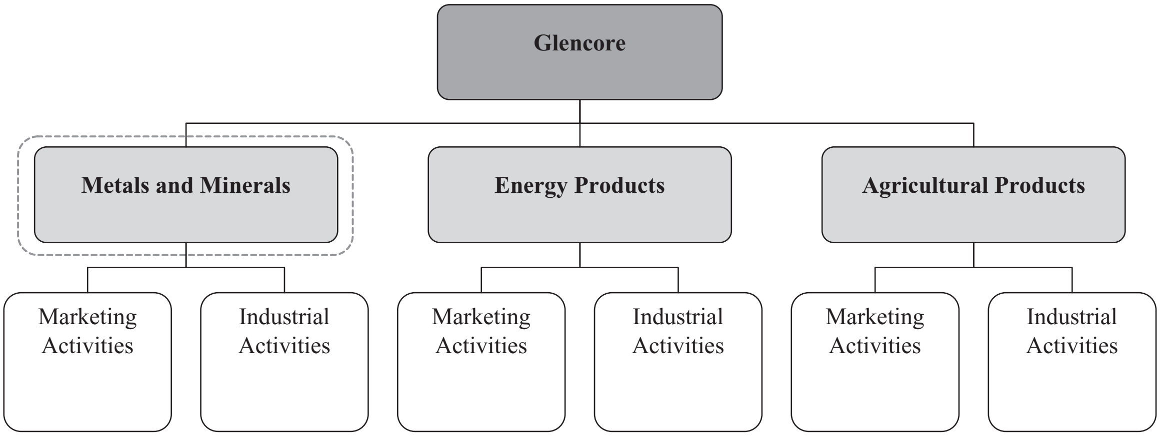
Glencore's three business segments focus on the following commodity departments.

- The Metals and Minerals business segment focuses on the following commodity departments: zinc/copper/lead, alumina/aluminium and ferroalloys/nickel/cobalt/iron ore. The business segment also markets some gold, silver, tin and other by-products such as sulphuric acid. The activities of Glencore's Metals and Minerals business segment are supported 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 the following commodity departments: oil/oil products and coal/coke. The activities of Glencore's Energy Products business segment are supported by 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 the following commodities: grains (including wheat, maize and barley, oils/oilseeds, cotton and sugar). The activities of Glencore's Agricultural Products business segment are supported by investments in controlled and non-controlled storage, handling, processing and port facilities in strategic locations.

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

Metals and Minerals

Introduction (Metals and Minerals business segment)



The Metals and Minerals business segment focuses on the following commodity departments: zinc/copper/lead, alumina/aluminium and ferroalloys/nickel/cobalt/iron ore. The business segment also markets some gold, silver, tin and other by-products such as sulphuric acid. The activities of Glencore's Metals and Minerals business segment are supported 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 co-ordinated primarily through Glencore's Baar office.

Selected key financial information in relation to the Metals and Minerals business segment's marketing and industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 is set out below. This information has been extracted without material adjustment from Section VI: "Historical Financial Information" except where marked as unaudited. Unaudited information has been extracted without material adjustment from Glencore's accounting records.

	2008	2009	2010
		(U.S.$ million)	
Marketing Activities			
Revenue (unaudited)[1]	34,565	30,221	37,889
Adjusted EBITDA pre-exceptional items[2]	1,117	553	1,401
Adjusted EBIT pre-exceptional items[2]	1,117	553	1,401
Industrial Activities			
Revenue (unaudited)[1]	6,120	5,170	7,322
Adjusted EBITDA pre-exceptional items[2][3][4]	1,099	1,072	1,820
Adjusted EBIT pre-exceptional items[2][3][4]	658	551	1,112
Share of income from associates and dividends (excl. Xstrata)[4]	195	(53)	48
Capex	1,062	607	1,001
Total Metals & Minerals			
Revenue	40,685	35,391	45,211
Adjusted EBITDA pre-exceptional items[2][5]	2,411	1,572	3,269
Adjusted EBIT pre-exceptional items[2][5]	1,970	1,051	2,561

Notes:

(1) Revenue is not split between Marketing and Industrial activities in the audited Historical Financial Information set out in Section VI of this document and is therefore marked as unaudited. Total segment and total Group revenue is audited.

(2) Includes corporate selling, general and administrative expenses, but excluding variable pool bonus accrual, which is recorded at group/corporate level.

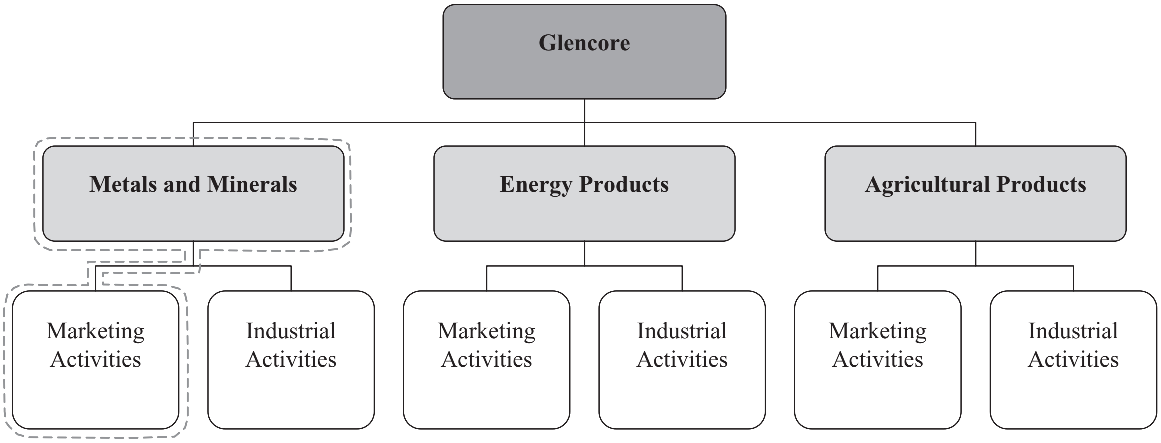
(3) Excludes share of income from associates and dividends.

(4) Adjusted EBITDA pre-exceptional items plus Share of income from associates and dividends and Adjusted EBIT pre-exceptional items plus Share of income from associates and dividends are audited.

(5) Includes share of income from associates and dividends.

The Metals and Minerals business segment currently has some 522 employees globally (excluding individuals employed within Glencore's industrial activities), with approximately 230 of these employees based in Baar, Switzerland. This business segment also employs some 43,000 individuals globally in its industrial activities.

Marketing activities (Metals and Minerals business segment)



The table below sets out the approximate marketing volumes sold to third parties of each main commodity handled by the Metals and Minerals business segment in the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

Marketing volumes sold to third parties

		2008	2009	2010
Zinc metal	million MT	1.0	1.3	1.7
Zinc concentrates	million MT	2.6	2.5	2.4
Copper metal	million MT	1.4	1.4	1.4
Copper concentrates	million MT	2.2	2.0	1.8
Lead metal	million MT	0.2	0.4	0.3
Lead concentrates	million MT	0.5	0.5	0.6
Gold	'000 ounces	447	578	589
Silver	'000 ounces	13,604	11,422	8,527
Alumina	million MT	6.5	5.8	6.7
Aluminium	million MT	2.4	3.2	3.9
Ferroalloys (incl. agency)	million MT	1.8	2.2	2.6
Nickel	'000 MT	156.9	175.3	193.9
Cobalt	'000 MT	25.5	23.7	17.9
Iron ore	million MT	0.9	4.8	9.3

Glencore acquired the LME accredited Pacorini metals warehousing business in the third quarter of 2010, which operates warehousing facilities in Europe, the U.S., the Middle East and Asia, including China. The acquisition of the metal warehousing business of the Pacorini Group reinforces and broadens Glencore's worldwide distribution capabilities, allowing further direct access to storage capacity across a range of important geographic locations which enhances and supports its global marketing operations, thereby providing increased optionality.

Examples of marketing strategies for metals and minerals business segment include:

- Due to obsolescence risk, alumina is typically moved on a first-in, first-out basis and needs to be stored in optimum conditions in order to maintain levels of quality. However, Glencore has a greater capacity than many of its competitors for storing and/or transporting alumina, which allows it to take advantage of geographic and time arbitrage opportunities and logistics differentials. In particular, Glencore believes that its willingness and flexibility to store larger amounts of alumina in China than its competitors represents a competitive advantage in this growing market.

- Glencore also seeks to exploit geographic and time arbitrage opportunities and logistics differentials in relation to alumina through the use of physical swap arrangements and through optimising delivery allocations.
- Glencore uses its established presence in the Chinese market to exploit arbitrage opportunities between the LME and the SHFE in the aluminium market.
- Glencore uses its global presence and ability to trade on several exchanges and geographical markets to exploit arbitrage opportunities between the various exchanges on which each of zinc, copper, lead, silver and gold are traded. This was particularly important in 2009 and 2010 when Asian markets led the recovery in commodity prices.
- Glencore uses its ability to warehouse zinc, copper and lead at either its own production facilities, free of charge, or at warehouses, owned (Pacorini Group) or subject to long-term leases, to benefit from carry trades, that is, to sell metal at higher future prices in a contango market and to exploit such time arbitrage opportunities as they present themselves.
- Glencore uses its access to a wide range of qualities of concentrates and its blending facilities to exploit product arbitrage opportunities, that is, to convert lower priced concentrates through the blending process into higher value concentrates.
- Glencore uses its knowledge of supply and demand dynamics, obtained through its physical marketing activities, to take advantage of expected movements in underlying commodity prices and supply and demand curves.

Zinc/copper/lead commodity department (marketing activities, Metals and Minerals business segment)

Overview

The zinc/copper/lead commodity department is run as an integrated business managing the production and global marketing of refined metals and concentrates. In addition to zinc, copper and lead, the commodity department also markets tin, silver and gold, which are typically mined in conjunction with zinc, copper and lead ores, as well as sulphuric acid, a by-product of the smelting process. The commodity department has a global presence, sources commodities from all key producing regions and has relationships with consumers in the key consuming countries.

Market

Glencore believes that it has a substantial share of the relevant addressable markets, amounting to approximately 60 per cent. for zinc metal, approximately 50 per cent. for copper metal and approximately 45 per cent. for lead metal. Glencore also believes that it has leading positions in the addressable concentrates markets of approximately 50 per cent. for zinc concentrates, approximately 30 per cent. for copper concentrates and approximately 45 per cent. for lead concentrates.

Suppliers

The zinc, copper and lead operations benefit from a geographically diverse portfolio of industrial assets, located across five continents, in each of the key producing regions for these commodities. In the year ended 31 December 2010, the zinc, copper and lead operations sourced approximately 22 per cent. of material from their stakes in controlled industrial assets. Approximately 65 per cent. of volumes marketed (in value terms) in the year ended 31 December 2010 were sourced from the top ten suppliers, and nine of the top ten suppliers in the year ended 31 December 2010 were also top ten suppliers in the year ended 31 December 2009, reflecting long-term relationships, a stable supplier base and the importance of a secure long-term supply chain to Glencore. Nine of these top ten suppliers operate under predominantly long-term contracts. One top ten supplier operates under short-term contracts; however, it is effectively a long-term agreement due to the length of relationship and significant volumes supplied. Glencore believes that approximately 80 per cent. of volumes marketed, including those which are sourced through industrial assets, are secured through long-term agreements ranging from one year contracts to 15-year agreements and "evergreen" contracts (which automatically renew each year unless notice of termination is given). Long-term supply agreements with third parties, combined with supply from industrial assets, enhance Glencore'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.

Glencore's main own sources of supply for zinc metal are Kazzinc, Portovesme and AR Zinc and, together, Glencore's controlled industrial assets accounted for some 28 per cent. of the zinc metal marketed during the year ended 31 December 2010. Glencore's main own sources of supply for the zinc concentrates are Los Quenuales and Sinchi Wayra and, together, Glencore's controlled industrial assets accounted for some 17 per cent. of the zinc concentrates marketed during the year ended 31 December 2010. The balance of metal and concentrate is sourced from third parties and associate industrial assets.

Glencore's main own sources of supply for copper metal are Mopani, Katanga and Pasar, and together Glencore's controlled industrial assets accounted for some 20 per cent. of the copper metal marketed during the year ended 31 December 2010. Glencore's main own sources of supply for the copper concentrates are Kazzinc and Cobar and, together, Glencore's controlled industrial assets accounted for some 25 per cent. of the copper concentrates marketed during the year ended 31 December 2010. The balance of metal and concentrate is sourced from third parties and associate industrial assets.

Glencore's main own sources of supply for lead metal are Kazzinc, Portovesme and AR Zinc and, together, Glencore's controlled industrial assets accounted for some 36 per cent. of the lead metal marketed during the year ended 31 December 2010. Glencore's main own sources of supply for the lead concentrates are Los Quenuales and Sinchi Wayra and, together, Glencore's controlled industrial assets accounted for some 9 per cent. of the lead concentrates marketed during the year ended 31 December 2010. The balance of metal and concentrate is sourced from third parties and associate industrial assets.

The zinc, copper and lead operations' large number of industrial assets provides Glencore with access to an integrated production and marketing system.

Customers

Across the zinc, copper and lead operations, there is a diversified customer base, including galvanisers, alloy producers, steel and brass mills, rod and wire producers and other fabricators, with the top ten customers by value representing around 25 per cent. of sales in the year ended 31 December 2010. Seven of the top ten customers in the year ended 31 December 2010 were also in the top ten customers in the year ended 31 December 2009. The concentrates market has fewer customers (smelters) than the refined metals market. The 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 concentrates and metals, respectively. Glencore believes that the zinc, copper and lead operations generally enter into long-term agreements with customers in order to secure sales of metals and concentrates, with approximately 60 per cent. of sales volumes being sold under long-term agreements in the year ended 31 December 2010, though the trend is towards a larger proportion of spot contracts as these are more prevalent in India and China, which are growth markets.

In respect of the individual commodities:

- Glencore sells its zinc products to various industrial customers, with zinc used primarily in the construction and automotive industries. Glencore's top ten customers accounted for 36 per cent. of the zinc metal and 63 per cent. of the zinc concentrates sold during the year ended 31 December 2010;
- Glencore sells its copper products to various industrial customers. Glencore's top ten customers accounted for 42 per cent. of the copper metal and 75 per cent. of the copper concentrates sold during the year ended 31 December 2010; and
- Glencore sells its lead products predominantly to producers of lead acid batteries for the automotive industry and industrial capacitors. Glencore's top ten customers accounted for 53 per cent. of the lead metal and 77 per cent. of the lead concentrates sold during the year ended 31 December 2010.

Features of the market

The physical metal trades are based on an exchange price plus/minus a premium/discount. A highly liquid paper futures market exists for zinc, copper, lead and tin metals, which are traded on the LME (zinc, copper, lead and tin), the SHFE (copper and zinc) and the COMEX (copper). Silver and gold are traded on the LBMA and the COMEX. These exchanges allow Glencore'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 Glencore 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. Glencore hedges physical concentrate positions using future contracts for the estimated payable metal contained in the concentrate.

Logistics

The marketing team for zinc, copper and lead are supported by a traffic team of 48 people who 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 department also benefits from storage and blending facilities in Peru and has access to other warehousing facilities, including those at Glencore's industrial assets.

Although important, the freight component of price is not as critical for metals as for bulk cargoes and crude oil. All freight relating to the commodities marketed is chartered through third party freight brokers on competitive terms, taking into account Glencore's scale of activities, both on the spot market and through the longer-term contracts of affreightment.

Competitors

Glencore has few major marketing competitors for zinc, copper and lead, with Noble Group and Trafigura Group trading smaller zinc, copper and lead quantities as part of their core businesses, neither of which has significant production assets.

Alumina/aluminium commodity department (marketing activities, Metals and Minerals business segment)

Overview

The alumina/aluminium commodity department is involved in the marketing and processing of bauxite, alumina and primary aluminium. Through the sourcing and physical exchange of alumina and aluminium of different origins, the alumina/aluminium commodity department has been able to create a global position in its market.

Market

Glencore is a leading supplier in the global third party alumina market, with an estimated share of the addressable market of approximately 38 per cent., supplying a physical volume (excluding physical swaps) of 6.7 million MT and 5.8 million MT during the years ended 31 December 2010 and 31 December 2009, respectively.

Glencore is a leading physical supplier of third party aluminium, with an estimated share of the addressable market of approximately 22 per cent., marketing physical volumes of 3.9 million MT and 3.2 million MT during the years ended 31 December 2010 and 31 December 2009, respectively.

Suppliers

The alumina market is a wholesale market with only a limited number of suppliers and customers operating in the market. Glencore has a guaranteed supply source as it is involved in the production of alumina through its industrial assets. In addition, Glencore purchases alumina from many of the world's leading alumina producers, mostly under long-term contracts. A significant portion of Glencore's alumina supply is sourced from a few key suppliers with the top ten alumina suppliers accounting for approximately 78 per cent. of supply in the year ended 31 December 2010. In the year ended 31 December 2010, some 23 per cent. of alumina purchased originated from Glencore's stakes in industrial assets, namely Sherwin Alumina and UC Rusal. Glencore believes that it currently operates with a mixture of approximately 65 per cent. long-term and 35 per cent. short-term alumina contracts. Eight of the top ten suppliers in the year ended 31 December 2010 were under predominantly long-term contracts. Prices under alumina supply contracts are typically linked to the LME price of aluminium for long-term contracts and are fixed for short-term contracts.

Glencore's supply sources for aluminium are fairly concentrated as well, with its top ten suppliers accounting for some 74 per cent. of supply in the year ended 31 December 2010. Five of the top ten suppliers in the year ended 31 December 2010 were also top ten suppliers in the year ended 31 December 2009, reflecting a stable supplier base. Seven of the top ten suppliers in the year ended 31 December 2010 were under long-term contracts. Glencore's supply sources also include its industrial assets. In the year ended 31 December 2010, approximately 50 per cent. of aluminium purchased originated from Glencore's partially owned industrial assets, UC Rusal and Century Aluminum. In the year ended 31 December 2010, Glencore believes that around 44 per cent. of Glencore's supplier contracts were short-term. However, these contracts are typically renegotiated so that the contract is replaced with a new one upon expiry. Glencore is focused on obtaining a larger proportion of its aluminium under long-term contracts.

Customers

Glencore's alumina customer base is diverse and geographically dispersed and includes Century Aluminum as well as many of the world's other major alumina consumers. The top ten alumina customers accounted for some 61 per cent. of the sales in the year ended 31 December 2010. Seven of the top ten customers in the year ended 31 December 2010 were also top ten customers in the year ended 31 December 2009, reflecting a stable alumina customer base. In the year ended 31 December 2010, approximately 5 per cent. of total sales of alumina were to associates. Glencore believes that approximately 59 per cent. of Glencore's alumina sales are made pursuant to long-term contracts under which (similarly to alumina purchase contracts) prices are linked to the LME price of aluminium for long-term contracts and are fixed for short-term contracts. Contracts are usually entered into on a "take or pay" arrangement, meaning volumes are fixed, which offsets Glencore's own risk of accepting similar terms from its suppliers.

Since there is a much larger market for aluminium than for alumina, Glencore's customer base for aluminium is somewhat broader than for alumina, with the top ten customers representing some 50 per cent. of the sales in the year ended 31 December 2010. The largest customers include most of the aluminium consuming industrial groups in the construction, packaging, transport and electronics industries. Aluminium customers can have multiple contracts with Glencore with different terms, contract durations and geographical locations and are typically priced on the LME price plus premium.

Features of the market

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, Glencore 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 normally priced as a percentage of LME aluminium prices. Many of the LME linked contracts have put/call features. Additionally, there are nascent efforts to establish an alumina index pricing system. Where possible, Glencore hedges its exposure by contracting on a back-to-back basis or taking hedges against LME aluminium prices.

Primary aluminium is mainly traded on the LME, allowing paper and physical marketing contracts to be entered into with reference to a market price. Aluminium 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 standardised contract that determines purity levels, delivery dates, weights and forms of the metal. Almost all of Glencore's physical aluminium transactions are priced based on the LME price plus/minus a premium/discount. These are hedged when originated or priced. The existence of the LME allows Glencore to enter into immediate and effective, price risk hedges against its positions in physical aluminium. 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 Glencore to gain exposure to price risk and spread positions through the use of long and short paper transactions.

Logistics

68 employees form the alumina/aluminium traffic team and are responsible for producing information to enable the marketers to make informed transactions as well as executing the transactions after the marketers have negotiated the key terms.

Competitors

Glencore has few major competitors trading in its addressable markets for alumina and aluminium; however, its competitors do market significant volumes of their own alumina and aluminium production. Alumina and aluminium production utilised by the aluminium smelters and downstream facilities of integrated companies such as Rio Tinto plc, Alcoa Inc. and Norsk Hydro ASA are outside Glencore's addressable markets, but are noteworthy as these volumes are very large and therefore may affect pricing and customer relationships within the addressable markets.

Ferroalloys/nickel/cobalt commodity department (marketing activities, Metals and Minerals business segment)

Overview

The ferroalloys/nickel/cobalt commodity department markets bulk ferroalloys (including ferrochrome and chrome ore, ferromanganese, siliconmanganese, manganese ore and ferrosilicon), noble ferroalloys (vanadium and molybdenum products), nickel, cobalt, steel and iron ore.

Market

Glencore has a significant presence in the market for ferrochrome, nickel and cobalt, with estimated shares of the addressable market of approximately 16 per cent., 14 per cent. and 23 per cent., respectively. Glencore is currently, and has for the last few years been, the largest physical supplier of ferrochrome and cobalt products.

Suppliers

Ferroalloys, nickel and cobalt products are sourced through some of the key industrial assets Glencore has stakes in, including Xstrata by way of long-term off-take, agency and distribution agreements as well as from third party suppliers. In the year ended 31 December 2010, the ferroalloys/nickel/cobalt department sourced approximately 61 per cent. of its products in this commodity department via its stakes in industrial assets (Murrin Murrin, Mopani, Mutanda and Katanga for nickel and cobalt) and off-take and agency agreements with Xstrata for nickel, ferronickel, cobalt, ferrochrome and vanadium.

Glencore's main source of supply for ferrochrome products is Xstrata, which supplied approximately 85 per cent. of the ferrochrome products marketed during the year ended 31 December 2010, under an exclusive agency agreement.

With regards to nickel, the top ten suppliers represented more than 95 per cent. of Glencore's total physical supplies by value in the year ended 31 December 2010. Nine of the top ten suppliers in the year ended 31 December 2010 were also in the top ten suppliers in the year ended 31 December 2009, reflecting long-term relationships. Seven of the top ten suppliers in the year ended 31 December 2010 were under long-term contracts. During the year ended 31 December 2010, Glencore's industrial assets (controlled and non-controlled) provided approximately 75 per cent. of the total nickel supply, largely from Murrin Murrin and Xstrata. Glencore believes that nickel supply arrangements are primarily under long-term contracts of three to five years, priced by reference to LME prices. Approximately 97 per cent. of the volumes purchased (in value terms) from the top ten nickel suppliers in the year ended 31 December 2010 are under long-term contracts.

Cobalt is purchased as either cobalt intermediates, concentrates or cobalt metal, which are sourced from different suppliers, including from companies which form part of Glencore's industrial assets. The top ten suppliers represented approximately 94 per cent. of purchases of cobalt in the year ended 31 December 2010. Seven of the top ten suppliers in the year ended 31 December 2010 were also in the top ten suppliers in the year ended 31 December 2009, reflecting long-term relationships. Approximately 65 per cent. of cobalt is supplied by Glencore's industrial assets. Glencore believes that almost all cobalt agreements are long-term off-take agreements of up to five years with prices typically agreed annually by reference to London Metals Bulletin prices. Approximately 92 per cent. of the volumes purchased (in value terms) from the top ten cobalt suppliers in the year ended 31 December 2010 are under long-term contracts.

Glencore has monitored the development of the iron ore market for a number of years, prior to entering the market and began to actively market the product in the year ended 31 December 2008, initially sourcing from small suppliers, then increasing its focus on supply from major miners in the years ended 31 December 2009 and 2010. Volumes sold increased significantly from 0.9 million MT in the year ended 31 December 2008 and to 4.8 million MT in the year ended 31 December 2009 to 9.3 million MT in the year ended 31 December 2010. The opportunity to trade on a spot price basis reflects demand/supply imbalances across the major miners and steel mills and related pricing mechanism preferences which have moved away from annual price agreements. All iron ore volumes are sourced from third parties under spot and long-term contracts with Glencore's main suppliers. On an aggregate basis, the top ten iron ore suppliers accounted for approximately 94 per cent. of the volumes purchased (in value terms). This high concentration is largely due to the limited numbers of iron ore suppliers globally.

Customers

Glencore's ferroalloys, nickel and cobalt customer base is geographically diverse and consists of large multinational European, American and Asian businesses across the carbon, stainless steel and other special steel industries. Most products are sold to end users, but a small portion are sold to intermediaries. Glencore has also recently developed its chrome, iron and manganese ore businesses, supplying mostly large ferroalloys smelters (chrome and manganese) and carbon steel mills (iron). Contracts for the bulk ores are both spot and long-term (typically one year) with prices negotiated based on prevailing market prices.

Glencore's customers for ferroalloys are typically large carbon steel, stainless steel and special steel mills. During the year ended 31 December 2010, the top ten customers represented some 50 per cent. of ferroalloys sales (approximately 85 per cent. of ferrochrome sales). Excluding iron ore and steel customers, eight of Glencore's top ten customers in the year ended 31 December 2010 were also in the top ten customers of Glencore in the year ended 31 December 2009. Contracts are usually one to three years in duration with pricing terms either linked to industry publication prices or negotiated on a quarterly basis.

Glencore markets a range of nickel products in ore, concentrates, matte forms and refined products, with its sales of refined products accounting for some 93 per cent. of total physical volumes supplied during the year ended 31 December 2010. The nickel customer base is well established, with the top ten customers representing approximately 49 per cent. of sales during the year ended 31 December 2010. Historically, the top customers have been European stainless steel producers, but recently Chinese stainless steel producers have become more important customers as the steel market has recovered more quickly in China than in Europe. In the year ended 31 December 2010, however, demand from European customers recovered, resulting in a mix of Chinese and European customers being the top customers. Glencore believes that, typically, sales are approximately 70 per cent. made under long-term arrangements of one to five years and 30 per cent. are made in the spot market. Apart from nickel ore, which has its own market prices due to the variability of the grade, all nickel related products are priced by reference to LME prices.

Glencore's customers for cobalt are typically large processors. Cobalt is sold in many forms, including ore, concentrates, intermediates, salts and metal. The top ten customers represented approximately 53 per cent. of sales in the year ended 31 December 2010. Cobalt contracts are approximately 12 months long on average, but can be up to five years, while contract pricing terms are set using the London Metals Bulletin price.

Features of the market

Ferroalloys, nickel and cobalt marketing operations principally involve marketing these commodities through physical, as opposed to paper, transactions.

An active futures market exists for nickel on the LME, which allows the marketing team to hedge sales and purchases for nickel products; typically, physical positions are fully hedged using futures on the LME.

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 to achieve effective paper hedging through a metals exchange. However, Glencore 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 low and, as such, these exchanges are relatively illiquid.

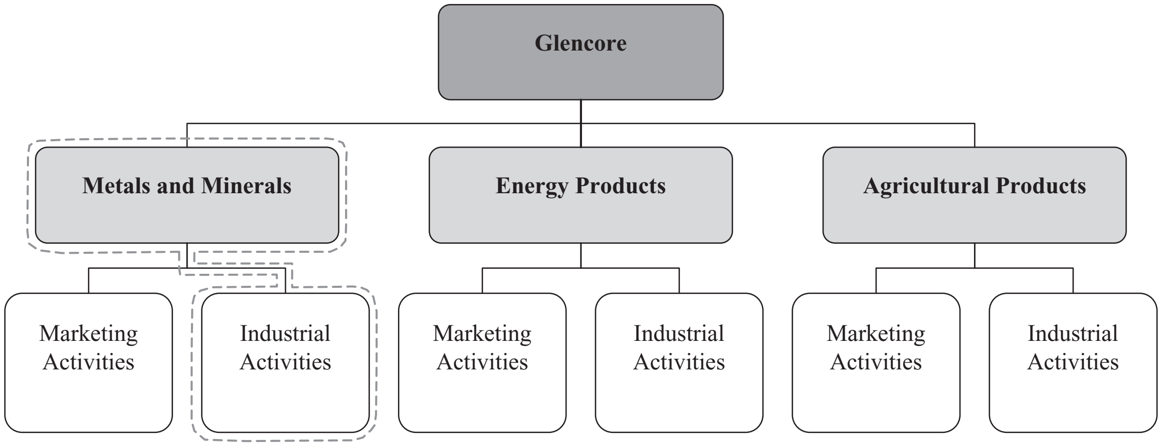
Logistics

Marketers of ferroalloys, nickel and cobalt are supported by a traffic team of 68 people who provide the marketers with data, such as prices for freight and logistics, before sales are agreed with customers. The traffic team also manage the logistics of product delivery once a deal has been agreed, where freight requirements are generally outsourced to third parties.

Competitors

Glencore has few major competitors trading in its addressable markets for ferroalloys, nickel and cobalt and the majority of its competitors compete primarily in upstream production, although some also have significant end product capabilities.

Industrial activities (Metals and Minerals business segment)



Zinc/copper/lead commodity department (industrial activities, Metals and Minerals business segment)

Overview

The table below summarises information about the key zinc/copper/lead producing industrial assets as at 31 December 2010:

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Kazzinc	Kazakhstan	Zinc metal Lead metal Copper concentrates Copper metal Gold Silver	300k MT 130k MT[2] 240k MT[3] 70k MT 1.5 million toz 45 million toz	50.7%	49.3% privately held[1]	Supply and purchase agreements
Katanga	DRC	Copper metal Cobalt	130k MT[4] 5.5k MT[4]	74.4%	25.6% publicly traded on Toronto Stock Exchange	Purchase agreements
Mopani	Zambia	Copper metal Cobalt	300k MT 2.8k MT	73.1%	16.9% First Quantum Minerals Ltd., 10% ZCCM	Supply and purchase agreements
AR Zinc	Argentina	Zinc metal Lead metal	44k MT 14k MT	100%	—	Purchase agreements
Cobar	Australia	Copper concentrates	180k MT	100%	—	Purchase agreements
Los Quenuales	Peru	Zinc concentrates Lead concentrates	330k MT 40k MT	97.1%	2.9% indirectly listed on Lima Stock Exchange	Purchase agreements
Pasar	Philippines	Copper metal	215k MT	78.2%	21.8% local investors	Supply and purchase agreements
Portovesme	Italy	Zinc metal Lead metal Waelz oxide	120k MT 80k MT 60k MT	100%	—	Supply and purchase agreements
Punitaqui	Chile	Copper concentrates[5]	40k MT	100%	—	Purchase agreements
Sinchi Wayra	Bolivia	Zinc concentrates Lead concentrates Tin concentrates	205k MT 15k MT 6k MT	100%	—	Purchase agreements
Non-controlled:						
Xstrata	UK/ Switzerland	Zinc metal Lead metal Copper metal	1,061k MT 487k MT 1,676k MT	34.5%	65.5% publicly traded on London Stock Exchange and SIX	Purchase agreements, agency agreements, marketing agreements, distribution agreements
Mutanda[6]	DRC	Copper metal Cobalt	110k MT by 2012 23k MT by 2012[8]	40%	60% privately held[7]	Purchase agreements
Kansuki	DRC	Copper metal Cobalt	N/A[9]	37.5%	62.5% privately held[10]	Purchase agreements
Nyrstar	Belgium	Zinc metal Lead metal	1,120k MT 235k MT	7.8%	92.2% publicly traded on Euronext Brussels	Supply and purchase agreements
Perkoa[11]	Burkina Faso	Zinc concentrates	170k DMT[12]	50.1%	39.9% held by Blackthorn, 10% Burkina Faso government	Purchase agreements
Recylex	France	Lead metal Battery recycling EAF dust recycling	135k MT 10 million units 180k MT	32.2%	67.8% publicly traded on Euronext Paris	Purchase agreements

Company	Country	Commodity	Current annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Volcan	Peru	Zinc concentrates Lead concentrates	655k MT 123k MT	4.1%	95.9% publicly traded on the Lima Stock Exchange	Purchase agreements
Polymet	Canada	Copper concentrates Nickel concentrates	N/A	6.3%	93.7% publicly listed on NYSE and TSX	Purchase agreements

Notes:

(1) Glencore has agreed with Verny to acquire additional stakes in Kazzinc thereby increasing its ownership from 50.7 per cent. to 93.0 per cent. See Section X: "Additional Information" for further details of these purchases and the terms of the Kazzinc SPAs.

(2) After commissioning of its lead smelter capacity will increase to 168k MT.

(3) Copper metal production to replace copper concentrate production with new smelter.

(4) Expansion to 310k MT of copper metal, 8k MT of cobalt and 22k MT of cobalt contained in cobalt hydroxide by 2015.

(5) Operation forecast for 2011.

(6) Mutanda is not a controlled asset as Glencore has only a 40 per cent. stake; however, Glencore is the operator.

(7) 20 per cent. interest in Mutanda Mining Sprl was recently acquired by Rowny Assets Limited (an entity associated with Dan Gertler) from Gécamines.

(8) Cobalt contained in cobalt hydroxide.

(9) Exploration stage.

(10) 25 per cent interest in Kansuki was recently acquired by Biko Invest Corp (an entity associated with Dan Gertler) from Gécamines.

(11) Ownership interest on completion of earn-in by 2012.

(12) Operation forecast for first half 2013.

Financial information

The table below sets out selected financial information on the controlled zinc/copper/lead industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010. The information in this table has been extracted without material adjustment from Glencore's accounting books and records, which are unaudited:

	2008	2009	2010
	(U.S.$ million) *(Unaudited)*		
ZINC			
Kazzinc			
Revenue	1,384	1,330	1,855
Adjusted EBITDA pre-exceptional items(1)	473	637	815
Adjusted EBIT pre-exceptional items(1)	357	490	579
Statutory tax rate	30%	20%	20%
Capex	568	367	350
Other Zinc			
Revenue	1,085	665	901
Adjusted EBITDA pre-exceptional items(1)	97	62	225
Adjusted EBIT pre-exceptional items(1)	(34)	(28)	115
Capex	166	48	110
Total Zinc			
Revenue	2,469	1,995	2,756
Adjusted EBITDA pre-exceptional items(1)	570	699	1,040
Adjusted EBIT pre-exceptional items(1)	323	462	694

Note:

(1) Excludes share of income from associates and dividends.

	2008	2009	2010
	(U.S.$ million)		
	(Unaudited)		
COPPER			
Katanga			
Revenue	0	178	496
Adjusted EBITDA pre-exceptional items(1)	0	48	168
Adjusted EBIT pre-exceptional items(1)	0	39	109
Statutory tax rate	0	30%	30%
Capex	0	62	221
Mopani			
Revenue	865	594	863
Adjusted EBITDA pre-exceptional items(1)	94	118	218
Adjusted EBIT pre-exceptional items(1)	44	(21)	68
Statutory tax rate	30%	30%	30%
Capex	137	58	130
Other Copper			
Revenue	1,874	1,559	2,072
Adjusted EBITDA pre-exceptional items(1)	288	205	214
Adjusted EBIT pre-exceptional items(1)	256	175	179
Capex	40	43	92
Total Copper			
Revenue	2,739	2,331	3,431
Adjusted EBITDA pre-exceptional items(1)	382	371	600
Adjusted EBIT pre-exceptional items(1)	300	193	356

Note:

(1) Excludes share of income from associates and dividends.

Production

The table below sets out the production of the controlled zinc/copper/lead assets for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

	Year ended 31 December								
	2008			2009			2010		
	Production	**Production using feed from own sources**	**Production using feed from third party sources**	**Production**	**Production using feed from own sources**	**Production using feed from third party sources**	**Production**	**Production using feed from own sources**	**Producing using feed from third party sources**
	('000 MT)	*('000 MT)*	*('000 MT)*	*('000 MT)*	*('000 MT)*	*('000 MT)*	*('000 MT)*	*('000 MT)*	*('000 MT)*
Kazzinc									
Zinc metal	299	262	38	301	227	74	301	239	62
Lead metal	90	43	47	79	46	33	101	33	68
Copper metal[(1)]	56	56	0	59	57	2	50	48	2
Gold ('000 toz)	183	179	4	238	233	6	348	326	21
Silver ('000 toz)	7,618	5,313	2,305	6,286	5,335	951	6,731	5,182	1,549
Katanga									
Copper metal	22.1	22.1	0.0	42.0	42.0	0.0	52.2	52.2	0.0
Copper concentrates	0.0	0.0	0.0	1.8	1.8	0.0	6.1	6.1	0.0
Cobalt	0.7	0.7	0.0	2.5	2.5	0.0	3.4	3.4	0.0
Mopani									
Copper metal	165.4	110.3	55.2	184.7	98.3	86.4	197.4	94.4	103.0
Cobalt	1.5	1.5	0.0	1.3	1.3	0.0	1.1	0.8	0.3
AR Zinc									
Zinc metal	40	26	15	32	28	4	41	28	13
Lead metal	13	13	0	13	13	0	14	14	0
Cobar									
Copper concentrates	155	155	0	182	182	0	179	179	0
Los Quenuales									
Zinc concentrates	377	377	0	90	90	0	237	237	0
Lead concentrates	45	45	0	25	25	0	35	35	0
Pasar									
Copper metal	175	0	175	178	0	178	176	0	176
Portovesme									
Zinc metal	107	0	107	104	0	104	104	0	104
Lead metal	76	0	76	29	0	29	0	0	0
Sinchi Wayra									
Zinc concentrates	188	161	27	137	133	4	153	153	0
Lead concentrates	15	13	2	8.7	8.5	0.2	11	11	0
Tin concentrates	5	5	0	4	4	0	4	4	0
Total production									
Zinc concentrates	565	538	27	227	223	4	390	390	—
Zinc metal	446	288	160	437	255	182	446	267	179
Lead concentrates	60	58	2	34	34	—	46	46	—
Lead metal	179	56	123	121	59	62	115	47	68
Copper concentrates	155	155	—	184	184	—	185	185	—
Copper metal	419	188	230	464	197	266	476	195	281
Cobalt	2.2	2.2	—	3.8	3.8	—	4.5	4.2	0.3
Tin concentrates	5	5	—	4	4	—	4	4	—
Gold ('000 toz)	183	179	4	238	233	6	348	326	21
Silver ('000 toz)	7,618	5,313	2,305	6,286	5,335	951	6,731	5,182	1,549

(1) Copper contained is copper concentrates and blister copper.

Reserves and resources

The table below sets out the total mine reserves and resources summary for the zinc/copper/lead industrial assets:

Kazzinc[(1)(2)]			Reserves			Resources			
			Proved	Probable	Total	Measured	Indicated	Inferred	Total
OPERATING MINES									
Vasilkovskoje									
	Ore	'000 MT	33,300	90,700	124,000	45,230	141,560	99,080	285,870
	Gold (Au)	Content, g/t	1.95	1.94	1.94	1.75	1.72	1.77	1.74
	Gold (Au)	Amount, ounces	2,088	5,657	7,745	2,551	7,840	5,650	16,041
Maleevsky									
	Ore	'000 MT	5,040	7,060	12,100	12,920	11,030	4,870	28,830
	Gold (Au)	Content, g/t	0.56	0.51	0.53	0.62	0.56	0.25	0.53
	Silver (Ag)	Content, g/t	68.13	56.23	61.19	77.74	64.82	47.79	67.73
	Copper (Cu)	Content, %	1.92	1.69	1.79	2.39	1.95	0.97	1.98
	Lead (Pb)	Content, %	1.00	1.04	1.02	1.13	1.15	1.58	1.21
	Zinc (Zn)	Content, %	6.46	6.29	6.36	6.92	6.82	4.99	6.56
Ridder-Sokolny									
	Ore	'000 MT	8,950	12,050	21,000	30,210	67,910	6,640	104,760
	Gold (Au)	Content, g/t	0.91	1.03	0.98	1.11	1.55	0.83	1.38
	Silver (Ag)	Content, g/t	12.85	8.44	10.32	11.73	10.74	9.09	10.92
	Copper (Cu)	Content, %	0.43	0.22	0.31	0.64	0.38	0.29	0.45
	Lead (Pb)	Content, %	0.32	0.37	0.35	0.40	0.40	0.59	0.41
	Zinc (Zn)	Content, %	0.73	0.7	0.71	0.91	0.95	1.12	0.95
Tishinsky									
	Ore	'000 MT	18,890	4,930	23,810	21,230	7,010	5,190	33,430
	Gold (Au)	Content, g/t	0.54	0.47	0.53	0.60	0.46	0.33	0.53
	Silver (Ag)	Content, g/t	8.12	9.36	8.38	9.02	9.75	11.94	9.87
	Copper (Cu)	Content, %	0.52	0.40	0.50	0.59	0.45	0.55	0.55
	Lead (Pb)	Content, %	0.91	0.88	0.90	1.00	0.95	1.36	1.04
	Zinc (Zn)	Content, %	4.22	4.13	4.20	4.71	4.35	4.46	4.60
Staroye Tailings Dam									
	Ore	'000 MT		790	790		820	5,900	6,720
	Gold (Au)	Content, g/t		2.00	2.00		2.01	0.91	1.04
	Silver (Ag)	Content, g/t		18.69	18.69		18.78	11.16	12.09
	Copper (Cu)	Content, %		0.05	0.05		0.05	0.04	0.04
	Lead (Pb)	Content, %		0.48	0.48		0.48	0.30	0.32
	Zinc (Zn)	Content, %		1.10	1.10		1.11	0.63	0.69
Shaimerden Stockpiles									
	Ore	'000 MT		2,480	2,480		2,480		2,480
	Zinc (Zn)	Content, %		21.71	21.71		21.71		21.71
Novoshirokinskoe									
	Ore	'000 MT	2,440	4,430	6,870	2,430	4,640	1,510	8,580
	Gold (Au)	Content, g/t	3.89	3.89	3.89	4.43	4.30	2.08	3.94
	Silver (Ag)	Content, g/t	77.0	84.3	81.70	87.74	94.82	57.02	86.18
	Lead (Pb)	Content, %	2.98	2.69	2.79	3.43	3.07	2.44	3.06
	Zinc (Zn)	Content, %	1.28	0.99	1.09	1.47	1.15	1.81	1.36
DEVELOPMENT PROJECTS									
Dolinnoe									
	Ore	'000 MT	3,660	960	4,620	5,040	2,700	6,907	14,647
	Gold (Au)	Content, g/t	3.93	2.38	3.61	3.85	2.32	1.59	2.50
	Silver (Ag)	Content, g/t	53.76	29.82	48.77	50.47	28.05	15.88	30.03
	Copper (Cu)	Content, %	0.20	0.14	0.19	0.20	0.14	0.12	0.15
	Lead (Pb)	Content, %	0.75	0.50	0.70	0.74	0.48	0.48	0.57
	Zinc (Zn)	Content, %	1.41	1.02	1.33	1.39	1.00	0.86	1.07
Obruchevskoe									
	Ore	'000 MT	890	3,250	4,140	1,154	7,783	5,500	14,437
	Gold (Au)	Content, g/t	1.73	0.90	1.08	1.62	0.67	0.50	0.68
	Silver (Ag)	Content, g/t	42.80	33.21	35.26	40.68	25.36	24.97	26.44
	Copper (Cu)	Content, %	0.81	0.83	0.82	0.88	0.73	0.41	0.62
	Lead (Pb)	Content, %	4.27	2.66	3.01	4.02	1.78	0.64	1.53
	Zinc (Zn)	Content, %	8.98	6.50	7.03	8.87	4.64	1.75	3.87

Kazzinc(1)(2)			Reserves			Resources			
			Proved	Probable	Total	Measured	Indicated	Inferred	Total
Chashinskoye Tailing Dam									
	Ore	'000 MT		55,530	55,530		57,800	30,000	87,800
	Gold (Au)	Content, g/t		0.7	0.7		0.67	0.50	0.61
	Silver (Ag)	Content, g/t		5.37	5.37		5.16	4.57	4.96
	Copper (Cu)	Content, %		0.05	0.05		0.05	0.06	0.05
	Lead (Pb)	Content, %		0.16	0.16		0.15	0.19	0.16
	Zinc (Zn)	Content, %		0.40	0.40		0.38	0.45	0.40
Tishinsky Tailing Dam									
	Ore	'000 MT		320	320		330	40	380
	Gold (Au)	Content, g/t		0.33	0.33		0.33	0.58	0.36
	Silver (Ag)	Content, g/t		9.89	9.89		9.96	8.73	9.79
	Copper (Cu)	Content, %		0.22	0.22		0.22	0.23	0.22
	Lead (Pb)	Content, %		0.76	0.76		0.76	0.56	0.74
	Zinc (Zn)	Content, %		2.44	2.44		2.46	2.64	2.48

Notes:

(1) As at 1 January 2011. The information in the table above, in relation to mineral reserves and resources, is in compliance with the JORC Code and has been extracted without material adjustment from the Kazzinc Report in Section XIV: "Independent Technical Reports".

(2) Remaining mine life: different for each mine, ranging from eight to 21 years. Expiry date of relevant mining/concession licences: different for each mine, ranging from 19 May 2013 to 7 November 2030.

Competent Persons: the mineral reserves and resources estimates set out above were reviewed and approved by Phil Newall of WAI. The reserves and resources estimates have been prepared in accordance with the JORC Code. Mr Newall is a Competent Person as defined by JORC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking.

Katanga(1)(2)		Reserves			Resources			
	Commodity	Proved	Probable	Total	Measured	Indicated	Inferred	Total
Kamoto	Ore ('000 MT)	14,589	19,400	33,989	30,700	35,700	10,600	77,000
	Copper (%)	3.47	3.70	3.60	4.54	4.69	5.11	4.69
	Cobalt (%)	0.51	0.53	0.52	0.54	0.60	0.59	0.57
T17	Ore ('000 MT)	0	1,470	1,470	0	8,500	15,300	23,800
	Copper (%)	0	2.61	2.61	0	2.75	1.91	2.21
	Cobalt (%)	0	0.46	0.46	0	0.87	0.61	0.70
Mashamba East . .	Ore ('000 MT)	0	5,914	5,914	0	75,000	65,300	140,300
	Copper (%)	0	3.00	3.00	0	1.80	0.76	1.32
	Cobalt (%)	0	0.37	0.37	0	0.38	0.10	0.25
KOV	Ore ('000 MT)	0	55,666	55,666	0	123,900	71,200	195,100
	Copper (%)	0	4.73	4.73	0	5.37	3.56	4.71
	Cobalt (%)	0	0.45	0.45	0	0.40	0.32	0.37
Kananga	Ore ('000 MT)	0	0	0	0	4,100	4,000	8,100
	Copper (%)	0	0	0	0	1.61	2.00	1.80
	Cobalt (%)	0	0	0	0	0.79	0.98	0.88
Tilwezembe	Ore ('000 MT)	0	0	0	0	9,500	13,800	23,300
	Copper (%)	0	0	0	0	1.89	1.75	1.81
	Cobalt (%)	0	0	0	0	0.60	0.60	0.60

Notes:

(1) As at 31 December 2010. The information in the table above, in relation to mineral reserves and resources, is in compliance with the JORC Code and has been extracted without material adjustment from the Katanga Report in Section XIV: "Independent Technical Reports".

(2) Remaining mine life: in excess of 25 years. Expiry date of relevant mining/concession licences: 7 May 2022 for the extension of Katanga and 3 April 2024 for all remaining operations.

Competent Persons: the mineral reserves and resources estimates set out above were reviewed and approved by Willem van der Schyff of Golders. The reserve and resources estimates have been prepared in accordance with the JORC Code. Mr Van der Schyff is a Competent Person as defined by JORC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking.

Mopani(1)(2)	Commodity	Reserves			Resources			
		Proved	Probable	Total	Measured	Indicated	Inferred	Total
Nkana Sulphides . . .	Ore ('000 MT)	92,300	15,900	108,200	136,600	34,300	35,300	206,200
	Copper (%)	1.84	1.80	1.83	1.94	1.79	1.65	1.86
	Cobalt (%)	0.10	0.23	0.12	0.10	0.14	0.14	0.12
Nkana Oxides	Ore ('000 MT)	1,800	800	2,600	8,400	210	80	8,690
	Copper (%)	4.02	2.84	3.66	2.93	4.12	3.31	2.96
	Cobalt (%)	0.14	0.10	0.13	0.11	0.16	0.14	0.11
Mufulira	Ore ('000 MT)	8,100	2,500	10,600	28,200	9,900	37,600	75,700
	Copper (%)	2.51	2.96	2.62	2.18	2.62	2.62	2.46

Notes:

(1) As at 31 October 2010. The information in the table above, in relation to mineral reserves and resources, is in compliance with the JORC Code and has been extracted without material adjustment from the Mopani Report in Section XIV: "Independent Technical Reports".

(2) Remaining mine life: 25 years for Nkana and 11 years for Mufulira. Expiry date of relevant mining/concession licences: 31 March 2025 for both of these mines.

Competent Persons: the mineral reserve and resource estimates set out above were reviewed and approved by Willem van der Schyff of Golders. The reserves and resources estimates have been prepared in accordance with the JORC Code. Mr Van der Schyff is a Competent Person as defined by JORC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking.

AR Zinc(1)(2)	Commodity	Reserves			Resources			
		Proved	Probable	Total	Measured	Indicated	Inferred	Total
Aguilar	Ore ('000 MT)	1,574	1,541	3,115	2,132	3,132	1,856	7,120
	Zinc (%)	8.49	4.91	6.72	7.59	3.89	7.52	5.95
	Lead (%)	8.28	5.49	6.90	6.85	3.91	6.66	5.51
	Silver (toz/MT)	6.00	3.71	4.87	5.04	2.80	4.33	3.87

Notes:

(1) As at 31 December 2010.

(2) Remaining mine life: approximately four years based on reserves and ten years based on resources. AR Zinc plans to continue exploration with the aim of extending the life of mine. Expiry date of relevant mining/concession licences: permanent.

Competent Person: the mineral reserves and resources estimates set out above were reviewed and approved by Glencore Competent Person, Chris Emerson, and have been prepared in accordance with the JORC Code. Mr Emerson is a Competent Person as defined by the JORC Code. Mr Emerson is a fellow of the Geological Society of London and a member of AusIMM—The Minerals Institute and has more than ten years experience in underground pollymetallic deposits, predominantly in Latin America.

Cobar(1)(2)	Commodity	Reserves			Resources			
		Proved	Probable	Total	Measured	Indicated	Inferred	Total
Cobar	Ore ('000 MT)	1,370	4,879	6,249	1,992	3,775	6,147	11,914
	Copper (%)	4.17	4.95	4.8	5.80	6.30	5.90	6.00
	Silver (g/t)	15	19	18	20	24	20	21

Notes:

(1) As at 31 December 2010.

(2) Remaining mine life: current expected life of mine is approximately five years based on reserves and approximately 11 years based on resources, although Cobar has previously been able to extend its expected life of mine through exploratory drilling in the area covered by its concession. Expiry date of relevant mining/concession licences: 5 December 2028.

Competent Person: the mineral reserves estimates set out above were reviewed and approved by Glencore Competent Person, Tom Simpson. The mineral resources estimates set out above were reviewed and approved by Glencore Competent Person, Jason Hosken. The mineral reserves and resources estimate have been prepared in accordance with the JORC Code. Mr Simpson has been a member of AusIMM—the Minerals Institute for more than 20 years and has more than 15 years' of experience in underground pollymetallic deposits in Australia. Mr Hosken has been a member of AusIMM-the Minerals Institute for more than 12 years and has more than 16 years of experience in underground pollymetallic deposits in Australia.

Los Quenuales(1)(2)	Commodity	Reserves			Resources			
		Proved	Probable	Total	Measured	Indicated	Inferred	Total
Iscaycruz	Ore ('000 MT)	2,820	1,250	4,070	3,661	4,705	7,379	15,746
	Zinc (%)	11.68	8.03	10.56	13.33	7.12	3.87	7.04
	Lead (%)	0.79	0.34	0.65	1.02	0.68	0.33	0.59
	Silver (toz/MT)	0.55	0.42	0.51	0.76	1.01	0.74	0.83
Yauliyacu	Ore ('000 MT)	1,265	2,096	3,360	5,675	7,617	14,468	27,760
	Zinc (%)	2.2	2.2	2.17	2.58	2.66	3.48	3.07
	Lead (%)	0.98	1.10	1.06	0.43	0.83	1.62	1.16
	Silver (toz/MT)	3.33	4.03	3.77	2.11	3.80	7.14	5.20

Notes:

(1) As at 31 December 2010.

(2) Remaining mine life: the expected life of Iscaycruz is three years based on reserves and ten years based on resources. The expected life of Yauliyacu is two years based on reserves and 19 years based on resources. Expiry date of relevant mining/concession licences: permanent.

Competent Person: the mineral reserves and resources estimates set out above were reviewed and approved by Glencore Competent Person, Chris Emerson, and have been prepared in accordance with the JORC Code. Mr Emerson is a Competent Person as defined by the JORC Code. Mr Emerson is a fellow of the Geological Society of London and a member of AusIMM—the Minerals Institute and has more than ten years' experience in underground pollymetallic deposits in Latin America.

Sinchi Wayra(1)(2)	Commodity	Reserves			Resources			
		Proved	Probable	Total	Measured	Indicated	Inferred	Total
Bolivar	Ore ('000 MT)	195	252	447	218	1,052	2,530	3,799
	Zinc (%)	11.40	10.69	11.00	13.52	12.24	10.28	11.01
	Lead (%)	1.43	1.20	1.30	1.69	1.45	0.83	1.05
	Silver (toz/MT)	7.61	9.61	8.73	9.30	13.37	10.45	11.19
Porco	Ore ('000 MT)	553	240	793	443	851	992	2,286
	Zinc (%)	10.35	10.89	10.51	12.75	12.12	10.43	11.51
	Lead (%)	0.71	0.61	0.68	0.89	0.83	1.11	0.96
	Silver (toz/MT)	4.14	4.46	4.24	5.30	4.82	4.42	4.74
Colquiri	Ore ('000 MT)	859	714	1,573	768	1,682	1,462	3,911
	Zinc (%)	8.41	7.75	8.11	10.10	9.31	8.60	9.20
	Tin (%)	1.59	1.35	1.48	1.92	1.84	1.94	1.89
Poopo	Ore ('000 MT)	127	70	197	113	272	844	1,229
	Zinc (%)	8.80	9.41	9.01	10.58	10.48	9.24	9.64
	Lead (%)	0.48	0.73	0.57	0.57	0.89	0.86	0.84
	Silver (toz/MT)	4.99	6.62	5.57	6.02	8.68	9.00	8.66
Caballo Blanco	Ore ('000 MT)	60	337	396	55	808	210	1,072
	Zinc (%)	12.10	9.52	9.91	15.04	12.30	12.88	12.55
	Lead (%)	0.70	2.38	2.13	0.82	2.99	2.95	2.87
	Silver (toz/MT)	3.04	6.94	6.35	3.66	8.64	8.60	8.38

Notes:

(1) As at 31 December 2010.

(2) Remaining mine life: the expected life of the mines as a group, considering current production capacities, is an average of two years based on reserves and seven years based on resources. Expiry date of relevant mining/concession licenses: different for each mine, ranging from 30 June 2014 to 16 January 2027 in respect of Porco, Colquiri and Poopo and permanent in respect of Bolivar and Caballo Blanco.

Competent Person: the mineral reserves and resources estimates set out above were reviewed and approved by Glencore Competent Person, Chris Emerson, and have been prepared in accordance with the JORC Code. Mr Emerson is a Competent Person as defined by the JORC Code. Mr Emerson is a fellow of the Geological Society of London and a member of AusIMM—The Minerals Institute and has more than ten years' experience in underground pollymetallic deposits, predominantly in Latin America.

Mutanda[(1)]	Commodity	Resources			
		Measured	Indicated	Inferred	Total
Central orebody	Ore ('000 MT)	7,800	5,300	7,600	20,700
	Copper (%)	1.62	1.16	0.95	1.28
	Cobalt (%)	0.81	0.67	0.91	0.81
East orebody	Ore ('000 MT)	29,000	18,400	164,600	212,000
	Copper (%)	2.67	1.65	1.03	1.34
	Cobalt (%)	1.13	0.87	0.45	0.60
Central North West orebody	Ore ('000 MT)	66,800	20	—	66,820
	Copper (%)	2.10	0.17	—	2.10
	Cobalt (%)	0.55	0.05	—	0.55
Total	Ore ('000 MT)	103,600	23,720	172,200	299,520
	Copper (%)	2.22	1.54	1.03	1.48
	Cobalt (%)	0.73	0.82	0.47	0.59

Note:

(1) As at 31 December 2010. The information in the table above in relation to mineral reserves and resources is in compliance with the JORC Code and has been extracted without material adjustment from the Mutanda Report in Section XIV: "Independent Technical Reports".

Competent Persons: the mineral reserves and resources estimates set out above were reviewed and approved by Willem van der Schyff of Golders. The reserves and resources estimates have been prepared in accordance with the JORC Code. Mr Van der Schyff is a Competent Person as defined by JORC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking.

Mutanda[(1)(2)]	Commodity	Reserves		
		Proved	Probable	Total
Mutanda pits	Ore ('000 tonnes)	47,176	6,570	53,746
	Copper (%)	3.4	3.1	3.4
	Cobalt (%)	0.9	1.2	0.9
Stockpiles	Ore ('000 tonnes)	2,227	—	2,227
	Copper (%)	3.4	—	3.4
	Cobalt (%)	2.3	—	2.3
Total	Ore ('000 tonnes)	49,403	6,570	55,973
	Copper (%)	3.4	3.1	3.4
	Cobalt (%)	1.0	1.2	1.0

Notes:

(1) As at 31 December 2010. The information in the table above in relation to mineral reserves and resources is in compliance with the JORC Code and has been extracted without material adjustment from the Mutanda Report in Section XIV: "Independent Technical Reports".

(2) Remaining mine life: 20 years. Expiry date of relevant mining/concession licenses: 26 May 2022 for Mutanda. This is renewable in accordance with the DRC mining code for periods of 15 years.

Competent Persons: the mineral reserves and resources estimates set out above were reviewed and approved by Willem van der Schyff of Golders. The reserves and resources estimates have been prepared in accordance with the JORC Code. Mr Van der Schyff is a Competent Person as defined by JORC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking.

Kansuki(1)(2)	Commodity	Measured	Resources		
			Indicated	Inferred	Total
Area 3	Ore ('000 MT)	16,700	400	0	17,100
	Copper (%)	1.72	0.93	0.82	1.7
	Cobalt (%)	0.17	0.14	0.35	0.17
Area 1	Ore ('000 MT)	—	33,600	—	33,600
	Copper (%)	—	1.08	—	1.08
	Cobalt (%)	—	0.38	—	0.38
Total	Ore ('000 MT)	16,700	33,900	0	50,700
	Copper (%)	1.72	1.08	0.82	1.29
	Cobalt (%)	0.17	0.38	0.35	0.31

Notes:

(1) As at 31 December 2010. The mineral resource estimates set out above were reviewed and approved by Willem Van der Schyff of Golders. The resource estimates have been prepared in accordance with the JORC Code. Mr Van der Schyff is a Competent Person as defined by JORC and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking.

(2) Expiry date of relevant mining/concession licences: 5 May 2022. This is renewable in accordance with the DRC mining code for periods of 15 years.

KAZZINC:

Glencore owns 50.7 per cent. of Kazzinc, a fully integrated zinc producer with significant copper, precious metals and lead resources in Kazakhstan. The remainder of the business is currently owned by Verny Capital JSC (48.73 per cent.), a Kazakh investment fund unrelated to Glencore, with certain small shareholders accounting for the remaining 0.58 per cent.

Glencore has agreed with Verny to acquire additional stakes in Kazzinc. These purchases will increase Glencore's ownership from 50.7 per cent. to 93.0 per cent. for a total transaction consideration of U.S.$3.2 billion. Subject to satisfaction of certain conditions, which include receipt of applicable regulatory approvals and the occurrence of UK Admission, consideration for these purchases will be settled through the issuance of U.S.$1 billion of Ordinary Shares at the Offer Price (such issuance is expected to occur at the earlier of UK Admission and satisfaction of applicable conditions precedent) and U.S.$2.2 billion in cash (to be paid in tranches between October and December 2011). Assuming that the Offer Price is set at the mid-point of the Offer Price Range and the Over-Allotment Option is not exercised, the issuance of U.S.$1 billion of Ordinary Shares is expected to result in Verny holding 1.6 per cent. of the Ordinary Shares in issue following the Global Offer. The acquisition of these additional stakes is expected to be completed by the end of December 2011. The terms of the acquisition have been negotiated on an arm's length basis and the price and structuring of the consideration in respect of these purchases is based on Glencore's detailed valuation of Kazzinc. In addition, Glencore's stake in Kazzinc may be further increased to 99.4 per cent. through the exercise of a put or call option in respect of Verny Investments' remaining 6.4 per cent. interest in Kazzinc, which is conditional on amongst other things, an initial public offering of Kazzinc's gold assets. See Section X: "Additional Information" for further details of these purchases and the terms of the Kazzinc SPAs.

Kazzinc owns three major polymetallic facilities, Zyrianovsk, Ridder and Ust-Kamenogorsk, as well as a gold mining operation, VasGold in Kokshetau and 48.3 per cent. interest in the Novoshirokinskoe gold mine in Russia. Kazzinc's major operations are located primarily in Eastern Kazakhstan, spread over seven towns and employing approximately 24,300 staff, including 2,284 VasGold employees. Kazzinc in total operates eight mines, four concentrators, two zinc smelters, a gold recovery plant, a copper smelter (which is under construction, with planned cold commissioning in the second quarter of 2011), a lead smelter (which is being significantly upgraded) and a precious metals refinery. Kazzinc also owns and operates a variety of auxiliary units which support its mining, smelting and refining operations, including:

- a long-term concession over the Bukhtarma Hydro-Electric Power Station which provides more than 80 per cent. of Kazzinc's electricity needs either directly through the company's own power lines or through swapping of energy production from the plant for electricity from the relevant local grids;
- Kazzinc-Mash, an industrial entity which produces a wide variety of parts and machinery related to mining and metallurgy, providing Kazzinc with necessary spare parts and customised mechanical solutions; and

- a transportation division with more than 100 kilometres of rail track, 1,000 rail tank cars and open-top wagons, 29 locomotives and 700 vehicles.

Zyrianovsk:

The Zyrianovsk mining and concentrating complex mines and processes polymetallic ores and produces zinc, copper, lead and gravity gold concentrates and copper sulphate reagent. The complex consists of three assets:

- Maleevsky mine: The Maleevsky mine is Kazzinc's largest underground operation, accounting for the majority of Kazzinc's zinc and copper production. The mine was commissioned in June 2000 and had an initial production rate of 1.5 million MT of ore per annum, which was expanded in 2001 to its current level of 2.25 million MT per annum. In the year ended 31 December 2010, ore mined at Maleevsky contained more than 50 per cent. of total zinc produced from Kazzinc's own mines and accounted for approximately three quarters of total Kazzinc copper concentrate production. Ore is transported from the Maleevsky mine to the Zyrianovsk concentrator by truck.
- Grekhovsky mine: The Grekhovsky mine is a small underground mining operation (the Aleksandrovsky area is the only operational part of the mine) producing 70k MT of primarily copper ore per annum, which is transported to the Zyrianovsk concentrator. The majority of the reserves at Grekhovsky have now been mined and reserves are expected to be depleted by the year ending 31 December 2013 following additional development work to expand underground operations to lower levels.
- Zyrianovsk concentrator: The Zyrianovsk concentrator primarily treats ore from the Maleevsky and Grekhovsky deposits, as well as third party ore (the majority from Kazakhmys PLC under a tolling arrangement) and Kazzinc industrial residues. The concentrator uses a flotation process to separate the ore into different metal concentrates. The concentrating process includes a heavy media separation process to deal with the dilution inherent in large-scale mining, crushing, grinding, flotation, thickening and filtering facilities. Free gold is recovered using gravity tables and centrifugal concentrators. Metal concentrates are transported by rail to the Ust-Kamenogorsk metallurgical complex and to third party copper smelters until the new copper smelter is commissioned in the first half of 2011.

Ridder:

The Ridder mining and concentrating complex mines and processes ores and produces zinc, copper, lead and gold concentrates. The complex consists of five assets:

- Tishinsky mine: The Tishinsky mine is an underground operation located 15 kilometres from the Ridder concentrator, adjacent to the Ust-Kamenogorsk-Ridder road and railway. The mine produces approximately 1.3 million MT of polymetallic ore per annum. A heavy media plant is located on the surface, removing up to 20 per cent. of waste rock prior to the upgraded ore being transported by rail to the Ridder concentrator for further processing.
- Ridder-Sokolniy mine: The Ridder-Sokolniy mine is an underground mine located three kilometres from the centre of the city of Ridder and is adjacent to the Ridder concentrator. The mine produces approximately 2 million MT of polymetallic ore per annum and is to remain in operation until at least 2040.
- Shubinsky mine: The Shubinsky mine, located 15 kilometres from the Ridder concentrator, is a small underground operation producing approximately 200k MT of zinc-copper ore per annum. Mining is undertaken through sub-level stoping methods with backfill. The Shubinsky mine is expected to remain in operation until 2027.
- Ridder concentrator: All ores mined at the Tishinsky, Ridder-Sokolniy and Shubinsky mines together with gold bearing-tailings are treated at the Ridder concentrator. Zinc concentrates are typically further processed at the Ridder zinc refinery, while lead and gold concentrates are shipped to the Ust-Kamenogorsk lead smelter for pyrometallurgical treatment. Copper concentrates produced at the concentrator are currently sold to third party copper smelters, until the commissioning of Kazzinc's Ust-Kamenogorsk copper smelter in 2011.

- Ridder zinc refinery: The Ridder zinc refinery produces approximately 110k MT of high grade zinc metal and alloys per annum. The refinery's sulphuric acid output is either sold locally by Kazzinc or neutralised into gypsum in the absence of demand for acid.

Ust-Kamenogorsk:

The Ust-Kamenogorsk metallurgical facility is fully integrated and will ensure the full and complex recovery of the maximum amount of valuable polymetallic components into marketable products. The facility produces zinc, lead, copper (from 2011), gold, silver, bismuth, cadmium, indium, selenium, thallium, tellurium, mercury, sulphuric acid and sodium antimonate. The intention is for it to also produce antimony and tin in the future, thereby bringing its entire complex metallurgical output to refined metal level. The complex consists of three assets:

- Zinc refinery: Originally constructed in the 1960s and substantially rebuilt over the past 12 years, the refinery produces 190k MT of zinc and metal alloy per annum. In addition to refined zinc metal, the refinery also produces zinc alloys, sulphuric acid and refined cadmium metal.
- Lead smelter: The current lead smelter employs a standard process of sintering-smelting-pyrometallurgical refinement. However, the process has certain modifications allowing the smelter to work in conjunction with the zinc plant and, in the future, the copper plant to enhance metal recoveries through the cross-treatment of residues and by-products from the two processes. The Ust-Kamenogorsk smelter produces up to 130k MT of refined LME-grade lead and 7k MT of blister copper per annum, as well as smaller amounts of selenium, bismuth, indium, tellurium, thallium, mercury and sodium antimonate. Kazzinc purchases lead concentrates from Kazakhmys PLC, Gorevsky mine in Russia, the Chelyabinsk zinc plant owned by Akzhal mine in Kazakhstan and a number of smaller producers as lead collector feed for use in gold production. In addition to this, Kazzinc purchases lead-bearing smelter residues and lead scrap from Russian and Kazakh secondary feed suppliers, as well as gold and silver concentrates from several suppliers in Russia, Kazakhstan, Tajikistan and Kyrgyzstan.
- Precious metals refinery: The precious metals refinery processes silver crust from the lead refinery and will also process copper anode slimes following the commissioning of the company's copper smelter and refinery. The refinery is currently producing approximately 110 MT of refined silver and 9 MT of refined gold per annum, both products LBMA registered, which is expected to increase significantly following the ramp-up in VasGold production described below.

Kazzinc is finalising the completion of a major new metallurgical project in which it will have invested a total of U.S.$870 million to construct a fully integrated processing facility designed to treat a wide range of polymetallic and gold raw materials. As part of the new metallurgical complex, the following projects are nearing completion and commissioning is scheduled for the first half of 2011:

- Construction of a new copper smelter which will be able to refine up to 370k MT of copper concentrate and produce 70k MT (and subsequently 87.5k MT) of cathode copper per annum. Glencore estimates that it will purchase 25 to 30 per cent. of the copper concentrate from third parties. Once the new copper smelter is operational, a portion of the gold-bearing concentrates will be processed through the copper smelter to optimise the economics of third party lead feed purchases and take advantage of the tax benefits of producing copper metal in Kazakhstan (commissioning is scheduled for the second quarter of 2011).
- Reconstruction of the lead smelter to accommodate more varied feed and to re-engineer the process flow at Ust-Kamenogorsk metallurgical complex. The current concentrates sintering stage at the lead smelter is to be replaced by smelting in an ISASMELT furnace. This is expected to result in greater feed composition flexibility, increased recoveries from polymetallic concentrates and significantly lower emissions.
- Construction of a sulphuric acid plant at the Ust-Kamenogorsk metallurgical complex designed using a dual contact absorption process, which is expected to meet all high sulphur off-gases produced by the ISASMELT copper furnace. The new acid plant underwent cold commissioning at the end of 2010 and is designed to become operational in 2011 once the copper ISASMELT furnace commences operation.

- Construction of auxiliary operations equipment associated with the new copper smelter and lead smelter, such as the modern electrolytic tank house (which should be operational in the first quarter of 2011).

Altyntau:

Kazzinc's gold assets consist of its 100 per cent. interest in VasGold together with its 48.3 per cent. interest in the Novoshirokinskoe gold mine and concentrator (which is held through a 50:50 joint venture with Highland Gold Mining Limited, the joint venture holding in total a 96.6 per cent. stake in Novoshirokinskoe) and a gold and silver stream provided from Kazzinc's other mining activities described above. VasGold is located in the Akmola region, 17 kilometres to the north of the city of Kokshetau. The region has well-developed infrastructure, including motor roads, railways, electricity and water supplies. It is the largest gold mining and processing operation in Kazakhstan. It is an open pit mine with a width of 1,200 metres, a length of 1,300 metres and a current depth of 70 metres. With a very conservative cut-off grade the final depth of the pit is expected to reach 450 metres. VasGold is currently evaluating several options involving optimisation of the open pit or using underground methods to access ore at further depth.

VasGold is a new mine which started producing gold in 2010. As at January 2011 VasGold was producing 6.6 million MT on an annualised basis, is capable of processing 8 million MT of ore per annum and is expected to recover 450k to 500k toz of gold per annum. Kazzinc has incurred capital expenditure for VasGold of approximately U.S.$514 million in developing and bringing this mine on stream.

WAI provided the following in relation to the VasGold mine:

	Resources			
	Measured	**Indicated**	**Inferred**	**Total**
Vasilkovskoje				
('000 MT)	45,230	141,560	99,080	285,870
Au (g/t)	1.75	1.72	1.77	1.74

Plans are also in place to expand the mine design capacity of Novoshirokinskoe from 450k MT per annum to 550k MT per annum by 2013.

Kazzinc's production of gold and silver from its mining operations in Ridder, Zyrianovsk and Novoshirokinskoe is the equivalent of 350k toz of gold per annum.

Kazzinc's gold assets have provided it with an opportunity to consolidate its gold activities within one gold-producing company and to potentially spin off that company or seek a listing for it on an international stock exchange. Such a company, on its own, would employ approximately 5,500 people and would operate two hubs in Kazakhstan and a mine in Russia and have the advantage of a diversified portfolio of operated assets producing 249k toz in 2010, expected to increase to 800k toz, including silver in gold equivalents by 2013. Kazzinc is currently reorganising this gold business into a new corporate structure to be known as Altyntau Gold, which will be the largest gold mining and processing operation in Kazakhstan. Pursuant to the terms of the Kazzinc SPAs (details of which are set out in Section X: "Additional Information"), Glencore will, subject to its commercial decision based on prevailing market conditions, use reasonable commercial endeavors to seek a listing of Altyntau to the premium listing segment of the Official List of the FSA, subject to Altyntau's eligibility for a listing.

Glencore believes that Altyntau has a number of significant competitive advantages which make it a highly attractive growth prospect. One of Altyntau's key competitive advantages is having access to excellent operational experience as a result of its history and relationships as part of Kazzinc. Altyntau's other major competitive advantage is its access to sophisticated processing operations, allowing Altyntau to process gold deposits that are challenging to process. Such refractory gold deposits account for most of the undeveloped gold deposits in Central Asia, and will, in time, account for a significant proportion of undeveloped gold deposits worldwide as gold deposits which can be processed using conventional methods are depleted.

Other:

Glencore purchases, through an off-take agreement, on average approximately 80 per cent. of Kazzinc's annual output of zinc at LME-based prices. Glencore also occasionally purchases concentrates from third parties and sells them to Kazzinc for processing. Whilst the volume of concentrates which Glencore sells to

Kazzinc have not historically been material, they are expected to increase in the future once the Company's metallurgical processing facilities for complex feed have been expanded.

Due to the geographic remoteness of the majority of the mining and processing facilities situated in Kazakhstan, Kazzinc, as an integrated operator, enjoys a competitive advantage over other Kazakh mining operations due to its ability to process and transport finished metal products. For similar geographic reasons, Kazzinc is also able to acquire concentrates from local producers for its smelters at a lower cost base than its Russian or Chinese competitors.

Kazzinc's operating expenses were impacted during the financial year ended 31 December 2009 by a new levy introduced by the Kazakh government. This new mineral extraction tax is linked to the royalties payable to the LME price of the relevant metal. At the same time, the profit tax rate was reduced from 30 per cent. to 20 per cent.

KATANGA:

Glencore owns 74.4 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 and a potential to produce 310k MT per annum of copper and 8k MT per annum of cobalt and 22k MT of cobalt contained in cobalt hydroxide by 2015. As at 29 April 2011, the last practicable date prior to the publication of this Prospectus, Katanga had a market capitalisation of U.S.$3.6 billion. As at 31 December 2010, Katanga had approximately 3,175 employees and 3,313 contractors (including projects staff).

Katanga's assets were originally held through two joint ventures, KCC and DRC Copper and Cobalt Project SARL ("DCP"), the latter acquired by Katanga as part of a merger with Nikanor in January 2008. On 25 July 2009, an amended joint venture agreement was signed with Gécamines, pursuant to which it was agreed that, subject to Presidential approval, KCC and DCP would be merged into a single entity. On 27 April 2010, the merger of KCC and DCP was approved by Presidential decree.

KCC's integrated mine complex contains both underground and open pit mines, providing both sulphide and oxide ores. A concentrator and metallurgical plant enable the production of refined copper and cobalt metal on-site. The complex will be a mix of existing assets being progressively refurbished and new processing facilities which are being engineered and are under construction.

KCC's material assets are located in the Kolwezi District of the Katanga Province in the DRC and are as follows:

Mining assets:

- Kamoto Underground Mine ("KTO"), an operating underground mine: KTO is KCC's primary sulphide ore source and has twin six and a half by six metre ramp declines, a service shaft and a 11k MT per day capacity production shaft. Mining is currently a combination of room and pillar methods and cut and fill methods with sub-level caving being considered for future production. Ore from production chambers/stopes is taken to the underground crusher before being hoisted up the shaft to the surface in skips. Ore from development ends is taken to the underground grizzly and conveying system before being hoisted up the shaft to the surface in skips. KTO is scheduled to produce 37.8 million MT of ore at 3.9 per cent. copper grade through Life-of-Mine ("LOM") to 2030.
- T-17, an operating open pit mine: T-17 Open Pit is a cobalt-rich mine. T-17 Open Pit commenced production in 2008 and the reserves were scheduled to be depleted in 2011. However, exploration drilling conducted in 2009 and 2010 has identified (1) an extension of the resource in an easterly direction along strike near surface which will allow a continuation of open pit mining to 2012 with 1.5 million MT of ore being mined at 2.7 per cent. copper grade in 2011 and 2012; and (2) an extension of the reserve below the bottom of the current pit which will allow an additional 13.7 million MT of ore to be mined from underground at 2.6 per cent. copper grade from 2018 onwards.
- KOV Open Pit, an operating open pit mine: KOV Open Pit is considered to be the world's highest grade significant copper resource. KOV Open Pit is the primary development project within KCC's mining assets (see below) and is scheduled to produce 83.2 million MT of ore at 4.1 per cent. copper grade through LOM to 2030.
- Mashamba East Open Pit, a development project: Mashamba East Open Pit will commence production in 2015 and will produce 12.8 million MT of ore at 2.8 per cent. copper grade through LOM.

- Kamoto East Underground Mine ("KTE"), a development project: KTE will commence production in 2019 and will produce 20.5 million MT of ore at 4.4 per cent. copper grade through LOM.

Processing assets:

- Kamoto Concentrator ("KTC"), an operating concentrator: KTC consists of crushing facilities and four milling and flotation sections constructed between 1968 and 1982 and was recently completely refurbished back to its historical nameplate capacity of 7.6 million MT of ore per annum. Recent engineering has identified that the 32' DIMA mills, which have conventionally being operated as autogenous mills, can be converted to semi-autogenous mills which will result in the nameplate capacity increasing to in excess of 9 million MT of ore per annum. It is currently being refurbished to capacity of 150k MT of copper metal and 8k MT of cobalt to be completed by second quarter of 2011.
- Luilu Refinery ("Luilu"), an operating metallurgical plant: Luilu has concentrate dewatering facilities, sulphide concentrate roasters, atmospheric leaching circuits and an electro-winning tank house for production of both copper and cobalt metal.
- KCC is currently working on a front end design and scoping study which includes plans for the conversion of the existing unused electro-refinery to a 200k MT per annum electro-winning facility along with the installation of a 200k MT per annum solvent extraction plant. This new plant along with Luilu will enable KCC to increase copper production capacity to 310k MT of copper by 2015.

KCC also has a number of other mines and plants that may be operated initially or at a later stage in KCC's development.

Pursuant to its development plan, Katanga intends to accelerate pre-existing plans to ramp up production from 70k MT per annum to 150k MT per annum of copper by the end of the second quarter of 2011.

The primary development within the mining assets has been the dewatering and optimisation of KOV Open Pit, with a view to achieving the following:

- Accelerated ramp-up of ore production.
- Reduce the pre-strip requirement and the initial operational open pit strip ratio to provide a positive impact on the cash flow of the projects.
- Kamoto East and Oliveira ore body to be mined using KTO mine underground infrastructure.
- Mine planning to remain robust and flexible to meet ore requirements to achieve the Accelerated Development Plan to 150k MT per annum of copper whilst:
  - optimising future production and recoverability of resources; and
  - allowing for a further expansion of mining activities to support future production increases to 310k MT per annum of copper.

The primary development on the process side has been the refurbishment of existing facilities and infrastructure at KTC and Luilu, to be completed by the end of the second quarter of 2011 (compared with an original completion date of the end of the first quarter of 2013).

Based on current copper and cobalt spot prices and current operating cost assumptions in the development plan, it is expected that capital expenditures relating to the plan will be funded by existing cash balances and cash generated from operations.

At the time of the merger between Katanga and Nikanor, Glencore agreed to modify existing off-take agreements such that Glencore would purchase 100 per cent. of the quantity of copper and cobalt produced during the life of all mines owned or subsequently acquired by Katanga, with pricing linked to the LME.

MOPANI:

Mopani is an integrated mining and processing operation in the Copperbelt region of Zambia, producing copper and cobalt metal. In 2011, Mopani is expected to produce approximately 236k MT copper cathodes, of which approximately 111k MT will come from Mopani's mines while the rest will come from custom-treatment of copper concentrates from other mines, mainly Katanga, Mutanda and tolled third party sources. Mopani is also expected to produce approximately 2,200 MT cobalt metal in 2011.

Mopani is an integral part of Glencore's operations in Southern Africa. It can process oxide and sulphide copper-cobalt concentrates produced by Katanga and Mutanda. Mopani also produces sulphuric acid, which is used in the leaching operations at Katanga and Mutanda. In the long term, once Mutanda and Kansuki reach full production levels, the sulphide concentrate produced at these minesis also expected to be processed at Mopani.

The operations are located in the cities of Kitwe and Mufulira and, as at 31 December 2010, the operations had approximately 7,500 permanent employees and approximately 6,400 contractors. Glencore owns 73.1 per cent. of Mopani, with the remainder of the business owned by First Quantum Minerals Ltd. (16.9 per cent.) and Zambia Consolidated Copper Mines Investment Holdings Plc (10 per cent.).

Nkana:

Nkana operations are located in Kitwe and consist of four underground mines, namely the Central Shaft, the South Ore Body Shaft, the Mindola Sub-vertical Shaft and the Mindola North Shaft. There are also four open pit mines (Mindola, Area A, Area D and Area J), a sulphide copper-cobalt concentrator, an oxide copper agitation leach-solvent extraction plant and a cobalt plant including a copper solvent extraction plant and an electro-winning tank house.

Nkana's mines contain copper-cobalt ore and have a mining capacity of approximately 3.9 million MT of ore per annum. Vertical crater retreat, sub-level caving longitudinal room and pillar and open stoping techniques are the predominant mining method used at the Nkana mines.

Mopani has started the construction of a new shaft at Nkana (the "Synclinorium Project") in order to mine an untapped ore resource containing approximately 115 million MT of copper ore. This project is expected to increase ore production at Nkana by 4.0 million MT per annum by 2018 and to extend the life of Nkana mining operations to at least 25 years. The total cost of the Synclinorium Project is estimated at U.S.$295 million and be funded from internally generated cashflows.

Open pit mining is currently undertaken in four areas (Mindola, Area A, Area D and Area J). Production has recently commenced in Area J while two new areas (Area K and Nose) are being drilled to define reserves and to develop a mining plan. The oxide ore produced from the open pits is processed in the agitation-leach plant.

The Nkana concentrator processes the sulphide ore mined in Nkana's underground and open pit mines and has a capacity of 12,000 MT per day. Separate copper and cobalt concentrates are produced from a bulk-flotation concentrate using a segregation process. The copper concentrate contains an average of 30 per cent. copper, whilst the cobalt concentrate typically contains an average of 10 per cent. copper and 1.8 per cent. cobalt. The copper concentrates produced at Nkana are then transported by road to Mufulira for smelting and refining.

Cobalt concentrates from Mopani's Nkana mine, Katanga and Mutanda, are processed directly at the Nkana cobalt plant. This plant has the flexibility to treat both sulphide and oxide concentrates. The current production capacity is 2,800 MT of cobalt metal per annum. This capacity is planned to be increased to 3,500 MT of cobalt metal per annum by 2020, or earlier if needed. The cobalt metal produced is at least 99.65 per cent. purity and its brands are listed with the LME. It also has a copper solvent extraction facility which recovers the copper contained in the cobalt concentrate.

Nkana has two other solvent extraction plants, which process copper from oxide ores from the Nkana open pit and in-situ leaching within the Central Shaft.

The copper electro-winning tank house at Nkana produces copper cathodes containing 99.95 per cent. copper purity from the solution streams produced by the solvent extraction plants. The cobalt electro-winning tank house produces drummed cobalt products in a similar manner to the copper electro-winning tank house.

Mopani has also begun construction of the TD52 project at Nkana, which involves leaching of an old tailings dam to extract the contained copper using solvent extraction and electro-winning. Production is expected to start in the third quarter of 2011.

Mufulira:

Mufulira operations consist of one main underground mine (Mufulira) and two portal mines (East and West), an oxide copper agitation leach solvent extraction plant, in-situ leaching, a sulphide copper concentrator, an Isasmelt smelter and a refinery.

Mufulira's mines have a mining capacity of approximately 1.9 million MT of ore per annum. The estimated life of mine is 11 years. Exploration is being performed in and around the current mining areas with the aim of increasing the mine's resources.

The Mufulira mine and West portal predominantly use the mechanised continuous retreat mining method. East portal uses the room and pillar with waste rock backfill. In-situ leaching of old underground stopes is also carried out.

The Mufulira concentrator treats all of the sulphide ore produced in the Mufulira mines, producing a copper concentrate containing an average of 41 per cent. copper. The concentrator has a capacity to process 8,350 MT of ore per day. In addition, there are three solvent extraction plants and the vat-leach plant, which recover copper from oxide ores mined at East and West portals, sourced from in-situ leaching or purchased from local miners.

The Mufulira smelter was commissioned in 2006 and uses Xstrata's ISASMELT technology to process sulphide copper concentrates. It processes all of the copper concentrate produced in the Mufulira and Nkana mines and also treats sulphide copper concentrates produced by other mines in the region as custom feed. The copper anodes coming from the smelter are then electro-refined in the Mufulira copper refinery to produce high quality copper cathodes ("MCM" LME brand) with a copper purity of 99.99 per cent.

The sulphuric acid produced as a by-product of the smelting operations is either used in Mopani's oxide copper leaching operations or sold to other copper mines in the area, including Glencore's operations in the DRC. The acid plant has a production capacity of 1,150 MT per day.

The capacity of the smelter (620k DMT of concentrate per annum as at December 2010) is being expanded in a phased approach to 720k DMT of concentrate per annum by the end of 2012. This would include installation of new Peirce-Smith converters and building a new acid plant. The total cost of this project is estimated to be U.S.$112 million and it is expected to be funded by internally generated cashflows.

Glencore has a 100 per cent. off-take agreement with Mopani for the life of the mines, with ownership transferred to Glencore at the mine gate and pricing based on LME prices.

Mopani's metal production is exported and either trucked or transported by rail to the ports of Durban in South Africa or to Dar es Salaam in Tanzania, where it is shipped worldwide.

AR ZINC:

Glencore 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 44k MT per annum of zinc metal and 14k MT per annum of lead metal. Lead/silver concentrates from the Aguilar mine are mainly treated at the Palpala smelter, with approximately 10k to 15k MT per annum of lead concentrates in excess of Palpala's capacity being exported to Glencore at spot prices on arm's length terms. The life of the mine is approximately four years based on reserves and ten years based on resources. AR Zinc plans to continue exploration with the aim of extending the life of the mine.

The zinc concentrate from the Aguilar mine is treated at the AR Zinc smelter. The zinc metal produced is shipped to consumers primarily in Argentina and Brazil. Approximately 70 per cent. to 75 per cent. of feed for the AR Zinc smelter is supplied by the concentrate from the Aguilar mine, with the remaining capacity being sourced from third party mines in Bolivia and Los Quenuales. AR Zinc also produces sulphuric acid as a by-product of its processing operations and sells this locally for the production of fertilisers and the chemical and paper industry. AR Zinc employs approximately 1,400 people.

To the extent that metal is not sold to local customers, the balance is purchased by Glencore at spot prices on arm's length terms. In 2010 Glencore purchased 47 per cent. of Aguilar mine lead concentrate output and 65 per cent. of the silver metal output. All zinc sold by AR Zinc in 2010 was sold to third parties. Lead metal and sulphuric acid produced is sold to third parties in Argentina and Brazil. In total, 77 per cent. of gross revenues were generated from third parties and 23 per cent. from Glencore in the year ended 31 December 2010.

COBAR:

Glencore 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 MT of ore per annum and Cobar produces approximately 180k DMT of copper concentrate per annum.

Cobar's current expected life of mine is approximately five years based on reserves and approximately 11 years based on resources, although Cobar has previously been able to extend its expected life of mine through exploratory drilling in the area covered by its concession. Cobar is currently finalising a feasibility study for a hoisting shaft extension, which will allow lower cost access to deeper resource in the mine by the beginning of 2013 for an estimated capital cost of U.S.$139 million. The shaft will also have potential to allow an increase in annual production by approximately 90k DMT. In addition, Cobar has entered into two joint ventures to explore tenements in the area.

Glencore is Cobar's sole customer through a 100 per cent. off-take agreement over the life of the mine. Glencore buys all of the concentrate via a profit sharing agreement with treatment charge and refining charge expressed as a percentage of contained metal.

LOS QUENUALES:

Glencore owns 97.1 per cent. of Los Quenuales, a zinc and lead producer in Peru with mining operations at Iscaycruz and Yauliyacu. The remaining 3 per cent. is indirectly listed on the Lima Stock Exchange. The Iscaycruz operations consist of underground and open pit mines and concentrator, producing zinc and lead concentrates and Los Quenuales is in the process of negotiating surface access rights to mine 5 million MT of zinc-bearing resource (it currently holds only sub-surface rights). The expected life of Iscaycruz is three years based on reserves and ten years based on resources. Yauliyacu consists of an underground mine and a concentrator plant, producing zinc and lead/silver concentrates. The expected life of Yauliyacu is two years based on reserves and 19 years based on resources. Current capacity of Los Quenuales is 330k MT of zinc concentrate and 40k MT of lead concentrate per annum. In order to preserve the value of high grade ore during a period of low prevailing zinc prices, the Iscaycruz mine was placed on care and maintenance in March 2009, and operations were restarted in April 2010. The Yauliyacu mine operated at full capacity throughout this period. Due to a high level of silver in its concentrates, the operation remained profitable at the then prevailing low prices. Los Quenuales employs approximately 3,100 full time staff and contractors.

Glencore has a life of mine off-take agreement covering 100 per cent. of production from both mines with pricing on arm's length terms.

PASAR:

Glencore owns 78.2 per cent. of Pasar, the sole copper smelter and refinery in the Philippines, with the remaining 22 per cent. owned by local investors. Pasar is located on the coast of Leyte Island, and owns its own port, which can accommodate vessels with a displacement of up to 50k dead weight tonnage, from which production is shipped mainly to south east Asian markets. In addition, the assets also include an auxiliary sulphuric acid plant and a dore plant which produces an alloy of gold and silver. Pasar also produces as by-products selenium, slag, iron concentrates and gypsum. Pasar's current smelter capacity is 720k MT per annum of concentrate and its current refinery capacity is 215k MT per annum of cathodes.

Glencore supplies Pasar with a proportion of its copper concentrate and purchases 100 per cent. of Pasar's copper cathode exports through an off-take agreement based on LME prices.

PORTOVESME:

Glencore owns 100 per cent. of Portovesme, a zinc and lead smelter located in Sardinia, Italy. Portovesme is Italy's only primary zinc and lead smelter and comprises a metallurgical integrated smelting complex, with both primary and secondary smelting activities, including an electrolytic plant, a lead smelter, waelz kilns and a lead and precious metals refinery. Due to market conditions, the waelz kilns, lead smelter and lead refinery were placed on care and maintenance in 2009. The waelz line restarted operations later that year but the lead smelter and refinery are still on care and maintenance. However, should market conditions allow, Glencore would consider reopening the plant.

The plant has a production capacity of 120k MT per annum of zinc metal, 60k DMT per annum of waelz oxides and 80k MT per annum of lead metal. Portovesme plans to invest U.S.$40 million in a new solvent extraction plant, which began construction in December 2010 and is expected to be completed in the third quarter of 2012 resulting in an increase of zinc metal production to 140k MT. The solvent extraction plant will treat all the waelz oxide produced from EAF dust recycling, which will make Portovesme vertically integrated for 30k MT per annum of zinc.

In addition to its smelting complex, Glencore also intends to invest approximately U.S.$200 million in an adjoining wind farm power facility to provide low cost power to Portovesme. For this purpose, Portovesme also rents some 10,000 hectares of land surrounding its operations.

PUNITAQUI:

Glencore owns 100 per cent. of Punitaqui, a copper mine and concentrator in Chile, acquired by Glencore as a brownfield development in early 2010. Following rehabilitation works, commercial production commenced in late 2010 with the operation forecast to produce around 40k DMT of copper concentrates in 2011. Work is underway to complete JORC certification of resources, currently estimated to give a mine life of approximately five years.

SINCHI WAYRA:

Glencore owns 100 per cent. of Sinchi Wayra, a company which operates five mining units and concentrating facilities in the Oruro and Potosi regions of Bolivia and which employs approximately 2,600 people. One of these five mines, Bolivar, is operated as a 50:50 joint venture with the Bolivian state mining company, Comibol. Two of the mines, Porco and Colquiri, are run under a lease contract with Comibol. The fourth mine, Poopo, is run under a lease agreement with a local co-operative. The fifth mining unit, the Caballo Blanco group, consists of the wholly owned San Lorenzo/Colquechaquita and its operations are expected to end in the near future. In early 2010, Sinchi Wayra acquired into the Caballo Blanco group, two additional mines, Reserva and Tres Amigos. Both mines became operative in May 2010 and it is intended that these mines will replace the declining production levels at San Lorenzo/Colquechaquita. Collectively, the mines have a current capacity of 205k MT of zinc concentrate, 15k MT of lead concentrate and 6k MT of tin concentrate per annum. The expected life of the mines as a group, considering current production capacities, on average is two years based on reserves and seven years based on resources. Further to a capital expenditure estimated at approximately U.S.$65 million, management believes that annual output can potentially be increased to approximately 300k MT of zinc concentrate and 30k MT of lead concentrate by 2013. The plan is currently being considered further by management, but such a plan is expected to include a project to reprocess old tailings containing significant levels of zinc and tin at the Colquiri mine, together with works to remove processing and hoisting bottlenecks.

Glencore has a 100 per cent. off-take agreement for the life of the mine which is priced on an arm's length basis. Historically, a proportion of Sinchi Wayra's tin concentrates was sold locally to take advantage of lower costs of transportation but, since the fourth quarter of 2009, for commercial reasons, all sales have been made to Glencore.

XSTRATA:

The zinc/copper/lead commodity department benefits from Glencore's relationship with Xstrata. Please refer to Section I: "Information on Glencore—Relationship and commercial arrangements with Xstrata" for further information on Xstrata.

MUTANDA:

Glencore holds a 50 per cent. interest in Samref Congo Sprl which in turn holds an 80 per cent. interest in Mutanda Mining Sprl, the owner of the Mutanda concession. The remaining 20 per cent. in Mutanda Mining Sprl was recently acquired by Rowny Assets Limited from Gécamines. Glencore is the operator.

Mutanda Mining Sprl was granted its rights to the Mutanda concession under its incorporation in May 2001. As part of the mining review process in the DRC, Samref Congo and Gécamines agreed to amend the creation agreement which confirmed Mutanda's exploitation permit. Mutanda is a newly developed high grade copper and cobalt producer, with its operations located in the province of Katanga in the DRC. Mutanda is being developed to produce 110k MT per annum of copper and 23k MT per annum of cobalt contained in cobalt hydroxide as of 2012. Based on current oxide reserves and resources the life of Mutanda's mines collectively are expected to be at least 20 years. A further extension of the ore body in the form of sulphides lies below these reserves which is expected to significantly extend the economic life of the operations. As at 31 December 2010, Mutanda has 929 employees.

Mutanda's licence was granted in accordance with the DRC mining code. As such Mutanda has the right to automatically renew its licence for several further 15-year periods (the licence is first due for renewal in 2022). This will allow Mutanda sufficient time to exploit all available reserves, which is consistent with the concession agreement and the joint venture agreement originally concluded with Gécamines (to which Rowny Assets Limited has acceded in lieu of Gécamines).

Mutanda's updated resource indicates 299 MT of ore grading 1.48 per cent. copper and 0.59 per cent. cobalt. As mentioned above, significant high grade sulphide extensions have been intersected which are not included in these numbers. This, together with competent host rock, indicates the suitability for large-scale underground mining operations beyond the current 20-year mine plan.

Mutanda's existing and planned operations consist of:

- Three open pit mines (Central Open Pit, East Open Pit and Central North West Open Pit). It is expected that these three pits will be consolidated into one large open pit.
- A 20k MT SXEW copper plant was commissioned in the fourth quarter of 2010 at a cost of approximately U.S.$165 million. By 31 December 2010, Mutanda produced 1,851 MT of copper cathodes and as at January 2011 the plant was ramping up production in accordance with the planned commissioning schedule.
- A 40k MT SXEW plant which is expected to be commissioned during the third quarter of 2011, at an estimated cost of U.S.$321 million.

Both the 20k and 40k MT SXEW plants will include the following processes: crushing, screening, milling, pre-leaching, leaching, clarification and SXEW.

Mutanda is currently completing engineering and design works to expand the combined 60k MT per annum SXEW operations to 110k MT per annum. The initial cost estimate for the expansion is U.S.$103.8 million with an expected completion schedule of 15 months (the first quarter of 2012).

- A concentrate operation, which consists of a crusher, small dense medium separation and spiral plant. This operation produces an approximately 25 per cent. copper concentrate, which is onsold to Mopani for refining into copper cathodes, and a high grade cobalt concentrate (more than 6 per cent. Co) for export.
- An acid plant due to be commissioned in August 2011, at an estimated cost of U.S.$69 million. The acid plant is expected to have a daily capacity of 390 MT of sulphuric acid and 73 MT of liquid SO_2. Liquid SO_2 production will replace SMBS, a reagent used in cobalt leaching. This will enable significant cost savings of approximately U.S.$30 million per annum in reduced costs.

Glencore has a life of mine off-take agreement for all copper and cobalt product produced by Mutanda with pricing based to LME.

KANSUKI:

Glencore holds a 50 per cent. interest in Kansuki Investments Sprl which in turn holds a 75 per cent. interest in Kansuki Sprl, the owner of the Kansuki concession (thereby giving Glencore an effective interest of 37.5 per cent. in Kansuki). The remaining 25 per cent. in Kansuki was recently acquired by Biko Invest Corp. from Gécamines. Glencore is the operator.

Kansuki Sprl was granted its rights in the Kansuki concession under its incorporation in July 2010. Kansuki is a 185 square kilometre copper and cobalt pre-development project which borders the Mutanda concession.

Kansuki's licence was granted in accordance with the DRC mining code. As such Kansuki has the right to automatically renew its licence for several further 15-year periods (the licence is first due for renewal in 2022). This will allow Kansuki sufficient time to exploit all available reserves, which is consistent with the concession agreement and the joint venture agreement originally concluded with Gécamines (to which Biko Invest. Corp has acceded in lieu of Gécamines).

Exploration of the Kansuki concession by Kansuki Sprl has commenced and is ongoing (currently a total U.S.$4.5 million has been spent). Kansuki's updated resource model as at 31 December 2010 indicated 50.7 million MT of ore grading, 1.29 per cent. copper and 0.31 per cent. cobalt.

There is significant potential along a recognised 12 kilometre anomaly of which less than four kilometres has been drilled. No results from this drilling programme have been included in the above resource numbers. Based on the drilling results to date, it is expected that the existing resource numbers will double once infill drilling along these four kilometres is completed. Regional exploration, such as induced polarisation surveys, has delineated a second anomaly of approximately six kilometres along a known mineralised zone bordering the eastern boundary of Mutanda.

Kansuki is currently completing its initial feasibility study for submission by June 2011 under the terms of its creation agreement. As operator of both the Mutanda and Kansuki concessions and due to their close proximity (adjacent to each other) the development of Kansuki to a currently estimated 100k MT per annum of copper production by Glencore is expected to be accelerated. Significant synergies are available to the operations, including shared management, power, tailings, infrastructure and the joint mining of the shared high grade copper ore body and preliminary discussions have begun with respect to a potential combination of the Mutanda and Kansuki operations.

Glencore has a life of mine off-take agreement for all copper and cobalt product produced by Kansuki. Pursuant to the off-take agreements, all terms are arm's length and pricing for copper prices is LME based.

NYRSTAR:

As at 31 December 2010, Glencore owned 7.8 per cent. of Nyrstar, a leading global multi-metals business producing significant quantities of zinc and lead as well as other products including silver, gold and copper. Nyrstar is listed on NYSE Euronext Brussels. On 25 February 2011, Nyrstar launched a rights offering at a ratio of seven new shares for ten rights. Glencore has participated in the rights offering as a result of which, as at 29 April 2011, the last practicable date prior to publication of the Prospectus, Glencore held 7.8 per cent. of Nystar. As at 29 April 2011 Nyrstar had a market capitalisation of U.S.$2.3 billion.

PERKOA:

The Perkoa project is a zinc mine under construction in Burkina Faso. Glencore's ownership interest in Perkoa will increase to 50.1 per cent. by 2012 through its joint venture with Blackthorn Resources. The project has a JORC reserve of 6.3 million MT at 13.9 per cent. zinc, and expected mine life of nine years and is managed by Glencore. Commercial production is expected to commence in the first half of 2012.

In addition, on 23 March 2011, it was announced that Glencore had acquired a stake of 13 per cent. in Blackthorn Resources (its joint venture partner in Perkoa). Provided Glencore's shareholding remains above 9.99 per cent., Glencore will have the support of Blackthorn Resources to nominate a representative to sit on its board. Any such appointment will be subject to the usual shareholder approvals.

RECYLEX:

Recylex is the third largest lead producer in Europe, expected to produce approximately 135k MT lead metal in 2011. The Company recycles more than 10 million lead batteries per annum to produce secondary lead and plastic. It also recycles approximately 180k MT of waste steel dust from electric arc furnaces and produces waelz oxides containing approximately 45k MT of secondary zinc metal. It has eight production sites and employs more than 650 people in France, Germany and Belgium. As at 29 April 2011, Recylex had a market capitalisation of U.S.$0.2 billion.

Glencore purchases lead metal from Recylex under a short- to medium-term off-take agreement. Glencore also purchases lead metal, lead intermediate products and waelz oxides from Recylex under spot arrangements based on LME prices. Glencore accounted for 17.8 per cent. of Recylex's sales in the year ended 31 December 2010.

VOLCAN:

Glencore currently owns 5.94 per cent. of Volcan, the second largest zinc producer in Peru. An agreement is in place between Glencore and Volcan for the purchase of zinc and lead concentrates under a multi-year contract. As at 29 April 2011, Volcan had a market capitalisation of U.S.$3.8 billion.

POLYMET:

Glencore currently owns an aggregate of 14,433,962 common shares of Polymet, representing 9.3 per cent. of the 154,525,791 common shares outstanding. In addition, Glencore has the right to exchange U.S.$27.6 million in debentures into an additional 6,887,783 common shares of Polymet, to exercise outstanding warrants for an additional three million common shares of Polymet at U.S.$2.00 per share, and to acquire an additional ten million common shares of Polymet pursuant to a private placement announced by Polymet, for a total of 34,321,745 common shares representing approximately 19.7 per cent. of Polymet's partially diluted common shares based on capitalised interest as at 31 December 2010.

Polymet, which plans to mine and process copper, nickel, cobalt, platinum and palladium and gold, is listed on the NYSE and the Toronto Stock Exchange and its operational headquarters are located in Hoyt Lakes, Minnesota. As at 29 April 2011, the last practicable date prior to publication of this Prospectus, Polymet had a market capitalisation of approximately U.S.$0.3 billion.

Alumina/aluminium commodity department (industrial activities, Metals and Minerals business segment)

Overview

The table below summarises information about the key alumina/aluminium producing industrial assets as at 31 December 2010:

Company	Country	Commodity	Annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Columbia Falls	U.S.	Aluminium	168k MT	100%	—	Supply and purchase agreements
Sherwin Alumina	U.S.	Alumina	1.6 million MT	100%	—	Supply and purchase agreements
Non-controlled:						
Century Aluminum	U.S.	Aluminium	896k MT	44.0% (39.1% voting common stock)	Publicly traded on NASDAQ	Supply and purchase agreements
UC Rusal	Russia	Alumina	11.3 million MT	8.75%	Publicly traded on HKSE, Euronext Paris, MICEX and RTS	Purchase agreements
		Aluminium	4.5 million MT	—		Purchase agreements

Financial information

The table below sets out selected financial information on the controlled aluminium/alumina industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010. The information in this table has been extracted without material adjustment from Glencore's accounting books and records, which are unaudited:

	2008	2009	2010
	(U.S.$ million) (Unaudited)		
Alumina/aluminium			
Revenue	263	235	422
Adjusted EBITDA pre-exceptional items[(1)(2)]	34	(117)	(9)
Adjusted EBIT pre-exceptional items[(1)(2)]	22	(125)	(17)
Capex	13	19	31

Notes:

(1) Excludes share of income from associates and dividends.

(2) 2009 negatively impacted by a U.S.$82 million charge related to natural gas hedges entered into by Sherwin Alumina to lock-in natural gas prices.

Production

The table below sets out the production of the controlled alumina/aluminium assets for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

	Year ended 31 December								
	2008			2009			2010		
	Production	Production using feed from own sources	Production using feed from third party sources	Production	Production using feed from own sources	Production using feed from third party sources	Production	Production using feed from own sources	Production using feed from third party sources
					('000 MT)				
Columbia Falls *Aluminum*	74.9	N/A	74.9	16.5	N/A	16.5	—	N/A	—
Sherwin Alumina *Alumina*	1,455	N/A	1,455	1,206	N/A	1,206	1,259	N/A	1,259

COLUMBIA FALLS:

Glencore owns 100 per cent. of Columbia Falls. Columbia Falls is an aluminium smelter in Montana in the U.S., which has a production capacity of 168k MT of primary aluminium per annum. The plant is currently idle.

SHERWIN ALUMINA:

Glencore 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 (capacity of 1.4 million MT per annum) and hydrate chemical grade alumina (capacity of 0.2 million MT per annum). Glencore provides all of the bauxite Sherwin Alumina requires for its refinery and processing operations. Glencore also purchases and markets all of the alumina that Sherwin Alumina produces.

Alumina refining is a very energy intensive process. Given Sherwin Alumina's location on the U.S. Gulf coast, it utilises U.S. natural gas as its energy source. The competitive position of Sherwin Alumina has dramatically improved recently given the relatively low price of U.S. natural gas in comparison to other fuels used in the worldwide alumina refining industry. This development in conjunction with contractual arrangement for other raw materials that are linked to LME prices for aluminium (effectively creating a natural hedge) has allowed Sherwin Alumina to substantially improve its position on the global cost curve. In addition to this, Sherwin Alumina has made significant investments in its port infrastructure in 2010 in order to reduce fixed operating costs going forward.

CENTURY ALUMINUM:

Glencore owns a 44.0 per cent. stake in Century Aluminum, a company listed on the NASDAQ with aluminium smelting and refining operations in the U.S. and Iceland. As at 29 April 2011, the last practicable date prior to the publication of this Prospectus, Century Aluminum had a market capitalisation of U.S.$1.9 billion. Century Aluminum's smelting operations include three wholly owned smelters: Nordural in Iceland; Hawesville in Kentucky, U.S.; and Ravenswood in West Virginia, U.S., which have production capacities of 260k MT, 244k MT and 170k MT per annum, respectively. Century Aluminum also owns a 49.67 per cent. stake in the Mount Holly smelter in South Carolina, U.S., which has a production capacity of 222k MT per annum. Century Aluminum is currently constructing a greenfield aluminium plant, the Helguvik Project, in Iceland which is expected to have a production capacity in the range of 250k MT to 360k MT upon its completion.

Glencore provides alumina to Century Aluminum at prices which are referenced to the price of aluminium on the LME. Century Aluminum sells aluminium to Glencore on both a spot and long-term contract basis, with reference to LME prices. Century Aluminum is also party to separate ten-year and seven-year alumina tolling agreements in Iceland with Glencore for 90k MT and 40k MT, expiring in 2016 and 2014, respectively.

In addition, Glencore has entered into two cash-settled total return swaps over 9.8 per cent. of Century Aluminum's common shares. The swaps provide Glencore with additional economic exposure to changes in Century Aluminum's share price. The swaps have been entered into at prices of U.S.$9.72 and

U.S.$16.66 per common share and terminate in two years from September 2010 and March 2011, respectively. The counterparty to both swaps is a highly rated financial institution.

Glencore currently has two directors on the board of Century Aluminum (being Willy Strothotte and Daniel Goldberg) and has also designated an independent director (being Andrew Michelmore) as its appointee on the Century Aluminum board. In addition, Glencore has designated for nomination by the board of Century Aluminum a further independent director (being Terrence Wilkinson) and two directors (being Steven Kalmin and Steven Blumgart), each of whom will be standing for election at the Century Aluminum 2011 annual general meeting expected to be held in June 2011. Century Aluminum has agreed to publicly support and recommend the election of Mr Wilkinson, Mr Kalmin and Mr Blumgart at such annual general meeting.

UC RUSAL:

Glencore owns 8.75 per cent. of UC Rusal, a vertically-integrated upstream aluminium company listed on the HKSE, Euronext Paris and the Russian stock exchanges MICEX and RTS. As at 29 April 2011, the last practicable date prior to the publication of this Prospectus, UC Rusal had a market capitalisation of U.S.$23.2 billion. UC Rusal operates eight bauxite and nepheline ore mines, 12 alumina refineries (of which nine were in operation in the year ended 31 December 2010), 16 aluminium smelters, three foil mills, one cathode plant and packaging production centres along with power-generating facilities. UC Rusal employs more than 75,000 people, working in 19 countries, spanning five continents. UC Rusal's production capacities are 4.5 million MT of aluminium and 11.3 million MT of alumina per annum.

In addition to its mining and refining operations, UC Rusal also holds a 25 per cent. stake in Norilsk Nickel, the largest global producer of nickel and palladium.

UC Rusal supplies Glencore with alumina and aluminium through long-term supply contracts, pursuant to which, Glencore is UC Rusal's single largest purchaser of alumina and aluminium. Glencore is entitled to appoint one nominee to the UC Rusal board of directors, currently Ivan Glasenberg. In addition, Glencore has representation on the UC Rusal marketing committee, providing Glencore with visibility over global alumina and aluminium production and supply trends and a strong position from which to compete for business within the global markets for these products.

OTHER:

The alumina/aluminium commodity department is in discussions to acquire a stake in an alumina refinery. Should this proceed, it would not be a material acquisition.

Ferroalloys/nickel/cobalt commodity department (industrial activities, Metals and Minerals business segment)

Overview

The table below summarises information about the key ferroalloys/nickel/cobalt producing industrial assets as at 31 December 2010:

Company	Country	Commodity	Annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Murrin Murrin(1)	Australia	Nickel Cobalt	40k MT 3.5k MT	82.4%	17.6% publicly traded	Purchase agreements
Non-controlled:						
Xstrata	UK/Switzerland	Nickel Ferroalloys	121KT 1,979 KT	34.5%	65.5% publicly traded on London Stock Exchange and SIX	Purchase agreements, agency agreements, marketing agreements, distribution agreements

Note:

(1) Glencore holds its interest in Murrin Murrin via a direct 40 per cent. interest in Murrin Murrin and an indirect 70.6 per cent. interest in Minara, which holds the remaining 60 per cent. interest in Murrin Murrin. On 24 February 2011, Minara issued additional shares to employees, reducing Glencore's shareholding in Minara to 70.5 per cent. Effective ownership in Murrin Murrin consequently reduced to 82.3 per cent.

Financial information

The table below sets out selected financial information on the controlled ferroalloys/nickel/cobalt industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010. The information in this table has been extracted without material adjustment from Glencore's accounting books and records, which are unaudited:

	2008	2009	2010
	(U.S.$ million) *(Unaudited)*		
Ferroalloys/Nickel/Cobalt			
Revenue	649	609	713
Adjusted EBITDA pre-exceptional items(1)	113	119	189
Adjusted EBIT pre-exceptional items(1)	13	21	79
Capex	138	10	67

Note:

(1) Excludes share of income from associates and dividends.

Production

The table below sets out production of the controlled ferroalloys/nickel/cobalt assets for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

	Year ended 31 December								
	2008			2009			2010		
Murrin Murrin	Production	Production using feed from own sources	Production using feed from third party sources	Production	Production using feed from own sources	Production using feed from third party sources	Production	Production using feed from own sources	Production using feed from third party sources
	(MT)	*(MT)*	*(MT)*	*(MT)*	*(MT)*	*(MT)*	*(MT)*	*(MT)*	*(MT)*
Nickel	30,514	27,674	2,840	32,977	31,761	1,216	28,378	27,679	698
Cobalt	2,018	1,906	111	2,350	2,262	88	1,976	1,881	94

Reserves and resources

The table below sets out the total mine reserves and resources summary for the ferroalloys/nickel/cobalt commodity department:

		Reserves			Resources			
Minara(1)(2)	Commodity	Proved	Probable	Total	Measured	Indicated	Inferred	Total
Murrin Murrin(1)(2)	Ore ('000 MT)	131,183	64,948	196,131	152,068	105,966	10,283	268,318
	Nickel (%)	1.05	1.04	1.05	1.03	0.99	0.9	1.01
	Cobalt (%)	0.078	0.079	0.078	0.074	0.076	0.058	0.074
	Nickel Cut off grade				0.8%	0.8%	0.8%	

Notes:

(1) As at 31 December 2010.

(2) Remaining mine life: at the current nameplate capacity of 40k MT per annum, the project's operation life is in excess of 50 years. Expiry date of relevant tenement: different tenure for each tenement, ranging from 13 February 2012 to 5 October 2031.

Competent Persons: the information relating to mineral resources is based on information compiled by Mr Stephen King and Mr David Selfe and has been prepared in accordance with the JORC Code. The information relating to ore reserves is based on information compiled by Mr Brett Fowler and has been prepared in accordance with the JORC Code. The information relating to metallurgical results is based on information compiled by Mr John O'Callaghan and has been prepared in accordance with the JORC Code. Mr Selfe, Mr King, Mr Fowler and Mr O'Callaghan all have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking.

MURRIN MURRIN:

Glencore owns 70.6 per cent. of Minara, a nickel producer listed on the Australian Securities Exchange. Minara holds a 60 per cent. interest in the Murrin Murrin joint venture, which owns the Murrin Murrin nickel/cobalt project and which it also operates. As at 29 April 2011, the last practicable date prior to publication of this Prospectus, Minara had a market capitalisation of U.S.$1.0 billion. Glencore also owns 100 per cent. of Glenmurrin Pty Ltd., which holds the remaining 40 per cent. interest in the Murrin Murrin joint venture. Glencore, therefore, effectively owns 82.4 per cent. of Murrin Murrin through its interests in Minara and Glenmurrin Pty Ltd. Murrin Murrin is one of Australia's largest nickel producers and is one of the top ten producers of nickel in the world. The Murrin Murrin plant is projected to produce 33k MT to 37k MT of nickel and a quantity of cobalt proportionate to historic production in 2011. Its integrated operations include open pit mining and ore processing at the plant.

Glencore has off-take agreements with Minara and Glenmurrin Pty Ltd. for 100 per cent. of metal production which mature on 1 December 2011 and 30 June 2018, respectively. The off-take agreements supply Glencore with nickel produced by Murrin Murrin based on LME prices and cobalt produced by Murrin Murrin based on market sales prices. Glencore has taken steps to renew its off-take arrangements with Minara ahead of the expiry of the off-take agreement on 1 December 2011 and has agreed to renew its off-take agreement with effect from 1 December 2011 subject to approval from the independent shareholders of Minara at the Minara annual general meeting to be held on 13 May 2011.

XSTRATA:

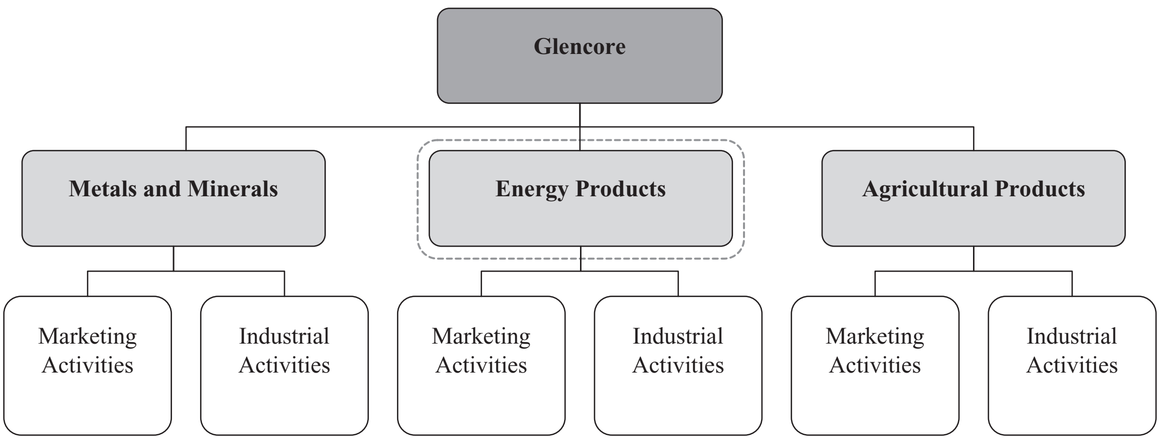
The ferroalloys/nickel/cobalt commodity department benefits from Glencore's relationship with Xstrata. Please refer to Section I: "Information on Glencore—Relationship and commercial arrangements with Xstrata" for further information on Xstrata.

OTHER:

The ferroalloy/nickel/cobalt commodity department is in discussions, along with a joint venture partner, to acquire certain manganese mining operations and production facilities, along with a long term marketing agreement and ore offtake contract. Should this proceed, it would not be a material acquisition.

Energy Products

Introduction (Energy Products business segment)



Glencore's Energy Products business segment markets crude oil and oil products (such as fuel oil, heating oil, gasoline, naphtha, jet fuel, diesel and liquefied petroleum gas), coal and coke. These commodities are marketed primarily through Glencore's offices in London, Baar, Stamford and Singapore, with key support from a number of other locations.

Selected key financial information in relation to the Energy Products business segment's marketing and industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 is set out below. This information has been extracted without material adjustment from Section VI: "Historical

Financial Information" except where marked as unaudited. Unaudited information has been extracted without material adjustment from Glencore's accounting records.

	2008	2009	2010
		(U.S.$ million)	
Marketing Activities			
Revenue (unaudited)[(1)]	95,254	60,790	87,850
Adjusted EBITDA pre-exceptional items[(2)]	1,609	945	470
Adjusted EBIT pre-exceptional items[(2)]	1,609	945	450
Industrial Activities			
Revenue (unaudited)[(1)]	2,903	1,601	1,499
Adjusted EBITDA pre-exceptional items[(2)(3)(4)]	659	371	313
Adjusted EBIT pre-exceptional items[(2)(3)(4)]	549	322	189
Share of income from associates and dividends (excl. Xstrata)[(4)]	(27)	91	46
Capex	698	393	818
Total Energy			
Revenue	98,157	62,391	89,349
Adjusted EBITDA pre-exceptional items[(2)(5)]	2,241	1,407	829
Adjusted EBIT pre-exceptional items[(2)(5)]	2,131	1,358	685

Notes:

(1) Revenue is not split between Marketing and Industrial activities in the audited Historical Financial Information set out in Section VI of this document and is therefore marked as unaudited. Total segment and total Group revenue is audited.

(2) Includes corporate selling, general and administrative expenses, but excluding variable pool bonus accrual, which is recorded at group/corporate level.

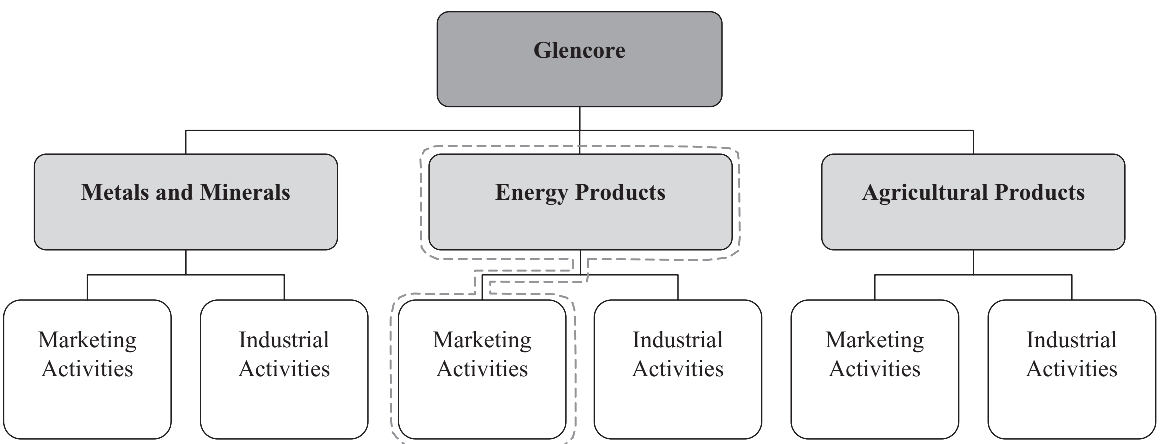
(3) Excludes share of income from associates and dividends.

(4) Adjusted EBITDA pre-exceptional items plus Share of income from associates and dividends and Adjusted EBIT pre-exceptional items plus Share of income from associates and dividends are audited.

(5) Includes share of income from associates and dividends.

The Energy Products business segment currently has some 800 direct employees globally (excluding individuals employed within Glencore's industrial activities), with approximately 340 based in London, 86 in Stamford, 107 in Singapore and 39 in Baar, with the remaining approximately 230 spread across 23 global office locations. This business segment also employs some 4,600 individuals globally in its industrial activities.

Marketing activities (Energy Products business segment)



The Energy Products business segment focuses on the following commodity departments: oil and coal/coke. The activities of Glencore's Energy Products business segment are supported by 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. Glencore's energy products are marketed primarily through Glencore's offices in London, Baar, Stamford and Singapore, with key support from a number of other locations, including Beijing and Moscow, in order to take advantage of geographical opportunities. The global teams operate in an integrated manner.

The table below sets out the marketing volumes sold to third parties of each main commodity category handled by the Energy Products business segment for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

Marketing volumes sold to third parties	2008	2009	2010
		(million MT)	
Crude oil	39.7	39.7	51.9
Oil products	68.7	69.3	66.9
Thermal coal	90.1	98.0	92.2
Metallurgical coal	5.6	7.7	8.0
Coke	1.5	0.3	0.7

Examples of marketing strategies for the Energy Products business segment include:

- Glencore uses its ability to store significant quantities of oil and oil products either on vessels or in on-land storage facilities to exploit time-dependent arbitrage opportunities created by higher forward prices (so-called carry trades in a contango-shaped market).
- Glencore uses its infrastructure and global information network to exploit arbitrage opportunities created by geographic price dislocations.
- Glencore leverages its blending capabilities in order to meet customers' product specifications in ways that maximise income, for example by blending cheaper products to create more valuable products or products that are demanded by more specific customers.
- Glencore uses its storage assets to ensure that it has physical oil available for delivery against its marketing obligations, limiting the economic downside risk that Glencore takes on sales of physical oil.
- Glencore uses its established relationships with significant players and the handling of significant volumes in geographically diverse regions to provide it with insight into local and global supply and demand dynamics, enabling Glencore rapidly to identify market trends or specific arbitrage opportunities.
- Glencore manages the source of supply of coal and coke from all key origins in order to maximise geographic arbitrage opportunities. Prodeco's supply of high-quality coal provides Glencore with the opportunity to export directly to specific markets in Europe and North America. Access to freight at competitive rates represents a key component in being able to seize geographic arbitrage opportunities.

Oil commodity department (marketing activities, Energy Products business segment)

Overview

The oil commodity department comprises marketing operations in crude oil, refined products, natural gas 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, natural gas and liquid petroleum gas.

Market

Glencore believes it is among the world's largest non-integrated physical suppliers of crude oil and oil products, supplying a physical volume of approximately 2.5 million bbls per day in 2010. This is a volume equivalent to some 3 per cent. of the world's oil consumption.

Suppliers

Glencore sources crude oil and oil products from a variety of supplier types. Its diverse supplier base includes the major integrated oil companies, NOCs, independent oil companies, other marketing companies and refineries. No off-take arrangement (other than that with its affiliate OAO RussNeft which accounted for some 4 per cent. of purchases in the year ended 31 December 2010) accounts for a significant proportion of total purchases. The top ten suppliers accounted for approximately 30 per cent. of the total purchases in the year ended 31 December 2010. Eight of the top ten suppliers in the year ended 31 December 2010 were also in the top ten suppliers in the year ended 31 December 2009.

Customers

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. Five of the top ten suppliers in the year ended 31 December 2010 are also amongst the top ten customers. The top ten customers accounted for approximately 24 per cent. of sales in the year ended 31 December 2010. Seven of the top ten customers in the year ended 31 December 2010 were also in the top ten customers in the year ended 31 December 2009. Glencore'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 Petróleos 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. Glencore is also active in supplying natural gas to industrial consumers, with the gas delivered via pipeline in the U.S., the United Kingdom and other parts of Europe.

Features of the market

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.

Logistics

Glencore's crude oil and oil products operations source their freight requirements through arrangements with Glencore's internal oil freight desk. Such voyages make up approximately 35 per cent. of voyages by revenue procured by the freight desk, with the balance undertaken for third parties. Glencore has a large and diversified fleet of 203 vessels as at 31 December 2010 operated under various short and long-term time charters and commercial management arrangements; of which 176 vessels are held under time charter, both from third party owners and from Glencore's own joint-venture and 100 per cent. equity interests, and another 27 vessels are commercially managed for third party owners (not leased or owned). The average remaining fixed charge hire period for the majority of 176 vessels under time charter was approximately two years at such date. In total, Glencore has equity interests in 41 vessels, which are delivered or currently under construction, with expected progressive delivery until March 2012. The majority of these vessels service Glencore's Energy Products business segment. Where Glencore part owns vessels through joint venture arrangements, its joint venture partners are typically responsible for the technical management of these vessels, while Glencore is typically responsible for the commercial management of these vessels under charter arrangements. Many vessels are flexible and can also handle vegetable and palm oils.

Glencore's logistical operations also include Chemoil, a leading supplier of marine fuels listed on the Singapore Stock Exchange. Glencore completed its acquisition of a 51.54 per cent. stake in March 2010. 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 amounting to a total of 1.5 million cubic metres.

Finally, Glencore's logistical operations are supported by its access to some 9.0 million cubic metres of storage capacity that it holds through a network of storage tanks and terminals that it owns interests in (including Chemoil) or leases from third parties. The portion of storage capacity in which Glencore has equity interests amounts to some 3.9 million cubic metres, comprised of a number of facilities in strategic locations around the world.

Competitors

Glencore's main competitors are Vitol Group, Trafigura Group, Mercuria Energy and Gunvor, all of which are largely asset-light (little, if any, upstream production) business models. Glencore also faces marketing competition from banks such as Morgan Stanley and Goldman Sachs, which have some infrastructure and no current oil production, although the large majority of their business activities involve derivatives and not the physical sourcing and distribution of oil. Volumes captured by oil majors such as BP and Shell are also in direct competition with Glencore's marketing volumes, although their participation in the market increases overall volume and liquidity.

Coal/coke commodity department (marketing activities, Energy Products business segment)

Overview

The coal/coke commodity department is involved in the production and marketing of coal products. The marketing activities are supported by the industrial asset stakes, which provide both access to supply and market information.

Market

Glencore believes that it is the largest marketer of seaborne coal globally, supplying 100.9 million MT or approximately 11 per cent. of the seaborne coal market in the year ended 31 December 2010. Of the 100.9 million MT marketed, Glencore supplied 8.0 million MT of seaborne metallurgical coal or approximately 3 per cent. of the market and 92.2 million MT of thermal coal or approximately 13 per cent. of the market in the year ended 31 December 2010. Glencore also provided advisory and agency services in respect of a further 125.9 million MT of coal in the year ended 31 December 2010. The coal/coke commodity department's market share of principal, advisory and agency seaborne thermal coal for 2010 was approximately 28 per cent. while for seaborne metallurgical coal it was approximately 12 per cent. The department's share of principal, advisory and agency seaborne coal marketed was approximately 24 per cent. in the same year. In the coke market, Glencore believes that it has a significant position in China with approximately 17 per cent. share of Chinese coke exports.

Suppliers

In the year ended 31 December 2010, the coal/coke commodity department sourced approximately 25 per cent. of sales from its stakes in industrial assets. Glencore has maintained a relatively consistent and broad mix of key suppliers. The top ten suppliers accounted for approximately 52 per cent. of total purchases by volume in the year ended 31 December 2010. Eight of the top ten suppliers in the year ended 31 December 2010 were also in the top ten suppliers in the year ended 31 December 2009, reflecting long-term relationships.

Approximately 40 per cent. of the volumes purchased from the top ten suppliers in the year ended 31 December 2010 were under long-term contracts. Six of the top ten suppliers in the year ended 31 December 2010 were under long-term contracts.

Glencore also currently owns 34.5 per cent. of Xstrata, which has substantial coal mining operations in Australia, South Africa, Canada and Colombia, in respect of whose coal exports, Glencore provides advisory services. The main sources of Glencore's principal steam coal purchases are the coal mining companies in South Africa, Russia, Australia, Colombia, the U.S., Canada and Indonesia, accounting for most of the strategically important producing regions. Glencore's diversified supply base allows it to better manage the changing nature of coal demand and supply dynamics.

Customers

Glencore supplies thermal 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. Glencore also sells coal to major cement producers, steel mills, chemical plants and other industrial users throughout the world. The top ten customers represented approximately 40 per cent. of sales in the year ended 31 December 2010. Six of the top ten customers in the year ended 31 December 2010 were also in the top ten customers in the year ended 31 December 2009. Glencore markets coal either on a principal basis, where it takes ownership of the coal, or on an agency/advisory basis, pursuant to a marketing agreement. The three primary marketing agreements are with Xstrata, which is a market advisory agreement until 2022, PT Kaltim Prima, the largest coal producer in Indonesia, which is a marketing agreement until 2021 and PT Arutmin Indonesia, which is a marketing agreement from November 2011 to September 2019. Approximately 20 per cent. of the volumes sold to the top ten customers in the year ended 31 December 2010 are under long-term sales agreements.

Features of the market

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

Logistics

Glencore's 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 coal freight business operates four cape and two panamax size vessels on long-term time charter (between five and 15 years' duration) and owns two supramax vessels through joint ventures. In addition, the coal/coke department has access to 28 sets of paired tugs/barges on long-term time charter servicing Glencore's Indonesian coal transhipment operations.

The timing of procuring freight for coal operations is dictated primarily by physical 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 coal team to fully arbitrage relative value opportunities between the various origins and destinations of the underlying commodity. Maximum flexibility and optionality is 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.

Glencore's coal freight business has experienced significant growth from 1994 (3.3 million MT carried with 70 vessels) to 2010 (35.4 million MT carried with 485 vessels).

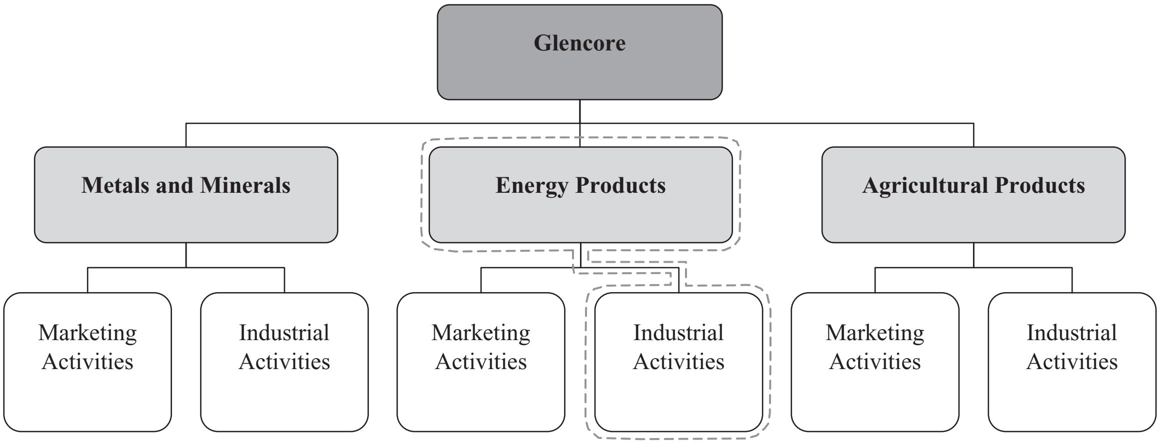
The coal/coke group logistical operations are further supported by access to the following storage/blending capacity that enable Glencore to meet specific customer requirements and optimise earnings:

- Calenturitas handling facility with capacity to crush 15 to 17 million MT per annum and a train loading and blending capacity of 22 to 23 million MT per annum.
- Richards Bay Coal Terminal and Maputo Port: Through its investment in Xstrata and Shanduka, Glencore has direct access to Richards Bay Coal Terminal in South Africa. Glencore also directly exports through the Maputo Port in Mozambique. Both of these terminals are natural blending facilities. Richards Bay Coal Terminal with approximately 9 million MT of stockpile capacity and Maputo with approximately 500k MT provide flexibility to stockpile material separately or alternatively on a single stockpile with increased capacity.
- Glencore also has access to facilities in ARA (Antwerp, Rotterdam and Amsterdam) and Russian ports.

Competitors

Glencore has no major competitors which share its integrated business model and operate worldwide and on its scale. Instead, its 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 plc, 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.

Industrial activities (Energy Products business segment)



Oil commodity department (industrial activities, Energy Products business segment)

Overview

The table below summarises information about the key oil producing industrial assets as at 31 December 2010:

Company	Country	Commodity	Annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Block I[1]	Equatorial Guinea	Oil and gas	—[2]	23.75%[3]	38% Noble Energy Inc. 27.55% Atlas Petroleum 5% GEPetrol 5.66% Osborne Resources Limited	Purchase agreements[4]
Block O[1]	Equatorial Guinea	Oil and gas	—[5]	25%[3]	45% Noble Energy Inc. 30% GEPetrol	Purchase agreements[4]
Non-controlled:						
Various oil producing subsidiaries of RussNeft	Russia	Oil	250,000 bbls/day	40-49%	51-60% RussNeft	Purchase agreements

Notes:

(1) Blocks I and O are both parts of The West African Oil Assets' portfolio. These investments are structured as unincorporated joint ventures, in which each partner receives and markets its share of production.

(2) First production is scheduled for January 2012 at an estimated rate of 50,000 barrels per day.

(3) Glencore is entitled to a greater share of oil production than its percentage ownership of the joint venture as it recovers the carried interest/loans in relation to some of its partners.

(4) To be entered into not less than three months prior to first production.

(5) First production scheduled for the first quarter of 2014 at an estimated rate of 37,500 barrels per day.

Financial information

The table below sets out selected financial information on the controlled industrial activities of the oil industrial assets for the years ended 31 December 2008, 31 December 2009 and 31 December 2010. The information in this table has been extracted without material adjustment from Glencore's accounting books and records, which are unaudited:

	2008	2009	2010
	(U.S.$ million)		
	(Unaudited)		
Oil/oil products			
Revenue	1,672	534	253
Adjusted EBITDA pre-exceptional items[(1)(2)]	32	57	(12)
Adjusted EBIT pre-exceptional items[(1)(2)]	28	49	(24)
Capex	350	144	514

Notes:

(1) Excludes share of income from associates and dividends.

(2) 2009 and 2010 includes U.S.$18 million and U.S.$40 million, respectively, of oil related exploration expenditures which were not able to be capitalised.

THE WEST AFRICAN OIL ASSETS:

Glencore has equity stakes in two oil and gas production sharing contracts 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. Two of the discoveries in the Blocks (Aseng and Alen) are under development and are adjacent fields that will benefit from shared infrastructure. In addition to the two development projects, there have been five other discoveries in the Blocks (Carmen, Diega (A-sand), Diega (B-sand), Felicita and Yolanda) and several similar prospects that remain to be drilled. To date, of the 11 exploration or appraisal wells drilled, ten have been successful. First oil is expected from the Block I Aseng field in the first quarter of 2012. Production in the Block O Alen field is expected to commence in the first quarter of 2014.

Blocks I and O form a key part of the Glencore exploration and production portfolio which also includes equity stakes in a further two blocks in Equatorial Guinea, two blocks in Cameroon, two blocks in Mali and one block in the Democratic Republic of Congo. The latest estimated reserves and resources for the Block O and I licences are as follows:

	Reserves (MMstb)(1)								
	Gross field			Glencore working interest(2)			Glencore net entitlement(3)		
	1P	2P	3P	1P	2P	3P	1P	2P	3P
Aseng field(4)	97	113	131	23	27	31	27	30	32
Alen field	45	82	128	11	20	32	10	17	26

Notes:

(1) As at 31 December 2010. The reserves and resources information set out above were reviewed and approved by Gordon R Taylor of RPS, has been prepared in accordance with PRMS and has been extracted without material adjustment from the RPS Report in Section XIV: "Independent Technical Reports".

(2) Glencore working interest in Block O is 25 per cent. and Glencore working interest in Block I is 23.75 per cent.

(3) Glencore's net entitlement is its share of cost oil and profit oil calculated using the product sharing agreement terms.

(4) Includes oil and condensate.

	Block I and Block O contingent resources (on-block)(1)					
	Gross field			Glencore working interest(2)		
	1C	2C	3C	1C	2C	3C
Liquids (MMstb)(3)						
Yolanda(4)	3.3	5.2	7.5	0.8	1.2	1.8
Felicita(4)	1.8	3.2	5.5	0.4	0.8	1.4
Diega (A-Sand)(4)	3.3	6	10	0.8	1.4	2.4
Diega (B-Sand)(4)(5)	24	52	99	5.7	12	24
Carmen (B-Sand)(4)	5.1	10	20	1.3	42	4.9
Gas (bscf)						
Aseng	419	519	640	100	123	152
Alen	471	850	1,326	118	213	332
Yolanda	393	506	640	93	120	152
Felicita	49	71	104	12	18	26
Diega (A-Sand)	122	176	249	29	42	59
Diega (B-Sand)(5)	46	94	193	11	22	46
Carmen (B-Sand)	24	39	64	6	10	16

Notes:

(1) As at 31 December 2010. The reserves and resources information set out above were reviewed and approved by Gordon R Taylor of RPS, has been prepared in accordance with PRMS and has been extracted without material adjustment from the RPS Report in Section XIV: "Independent Technical Reports".

(2) Glencore working interest in Block O is 25 per cent. and Glencore working interest in Block I is 23.75 per cent.

(3) Includes oil and condensate.

(4) Yolanda and Diega (A-Sand) are 100 per cent. in Block I: Felicita and Carmen (B-Sand) 100 per cent. in Block O: Diega (B-Sand) is 90 per cent. in Block I and 10 per cent. in Block O.

(5) Glencore working interest assumes a 90/10 split between Block I and Block O.

	Block I and Block O prospective resources (on-block)(Unrisked)[1]									
	In-place			Recoverable						
	Gross			Gross			Glencore working interest[2]			
	P90	P50	P10	P90	P50	P10	P90	P50	P10	GpoS (%)
STOIIP (MMstb)										
Arabella[3][4]	0	0	0	0	0	0	0	0	0	0
Adriana NE[3]	0	0	0	0	0	0	0	0	0	0
Sarah A[3]	53	78	111	16	31	56	3.8	7.4	13.3	29
Isidora[3]	33	58	99	10	23	50	2.4	5.5	11.9	33
Regina A[3]	24	49	97	7	20	49	1.7	4.8	11.6	42
Sofia[3]	26	58	126	8	23	63	1.9	5.5	15	47
Carla[3][4]	210	400	749	63	160	375	15.4	39	91	23
CIIP (MMstb)										
Arabella	13	23	39	3.9	9.2	20	1	2.3	5	44
Adriana NE	5.2	14	36	1.6	5.6	18	0.4	1.4	4.5	47
Sarah A	6.7	10	15	2.0	4.0	7.5	0.5	1.0	1.8	29
Isidora	4.6	8.1	14	1.4	3.2	7.0	0.3	0.8	1.7	33
Regina A	3.3	6.8	14	1.0	2.7	7.0	0.2	0.6	1.7	42
Sofia	3.6	8.2	18	1.1	3.3	9.0	0.3	0.8	2.1	47
Carla	29	56	107	8.7	22	54	2.1	5.4	13.2	23
Gas (bscf)[5]										
Arabella	189	325	553	142	260	470	35	65	117	44
Adriana NE	76	198	514	57	158	437	14	40	109	47
Sarah A	118	173	245	89	138	208	21	33	49	29
Isidora	58	102	175	44	82	149	10	19	35	33
Regina A	42	86	172	32	69	146	8	16	35	42
Sofia	46	103	224	35	82	190	8	19	45	47
Carla	369	707	1,327	277	566	1,128	68	138	275	23

Notes:

(1) As at 31 December 2010. The reserves and resources information set out above were reviewed and approved by Gordon R Taylor of RPS, has been prepared in accordance with PRMS and has been extracted without material adjustment from the RPS Report in Section XIV: "Independent Technical Reports".

(2) Glencore working interest in Block O is 25 per cent. and in Block I is 23.75 per cent.

(3) Sarah A, Isidora, Regina A and Sofia are 100 per cent. in Block I: Adriana NE 100 per cent. in Block O: Arabella 90/10 Block O/Block I, Carla 50/50 Block O/Block I.

(4) Glencore interest for Arabella and Carla are weighted averages of block working interests.

(5) Gas volumes include inerts.

RPS Energy Limited has carried out an independent verification of Glencore's economic valuation of the West African Oil Assets. Further details of this economic valuation are set out in the RPS Report in Section XIV: "Independent Technical Reports".

Block I:

The Block I licence area holds the Aseng oil field and the Yolanda gas condensate field, in addition to part of the Alen gas condensate field (shared 95 per cent./5 per cent. between Block O and Block I, respectively) and the Diega oil and gas discovery (shared approximately 10 per cent./90 per cent. between Block O and Block I, respectively). Numerous prospects have also been identified from 3D seismic data, which are analogous to the existing discoveries and fields and have a combined P10 estimated prospective resource of 464 million bbls of liquids and 1,281 bscf of wet gas.

Block I is operated by Noble Energy EG Ltd. ("Noble Energy"), which is part of the Noble Houston group of companies. Noble Houston is an U.S.-based independent energy company listed on the New York Stock Exchange.

The Aseng field was originally discovered in 2007 and appraised in 2008. Latest independent estimates of recoverable reserves on a 3P basis are 131 million bbls of oil and condensate liquids with a further 640 bcf of natural gas as contingent resources on a 3C basis. The Plan of Development ("POD") was approved in

June 2009 and development drilling on the field completed in September 2010. All completion operations are expected to be finished by early April 2011. The final development will comprise a sub-sea tie-back of the production wells via a fixed Floating Production, Storage and Off-take vessel ("FPSO") with gas and water re-injection for enhanced recovery from the reservoir.

First oil is expected from Block I in the first quarter of 2012, with daily production of 50,000 bbls per day from five production wells for the first two years, with production slowly declining thereafter. The FPSO is scheduled for arrival in September 2011. The total development costs of Aseng are estimated at U.S.$1.33 billion, with U.S.$819 million (gross) incurred to 31 December 2010 and the balance to be spent during 2011. Pursuant to the Farmout Agreement, Glencore's share (54 per cent.) of the remaining development capex is expected to be U.S.$276 million. Under the Block I production sharing agreement, each party has the right to lift their own share of the oil. The terms and process for the off-take of the oil produced will be governed by a lifting agreement which will be finalised between the equity partners not less than three months prior to first production.

Glencore has a 23.75 per cent. equity stake in Block I, which was acquired through a farm-out agreement (the "Farmout Agreement") with Atlas Petroleum International Limited ("Atlas"). The remaining equity interests are held by Noble Energy (38 per cent.), Atlas (27.6 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.). Under the terms of the Farmout Agreement, Glencore agreed to fund Atlas's share of costs to first oil in return for a 25 per cent. equity interest in Block I (of which a 1.25 per cent. revenue interest was subsequently assigned to GEPetrol) and the rights to market and recover such costs from Atlas's share of oil.

Glencore's exploration spending of U.S.$170 million has been incurred on Block I to 31 December 2010.

The full amount of the loan to Atlas Petroleum and accrued interest thereon will be repaid from Atlas Petroleum's 27.6 per cent. share of oil following commencement of production. As at 31 December 2010, the outstanding loan balance to Atlas Petroleum, including accrued interest, was U.S.$476 million.

Block O:

The Block O licence area holds 95 per cent. of the Alen gas condensate field, as well as an estimated 10 per cent. of the Diega oil and gas discovery, and 100 per cent. of the Felicita gas condensate and Carmen gas and oil discoveries. As with Block I, there are numerous prospects identified from 3D seismic data, which are analogous to the existing discoveries and fields and have a combined P10 prospective resource of 252 million bbls of liquids and 1,448 bscf of wet gas.

The Alen field was discovered in 2005 and appraised in 2007 with independently estimated reserves on a 3P basis of 128 million bbls of condensate and further contingent resources of 1,326 bcf of natural gas on a 3C basis.

The POD for the Alen field was approved by the Equatorial Guinea Ministry of Mines Industry and Energy on 11 January 2011. The field will have two bridge-linked platforms, which will be connected via sub-sea umbilicals to three production wells. Gas will initially be delivered to the platform where it will be stripped of condensate and re-injected back into the field via three sub-sea injection wells. The condensate liquids will be sent via a separate sub-sea pipeline to the Aseng FPSO for storage and off-take. First production is scheduled for the first quarter of 2014 with daily production anticipated to be 37,500 bbls per day for three years, with production declining slowly thereafter. Total development costs for Block O are estimated at U.S.$1.37 billion, to be incurred between 2010 and 2013, with U.S.$26 million incurred to 31 December 2010.

Glencore 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.). In addition to its 25 per cent. equity stake, Glencore is carrying 3.6 per cent. of the share of costs of GEPetrol throughout the life of the project by way of an advance to GEPetrol. The costs of exploring and developing the asset are shared between Glencore (28.6 per cent.), Noble Energy (51.4 per cent.) and GEPetrol (20 per cent.).

Glencore's exploration spend on Block O to 31 December 2010 on a gross basis has been U.S.$71 million. Further exploratory drilling will continue in 2011 and 2012 to evaluate additional prospects and prove the reserves at the Carmen, Diega and Felicita fields.

As the Alen field straddles Block O and Block I, the equity interest holders in Block I will be compensated for gas condensate extracted from reserves within the Block I boundary under the terms of a unitisation agreement which has been agreed between the partners. An FPSO cost-sharing agreement has also been finalised between the partners to cover the cost-sharing benefits resulting from the Alen field development utilising the Aseng FPSO and associated facilities for condensate storage and off-take.

As with Block I, the Block O production sharing agreement provides that each party has the right to lift their own share of the condensate. This process will be captured in a lifting agreement to be signed by the equity partners.

Block O is also operated by Noble Energy.

OAO RUSSNEFT:

Glencore 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 licences stretching from the Volga river in the west to the Siberian plains in the east. Glencore has acquired between 40 and 49 per cent. of the equity in a number of oil production subsidiaries of OAO RussNeft. OAO RussNeft is currently owned as to 49 per cent. by a number of associated companies of Mikhail Gutseriev, 49 per cent. by Sistema JSFC 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 250,000 bbls per day (equivalent to 12.9 million MT per annum).

OAO RussNeft Production	**No of fields**	**2008**	**2009**	**2010**
			('000 MT)	
West Siberian Group	23	7,837	6,970	6,872
Urals Group	44	3,931	3,765	3,956
Volga Group	67	2,080	1,763	1,773
Central Siberian Group	8	397	189	288
Total	**142**	**14,246**	**12,687**	**12,889**

As at 1 January 2010, the latest independently assessed 2P reserves of OAO RussNeft production subsidiaries amounted to 2,030 million bbls. Assets in the subsidiaries include producing properties with an oil refining capacity of 4.8 million MT per annum.

At the end of 2010, OAO RussNeft's entire debt position (comprising U.S.$6.1 billion of debt owed to Glencore and Sberbank of Russia) was restructured, extending the loan periods out to 2020 and lowering the interest rates for both lenders, which will assist OAO RussNeft to free up additional cash flows for investment projects aimed at increasing its production. Glencore's loan portfolio was restated into one secured loan facility of U.S.$2,080 million, bearing an interest of nine per cent. per annum, with three per cent. paid quarterly and the remaining six per cent. payable along with the principal. Repayment is expected in monthly instalments over a three year period commencing in the fourth quarter of 2017, but in any event not before repayment of the debt owing to Sberbank of Russia. The facility is secured by various pledges of shares of members of the OAO RussNeft group. See paragraph 18.13 of Section X: "Additional Information" for further details in this respect.

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

Coal/coke commodity department (industrial activities, Energy Products business segment)

Overview

The table below summarises information about the key coal producing industrial assets as at 31 December 2010:

Company	Country	Commodity	Annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Prodeco	Colombia	Coal	14.5 million MT[1]	100%	—	Marketing agreement
Shanduka Coal . .	South Africa	Coal	9 million run of mine MT	70%	30% Shanduka Resources (Pty) Limited[2]	Purchase agreements, marketing agreements
Non-controlled:						
Xstrata	UK/Switzerland	Coal	136,900 KT	34.5%	65.5% publicly traded on London Stock Exchange and SIX	Purchase agreements, agency agreements, marketing agreements, distribution agreements
Umcebo[3]	South Africa	Coal	7.2 million run of mine MT	43.66%[4]	56.34% privately held	Marketing agreement

Notes:

(1) Planned expansion to 20.7 million MT by 2015.

(2) Shanduka Resources recently announced its plans to acquire 51.9 per cent. of coal mining and services group Sentula Mining Limited in exchange for its 30 per cent. stakes in each of Kangra Coal and Shanduka Coal. The transaction is subject to various conditions precedent and is expected to be concluded towards the end of July 2011.

(3) Completion of the acquisition of this investment will not occur earlier than July 2011.

(4) Pending completion and subject to working capital and other adjustments which could potentially increase Glencore's ownership interest.

Financial information

The table below sets out selected financial information on the key controlled coal industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010. The information in this table has been extracted without material adjustment from Glencore's accounting books and records, which are unaudited:

	2008	2009	2010
	(U.S.$ million) *(Unaudited)*		
Prodeco			
Revenue	804	790	954
Adjusted EBITDA pre-exceptional items	426	218	278
Adjusted EBIT pre-exceptional items	349	206	199
Statutory tax rate	33%	33%	33%
Capex	309	242	277
Other			
Revenue	427	277	292
Adjusted EBITDA pre-exceptional items[1]	201	96	47
Adjusted EBIT pre-exceptional items[1]	172	67	14
Capex	39	7	27
Total			
Revenue	1,231	1,067	1,246
Adjusted EBITDA pre-exceptional items[1]	627	314	325
Adjusted EBIT pre-exceptional items[1]	521	273	213

Note:

(1) Excludes share of income from associates and dividends.

Production

The tables below set out the production of the controlled coal industrial assets for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

	Year ended 31 December								
	2008			2009			2010		
Production	**Production and buy-in coal**	**Production**	**Buy-in coal**	**Production and buy-in coal**	**Production**	**Buy-in coal**	**Production and buy-in coal**	**Production**	**Buy-in coal**
					('000 MT)				
Prodeco	10,500	9,100	1,400	11,500	10,500	1,000	10,200	10,000	200
Shanduka Coal	12,260	11,719	541	12,114	11,761	353	9,474	9,052	422
Total production	22,760	20,819	1,941	23,614	22,261	1,353	19,674	19,052	622

Reserves and resources

The table below sets out the total attributable mine reserves and resources summary for the coal industrial assets as extracted from the Prodeco Report set out in Section XIV: "Independent Technical Reports":

		Coal reserves			Coal resources			
Prodeco(1)	**Commodity**	**Proved**	**Probable**	**Total**	**Measured**	**Indicated**	**Inferred**	**Total**
					('000 MT)			
Calenturitas(2)	Coal	113,000	96,000	209,000	170,000	160.000	70,000	400,000
La Jagua(3)	Coal	106,000	22,000	128,000	117,000	23,000	—	140,000
Total	Coal	219,000	118,000	337,000	287,000	183,000	70,000	540,000

Notes:

(1) As at 31 December 2010. The information in the table above in relation to mineral reserves and resources is in compliance with the JORC Code and has been extracted without material adjustment from the Prodeco Report in Section XIV: "Independent Technical Reports".

(2) Remaining mine life: expected to be 20 years. Expiry date of relevant mining/concession licences: 2035.

(3) Remaining mine life: expected to be approximately 20 years. Expiry date of relevant mining/concession licences: CET and CDJ expiring between 2027 and 2038 and CMU expiring in 2014.

Competent Persons: The mineral reserves estimates set out above were reviewed and approved by Grant Walker of MMC. The mineral resources estimates set out above were reviewed and approved by Kerry Whitby of MBGS. The mineral reserves and resources estimates have been prepared in accordance with the JORC Code. Mr Walker and Mr Whitby are each Competent Persons as defined by JORC and have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking.

		Coal reserves			Coal resources			
Shanduka Coal(1)(2)	**Commodity**	**Proved**	**Probable**	**Total**	**Measured**	**Indicated**	**Inferred**	**Total**
					('000 MT)			
Graspan	Coal	24,010	0	24,010	26,410	0	0	26,410
Townlands	Coal	14,630	0	14,630	16,090	0	0	16,090
Steelcoal reserve	Coal	9,010	0	9,010	22,680	0	0	22,680
Lakeside	Coal	4,490	0	4,490	7,980	0	0	7,980
Leeuwfontein	Coal	2,610	0	2,610	6,040	0	0	6,040
Springlake	Coal	14,100	0	14,100	5,679	2,772	6,539	14,990
Springboklaagte	Coal	0	0	0	39,905	51,970	2,765	94,640

Notes:

(1) As at 31 December 2010.

(2) Remaining mine life: individual mining operations have expected lifes ranging from five to 12 years, based on their reserves. However, the Springboklaagte deposit extends Shanduka Coal's expected life by approximately 20 to 25 years. Expiry date of relevant mining/concession licenses: different for each mine, ranging from January 2017 to December 2021 in respect of Graspan, Townlands, Steelcoal reserve, Lakeside and Springlake. Leeuwfontein is still what is known as an "old order right" or mining license, with applications pending for conversion into a "new order right" or mining license (only upon conversion will the expiry date be known). Springboklaagte is still a prospecting right, which are granted for five year periods and are renewable for a further three year period. The main prospecting right expires on 3 August 2011 and another smaller prospecting right (Kromdraai South) expires on 23 January 2012. Both are expected to be renewed.

Competent Persons: the mineral reserves and resources estimates set out above were reviewed and approved by NJ Denner and K Dippenaar of Gemecs (Pty) Ltd. The reserves and resources estimates have been prepared in accordance with SAMREC. Mr Denner and Mr Dippenaar are both Competent Persons as defined by SAMREC and each have sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which they are undertaking.

PRODECO:

Prodeco, a wholly owned subsidiary of Glencore, comprises Glencore's 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 and metallurgical coal from its mines to markets principally in Europe and the Americas. Prodeco consists of two open pit coal mining operations (the Calenturitas mine and the La Jagua complex), export port facilities (Puerto Zuñiga, which is fully operational, and Puerto Nuevo, which is under construction) and a 39.76 per cent. share in a company which holds the concession to the railway linking Prodeco's mines to the export ports.

Prodeco has a low-cost structure as it operates open cut mines and benefits from a superior quality coal which requires no washing. As at 31 December 2010, Prodeco had a saleable reserve base in excess of 337 million MT, with resources (measured, indicated and inferred) in excess of 540 million MT. 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, as coal production is planned to increase from 10 million MT per annum in 2010 to 19.9 million MT in 2013 and to 20.7 million MT per annum by 2015. This expansion, at an estimated capital cost of approximately U.S.$2.6 billion (of which approximately U.S.$1.5 billion has been spent on mining concessions, mining equipment, transport, port and other infrastructure as at 31 December 2010), is aimed at exploiting Prodeco's existing extensive reserve base to take advantage of demand for import coal in Europe and the Americas. The planned expansion is expected to have a significant positive impact on Prodeco's future revenues, cost structure and earnings. The ramp-up of production is dependent on fleet delivery, staffing and training and Glencore has been informed by the suppliers of certain items of equipment ordered as part of the ramp-up that delivery of those items will be delayed due to the infrastructure damage caused by the recent earthquake and tsunami in Japan. Glencore does not believe that these delays will have a material impact.

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 also owns Puerto Nuevo S.A., which is currently building a new public port in the area replacing Puerto Zuñiga when completed. Glencore's investment in such infrastructure has laid the foundation for Prodeco's low-cost mining operations.

Calenturitas:

The Calenturitas open pit coal mine is near the town of La Loma, in the Cesar State, northern Colombia, approximately 200 kilometres south of the Caribbean coast town of Santa Marta.

Prodeco was granted a 15-year mining concession licence for the Calenturitas mine in 2001 for a concession area of 6,677 hectares. In July 2004, Prodeco commenced production, extracting high-quality export thermal coal at the Calenturitas mine. In 2007, the mining concession was extended to 2035.

Calenturitas is an open cut mine from which low sulphur, high energy steam coal is extracted. The coal handling facility, which was completed in March 2009 at a cost of U.S.$65.2 million, has the capacity to crush 15 to 17 million MT per annum and a train loading and blending capacity of 22 to 23 million MT per annum. The blending capability of the coal handling facility enables Prodeco to blend coal to meet specific customer requirements, which enables it to optimise revenue streams.

Production of high-quality export thermal coal at the Calenturitas mine increased from 4.7 million MT in 2008 to 5.7 million MT in 2009. Production for the year ended 31 December 2010 was 5.2 million MT, hampered during the year mainly by extreme rain events (more than double average annual rainfall). An expansion of production of export thermal coal to 13.6 million MT per annum is planned to be completed by 2015. All the required infrastructure at the mine site is expected to be in place by the first half of 2011, with the ramp-up of production dependent on fleet delivery, staffing and training.

The Calenturitas mine's resource base as at 31 December 2010 was 400 million MT. The life of mine is currently expected to be 20 years.

La Jagua Complex:

The La Jagua open pit coal mining complex is located 20 kilometres east of Calenturitas in the Cesar State, northern Colombia. The complex is governed by five coal mining concessions held by separate companies, namely Carbones de La Jagua, S.A. ("CDJ"), Consorcio Minero Unido, S.A. ("CMU") and Carbones el Tesoro, S.A. ("CET"), all of which are wholly owned by Glencore.

The CDJ mine commenced operations in 1995 under the ownership of CI Carbones del Caribe, S.A. and Glencore purchased the mine in January 2005. The CMU mine commenced operations in 1990 under private ownership and was acquired by Glencore in August 2006. The CET mine commenced operations in 1997 under private ownership and was purchased by Glencore in May 2007.

The mining licences held by CDJ and CET expire between 2027 and 2038, while CMU's concession expires in 2014. Management expects that CMU's licence will be extended as it was included in the mine plan for the La Jagua complex approved by the Colombian government's mining agency ("Ingeominas"), which is valid until 2025.

The operations of CDJ, CMU and CET have been consolidated into one operation, with the approval of Ingeominas. This consolidation provides the La Jagua complex with operational efficiencies and allows for the complete reserve base to be mined, which would otherwise not have been possible if the five concessions had been mined separately. Through this consolidation, Prodeco has increased the minable reserves at this site by approximately 50 per cent.

Similar to the Calenturitas mine, the La Jagua complex is an open cut operation. However, in addition to low sulphur and high energy steam coal, high volatile metallurgical coal is also extracted at this site. Crushed coal is typically transported by truck to the new coal handling facility at the Calenturitas mine site where it is loaded into rail wagons and transported by rail to the port facility at Santa Marta. However, some coal is transported directly by truck to the port facilities at Santa Marta, but this is less common since the commissioning of the coal handling facility at Calenturitas in 2009.

Combined production of high-quality export thermal coal of the three mines comprising the La Jagua complex increased from 4.4 million MT in 2008 to 4.8 million MT in 2009. Production for the year ended 31 December 2010 was 4.8 million MT. Production in 2010 was also negatively affected by the extreme rainfalls in the country. As with Calenturitas, all the required mine site equipment and infrastructure is expected to be in place by the first half of 2011, with the ramp-up of production dependent on fleet delivery, staffing and training. The La Jagua complex is expected to be operating at a capacity of 7.1 million MT per annum by 2011.

The La Jagua resource base as at 31 December 2010 was 140 million MT. The life of mine is currently expected to be approximately 20 years.

Fenoco Railway:

In 2006, Prodeco, together with four other Colombian coal producing companies (Drummond Company, Inc., Carbones del César, S.A., Carbones del Caribe, S.A., and Carbones de los Andes, S.A.), acquired Fenoco S.A. ("Fenoco"). Prodeco's current shareholding in Fenoco is 39.76 per cent.

Fenoco is the holder of a 30-year railway concession (expiring in 2029) which links Santa Marta and the city of Chiriguana in the Cesar State. The railway passes within close proximity of Prodeco's mining operations and is used primarily for coal transportation, with the intention that it will be available for transporting other commodities in the future. Fenoco has entered into take or pay commitments with its shareholders in return for guaranteed availability and volume of annual rail capacity. The term of such commitment is ten years, but can be extended or reduced in connection with a mine's expected life.

Rolling stock for the railway is provided by Fenoco users according to their individual requirements. As at 31 December 2010, Prodeco owned 18 locomotive engines and 700 heavy haul wagons providing 14.5 million MT per annum of rail capacity between Calenturitas and Santa Marta, with anticipated capacity of 15.9 million MT per annum in 2011 (based of existing and expected operating conditions). Each train load between the mine and the port replaces 180 highway trucks a day, reducing costs and increasing capacity, whilst also improving safety and the local environment. The railway's coal transporting capacity is currently 45-50 million MT per annum.

The Fenoco shareholders have committed to expanding the railway to increase capacity to at least 80 million MT per annum, with the majority estimated to be completed by the end of 2011, subject to government approvals. The total cost of the expansion is expected to be approximately U.S.$250 million (to be funded *pro rata* by the Fenoco shareholders between March 2006 and completion of the expansion, of which approximately U.S.$120 million had been spent as at 31 December 2010).

Prodeco has entered into a shareholders' agreement in relation to the management of Fenoco. Prodeco is entitled to appoint two out of five board members. It has a take or pay agreement with Fenoco with guaranteed capacity of 14.5 million MT for the year ended 31 December 2010.

Port facilities:

The two port facilities used by Prodeco for exporting coal are located near the city of Santa Marta on the Caribbean coast of Colombia; Puerto Zuñiga (owned by Prodeco) and Carbosan (independently owned). Prodeco is building a new port, Puerto Nuevo (wholly owned by Prodeco), to replace Puerto Zuñiga, with increased capacity.

Puerto Zuñiga is adjacent to the Simón Bolívar airport in Santa Marta and was historically operated under a private concession awarded by the Colombian government; this expired in March 2009, meaning that the fixed marine assets (principally the pier) reverted to the Colombian government. Prodeco was granted a temporary concession to operate Puerto Zuñiga, which was subsequently renewed in March 2010 and again in March 2011, each time for a year. The renewal of such temporary concession by the Colombian government is subject to Prodeco's compliance with the timetable submitted for the construction of a new port facility, Puerto Nuevo, and is expected to be granted annually until Puerto Nuevo is operational.

Puerto Nuevo, which will have an estimated design capacity of approximately 27 million MT per annum, is being constructed adjacent to the existing Drummond port to comply with the new government regulations on loading methods, which became effective from July 2010. Given the time required to construct a new port and install new infrastructure, Prodeco and all other Colombian coal port operators have been unable to fully comply with the new regulation. However, Glencore considers it extremely unlikely that the new regulation will be enforced before Puerto Nuevo is commissioned, on the basis that it has already received three extensions to its permission to use Puerto Zuñiga (which is not compliant with the new regulations and is to be replaced with Puerto Nuevo) from the Colombian government. Puerto Nuevo will lower Prodeco's costs due to its new direct loading system compared to the crane and barge operations used at Puerto Zuñiga today. It will be an all weather port, which is expected to result in additional savings for Prodeco.

In the year ended 31 December 2010, Prodeco had total port capacity of 19.7 million MT, comprising 17 million MT at Puerto Zuñiga and 2.7 million MT at the independently owned port, Carbosan in Santa Marta. Prodeco's contractual port facility arrangements with the Carbosan port are on a take or pay basis, the terms of which expire in 2013. Once Puerto Nuevo is commissioned (expected in the first half of 2013), Prodeco's total port capacity will increase to approximately 27 million MT per annum.

Other:

Prodeco has been impacted by some industrial activity in recent years, including a 38-day strike by employees at one of La Jagua's concessions in 2010. The level of union membership amongst Prodeco's employees, however, is generally low (except at CDJ, where 82 per cent. of the total direct workers are unionised). The strike at La Jagua was by the employees of CDJ and impacted this concession only. Management foresees an increasing level of membership in future years and it is likely that strike action will remain a key business risk. See "The maintenance of positive employee relations and the ability to attract and retain skilled workers is key to the successful operation of Glencore's industrial activities" in the Risk Factors in Section I: "Information Glencore", for further risks in this respect.

In addition, with Puerto Nuevo being constructed adjacent to the Drummond Port, discussions are ongoing concerning the common use of the access channel and turning basin for the ports. Opposition has been recently lodged with respect to some of Prodeco's requested amendments to its port concession. Prodeco does not consider that this opposition will have a material impact upon its construction timetable.

SHANDUKA COAL:

Glencore owns 70 per cent. of Shanduka Coal. The remaining 30 per cent. of Shanduka Coal is owned by Shanduka Resources (Pty) Limited, a South African Black Economic Empowerment entity. Shanduka Resources recently announced it plans to acquire 51.9 per cent. of coal mining and services group Sentula Mining Limited in exchange for its 30 per cent. stakes in each of Kangra Coal and Shanduka Coal. The transaction is subject to various conditions precedent and is expected to be concluded towards the end of July 2011.

Shanduka Coal owns 100 per cent. of the Graspan Colliery and the Middelburg Townlands Colliery and Extension, 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 9 million run of mine MT. 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. During 2009, Shanduka Coal acquired a 50 per cent. interest in the Springboklaagte deposit in South Africa, providing Shanduka Coal with an additional 95 million MT of attributable resources. The total reserves and resources (as at 31 December 2010) of Shanduka Coal (including attributable resources of Springboklaagte) are 69 million MT of reserves and 189 million MT of resources. Shanduka Coal's individual mining operations have expected lives ranging from five to 12 years, based on their existing reserves. However, the Springboklaagte deposit extends Shanduka Coal's expected life by approximately 20 to 25 years. In addition, Shanduka Coal is currently evaluating a number of other potential acquisitions to expand its resource base.

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.

Under the terms of a long-term marketing agreement, Glencore purchases Shanduka Coal's coal destined for the export market on a principal basis. In the year ended 31 December 2009 and 2010, Shanduka Coal sold 2.5 million MT and 1.5 million MT to Glencore, respectively. Glencore sells the coal both to domestic customers in South Africa and to the export market through the Richards Bay Coal Terminal, the largest export coal terminal in South Africa, the Port of Durban in South Africa and the Maputo port and Matola Coal Terminal located in Mozambique. Shanduka Coal currently has 439k MT per annum of committed export entitlement at Richards Bay Coal Terminal. In addition, during 2010, Glencore entered into a five-year commitment to export 1.7 million MT of coal per annum through the Maputo port and the Matola Coal Terminal.

Glencore also acts as marketing agent for Shanduka Coal's third party domestic coal sales, including its sales of lower quality coal to Eskom. In the years ended 31 December 2009 and 2010, Shanduka Coal sold 6.5 million MT and 6.0 million MT to third parties, respectively. Shanduka Coal is finalising an eight-year agreement with Eskom, against which Shanduka Coal is currently delivering 300k to 400k MT of coal per month to Eskom.

XSTRATA:

The coal/coke commodity department benefits from Glencore's relationship with Xstrata. Please refer to Section I: "Information on Glencore—Relationship and commercial arrangements with Xstrata" for further information on Xstrata.

UMCEBO:

In July 2010, Glencore agreed to acquire an effective 43.66 per cent. equity interest in Umcebo for an aggregate purchase price of ZAR908 million. The transaction is subject to certain conditions precedent, including the approval of the requisite regulatory authorities (the Department of Mineral Resources, the South African Competition Authorities and the South African Reserve Bank) and consent from certain third parties. Glencore's effective interest in Umcebo may increase due to certain purchase price adjustments included in the transaction agreements. In addition, Glencore has concluded an agreement with certain minority shareholders of a subsidiary of Umcebo to acquire their interests on closing of the transaction.

In recognition of its commitment to Umcebo, Glencore has, pending closing of the transaction and in order to facilitate Umcebo's funding needs, cash collateralised ZAR250 million of Umcebo's existing indebtedness. If the transaction is successfully implemented, the ZAR250 million will form part of the ZAR908 million purchase price and be converted into equity, with the result that Umcebo will be debt free. Should the transaction fail to close, the cash collateralised deposit will accrue interest and be repaid through a combination of coal deliveries by Umcebo to Glencore and proceeds realised from the sale of assets by Umcebo.

Subject to certain conditions precedent, Glencore will after the closing of the transaction be required to fund up to an additional ZAR646 million in the form of shareholder loans accruing interest at market related rates for the purposes of working capital, resource development and acquisitions, including the acquisition of the 47 per cent. interest in the Wonderfontein and Belfast projects that is held by a joint venture partner of Umcebo (Umcebo holds the other 53 per cent.). Glencore has also agreed with Umcebo that if Umcebo is able to purchase the abovementioned 47 per cent. interest in the Wonderfontein and Belfast projects from Umcebo's joint venture partner before the closing of the broader transaction, Glencore will fund that acquisition. If the broader transaction proceeds, this funding will be converted into a shareholders loan. If the broader transaction fails, the funding will either be applied to settle the purchase price for the 47 per cent. interest which Glencore will acquire from Umcebo or will be repaid by Umcebo to Glencore. The agreements with the vendors also provide that if the broader transaction fails, Glencore will, subject to certain conditions precedent, acquire from Umcebo its existing 53 per cent. interest in the Wonderfontein and Belfast projects.

A newly formed wholly owned and broad-based South African Black Economic Empowerment company has agreed to purchase an effective 26 per cent. equity interest in Umcebo. In order to facilitate this participation, including an amount of required third party bank funding, Glencore intends to provide a guarantee of up to ZAR250 million to such bank.

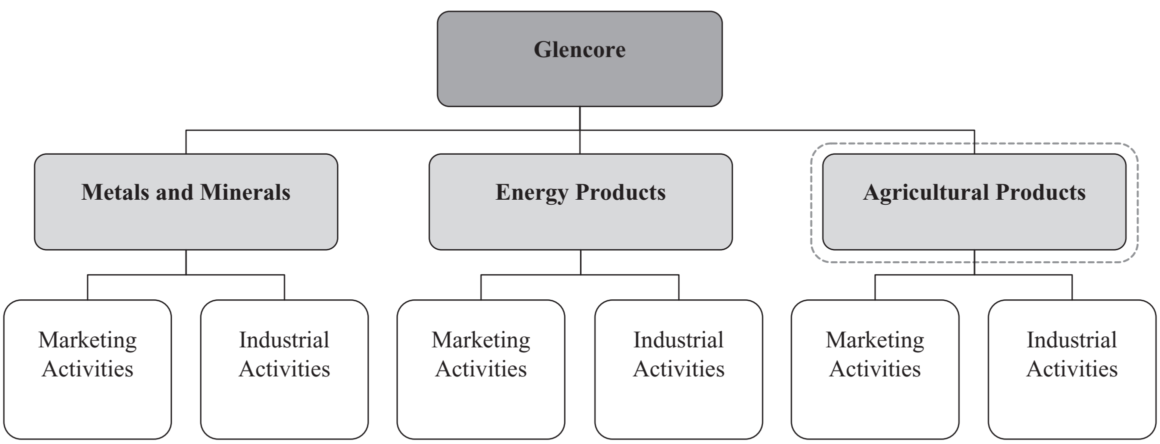
The transaction would secure access to an eventual 1.5 million MT of Richards Bay Coal Terminal Phase V export allocation and to long-life resources from South Africa's principal coal field in Mpumalanga, which has established infrastructure for the transport of export quality thermal coal. Glencore estimates attributable resources at Umcebo to be at least 860 million MT. Umcebo currently has three thermal complexes in operation (Middelkraal, Kleinfontein and Klippan), with an aggregate annual production capacity of 7.2 million run of mine MT. In addition, the Wonderfontein mine is scheduled to begin production in 2013, with a long-term annual production capacity of 3.6 million run of mine MT.

GLOBAL COAL LIMITED:

Glencore owns 19.7 per cent. of Global Coal Limited, which was founded by leading members of the world coal industry to promote the development of the coal markets through screen trading of standardised coal products via the globalCOAL trading platform. More than 80 million tonnes of physical thermal coal are traded annually on the globalCOAL trading platform by approximately 100 leading coal market participants.

Agricultural Products

Introduction (Agricultural Products business segment)



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

Selected key financial information in relation to the Agricultural Products business segment's marketing and industrial activities for the years ended 31 December 2008, 31 December 2009 and 31 December 2010 is set out below. This information has been extracted without material adjustment from Section VI: "Historical Financial Information" except where marked as unaudited. Unaudited information has been extracted without material adjustment from Glencore's accounting records.

	2008	2009	2010
		(U.S.$ million)	
Marketing Activities			
Revenue (unaudited)(1)	12,057	6,793	8,238
Adjusted EBITDA pre-exceptional items(2)	579	304	659
Adjusted EBIT pre-exceptional items(2)	579	304	659
Industrial Activities			
Revenue (unaudited)(1)	1,337	1,789	2,180
Adjusted EBITDA pre-exceptional items(2)(3)(4)	95	85	88
Adjusted EBIT pre-exceptional items(2)(3)(4)	84	48	39
Share of income from associates and dividends (excl. Xstrata)(4)	15	(7)	19
Capex	102	116	71
Total Agricultural			
Revenue	13,394	8,582	10,418
Adjusted EBITDA pre-exceptional items(2)(5)	689	382	766
Adjusted EBIT pre-exceptional items(2)(5)	678	345	717

Notes:

(1) Revenue is not split between Marketing and Industrial activities in the audited Historical Financial Information set out in Section VI of this document and is therefore marked as unaudited. Total segment and total Group revenue is audited.

(2) Includes corporate selling, general and administrative expenses, but excluding variable pool bonus accrual, which is recorded at group/corporate level.

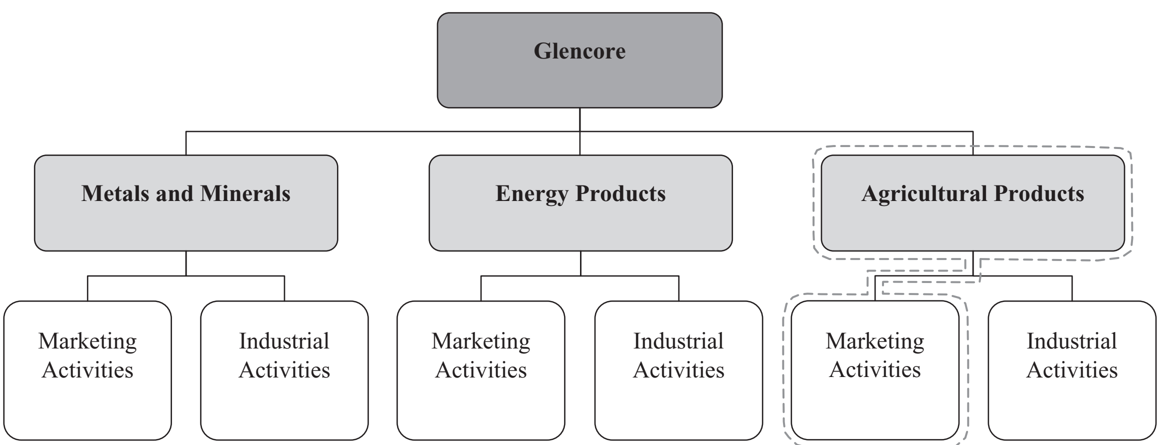
(3) Excludes share of income from associates and dividends.

(4) Adjusted EBITDA pre-exceptional items plus Share of income from associates and dividends and Adjusted EBIT pre-exceptional items plus Share of income from associates and dividends are audited.

(5) Includes share of income from associates and dividends.

The Agricultural Products business segment has approximately 946 employees globally (excluding individuals employed within Glencore's industrial or farming activities) with some 158 staff located at Glencore's Rotterdam office and a further approximately 788 employees spread across 16 main offices in key global procurement locations, with particularly large staff numbers present in Russia and Ukraine. This business segment also employs approximately 7,200 individuals globally in its industrial activities.

Marketing Activities (Agricultural Products business segment)



The table below sets out the marketing volumes sold to third parties of each main commodity category handled by the Agricultural Products business segment for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

	Marketing volumes sold to third parties		
	2008	**2009**	**2010**
	(million MT)		
Grains	20.5	19.8	20.9
Oil/oilseeds	8.6	8.1	9.4
Cotton	0	0	0.2
Sugar	0.9	1.0	0.5

Examples of Glencore's marketing strategies for the Agricultural Products business segment include:

- Glencore's access to in-land and port elevators and silos enables Glencore to procure and store sizeable quantities of commodities and seek to exploit time, product and geographic arbitrage opportunities as they present themselves. This access also enables volumes, supplied by a large number of small local suppliers, to be aggregated in storage facilities in order to optimise origination margin. In addition, this access provides capacity and reliability in supply to Glencore's end customers without dependence on third party logistics.
- With respect to grains, Glencore leverages its long-term relationships with suppliers and its access to the infrastructure needed to access local markets to exploit geographic arbitrage opportunities, that is, by sourcing grains in a lower cost geographic area, using its skill and network to handle all logistics, financing and risk managements aspects, and then selling the product into a higher margin geographic area.
- With respect to oil and oilseeds, Glencore leverages its ownership of processing facilities and relationships with key processors, which enable Glencore to operate in correlated commodities and market their price differentials, that is, to determine whether Glencore can make a greater margin by selling an unprocessed commodity or by processing a commodity and then selling the processed commodity, and acting accordingly.
- With respect to sugar, Glencore leverages its global statistical research and analysis and local knowledge (for example, Glencore has been active in local Russian and Indian markets for 15 to 20 years marketing domestic sugar as well as processing and marketing imported sugar) into marketing strategies covering flat price, origin basis, raws spreads, whites spreads and white sugar arbitrage.

Overview

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

Market

The Agricultural Products business segment is estimated to have accounted for approximately 8.7 per cent. of the addressable market for grains in 2010, with significant market share in Europe, the CIS and Australia. In oils/oilseeds, Glencore believes that the Agricultural Products business segment accounted for approximately 4.5 per cent. of the addressable market in 2010, with significant market share in South America for oil/oilseed and in Europe for rapeseed and biodiesel.

Suppliers

The suppliers to the Agricultural Products business segment are farmers, farming co-operatives, processing plants, local exporters and global merchants. Individual commodity traders such as Cargill are the largest suppliers, representing in aggregate approximately 20 per cent. of the physical volumes that Glencore marketed during the year ended 31 December 2010. Glencore 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 only top five supplier which is not a commodity merchant is Vicentin, Argentina's largest soybean crusher and producer of soy oil most of which is supplied under long-term contract. The remaining supply base (including 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. The segment's owned or partly owned farming operations produce approximately 0.7 million MT of commodities annually and therefore constitute a minor part of the business segment's throughput of 31 million MT in 2010.

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

With respect to oils/oilseeds, Glencore originates and physically ships approximately 25 per cent. of the physical volumes of oils/oilseed that it markets. Glencore processes, handles and markets oils (including most edible oils and biodiesel) and their source seeds/beans with sourcing primarily from Argentina, Brazil, Australia, EU and Ukraine.

Glencore entered the cotton business at a time when numerous traditional and single commodity players were exiting the industry due to the market disruptions of 2008. This lack of competition was seen as an opportunity for another major player. Another attraction was the fact that both the supplier and customer bases in cotton were highly fragmented. Finally, the cotton business fitted well within the existing office network where Glencore could leverage off its existing marketing expertise.

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

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

The top ten suppliers of agricultural products accounted for approximately 22 per cent. of the total agricultural products purchased in the year ended 31 December 2010. Seven of the top ten suppliers in the year ended 31 December 2010 were also in the top ten suppliers for the year ended 31 December 2009. Three of the top ten suppliers in the year ended 31 December 2010 were under long-term contracts consistent with the structure of the market.

Customers

Glencore's customers are the processing industry (food, consumer goods and animal feed), local importers, government purchasing entities and competing global marketers. The Agricultural Products business segment's top ten customers accounted for around 28 per cent. of total sales volumes by value during the year ended 31 December 2010. 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. Glencore estimates that it is awarded at least part of the tender in at least half of the agricultural tenders in which it participates and, where it is unsuccessful, it is sometimes able to supply part of the tender to the successful applicant. The Agricultural Products business segment does not enter into long-term contracts with these customers.

Features of the market

Liquid derivatives markets exist for the majority of the key commodities that the business segment markets, such as wheat, corn, soyoil, rapeseed and cotton, for example CBOT (Chicago), MATIF (Paris) and NYMEX (New York). These key products 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 Glencore 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. Glencore 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.

Logistics

Physical flows of product are shipped via trucks, trains and vessels. Glencore owns approximately 250 train wagons in the CIS and partially owns 80 train wagons in the EU. In addition, Glencore ships product by vessel, including having approximately 30 short- and 60 medium-term charters with a maximum duration of two years. 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 department's dry-bulk shipping needs and for third parties (approximately 50 per cent. is for third parties). Glencore'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, Estonia, Hungary, Kazakhstan, Paraguay, Poland, Romania, Russia, Ukraine and Uruguay. Logistics assets are particularly important in the CIS as third party logistics assets typically have insufficient capacity and are not sufficiently reliable. Glencore's elevators have a combined storage capacity of around 1 million MT per annum and its silos have a combined storage capacity of 3.8 million MT per annum. The table below sets out the total in-land and port elevators and silo capacity held by the Agricultural Products business segment for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

	Year ended 31 December		
Aggregate capacity[(1)]	**2008**	**2009**	**2010**
		('000 MT)	
Port elevators	970	970	1,000
Silos	3,800	3,800	3,800
Total	4,770	4,770	4,800

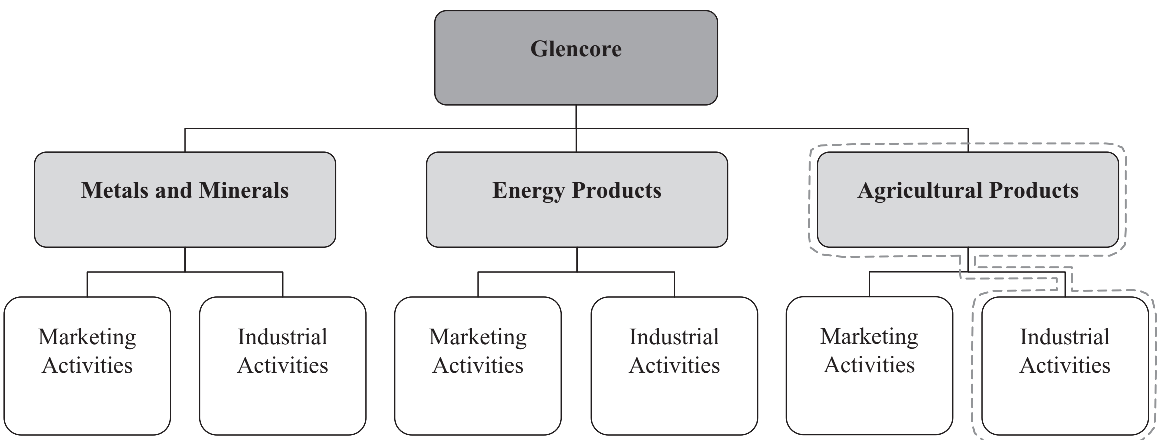
Note:

(1) These figures represent the capacity across the aggregate portfolio of some 90 elevators and silos held by the Agricultural Products business segment.

Competitors

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

Industrial activities (Agricultural Products business segment)



Overview

The table below summarises information about key Agricultural Products producing industrial assets as at 31 December 2010:

Company	Country	Commodity	Annual production capacity	Glencore's ownership interest	Remaining ownership interest	Any contractual relationship with Glencore
Controlled:						
Moreno	Argentina	Oilseed crushing	1.9 million MT	100%	—	N/A
Ponta Pora	Brazil	Oilseed crushing	350,000 MT	100%	—	Toll agreement
OMEZ	Ukraine	Sunseed crushing	250,000 MT	80%	20% privately held	Toll agreement
Lubmin	Germany	Rapeseed crushing	140,000 MT	100%	—	Toll agreement
		Biodiesel production	60,000 MT			
Biopetrol	Germany and Netherlands	Biodiesel production	1,000,000 MT	60.3%	Publicly traded on Frankfurt Stock Exchange	N/A
Advanced Organic Materials	Argentina	Biodiesel production	50,000 MT	50%	50% privately held	N/A
Mills	Argentina, Brazil and Uruguay	Flour/rice production	1,500,000 MT	50-100%	—	N/A
Farming	Australia, Argentina, Kazakhstan, Paraguay, Russia and Ukraine	Farming activities on owned and leased land	270,000 hectares	50-100%	Any minority ownership is privately held	N/A
Rio Vermelho . . .	Brazil	Ethanol and sugar cane crushing	1.2 million MT	76%	24% privately held	N/A
Non-controlled:						
Renova	Argentina	Biodiesel	480,000 MT	33.3%	33.3% Vicentin and 33.3% Molinos	Toll agreement

Financial information

The table below sets out selected financial information on the controlled industrial activities of the Agricultural Products business segment for the years ended 31 December 2008, 31 December 2009 and 31 December 2010. The information in this table has been extracted without material adjustment from Glencore's accounting books and records, which are unaudited:

	2008	2009	2010
	(U.S.$ million) *(Unaudited)*		
Agricultural			
Revenue	1,337	1,789	2,180
Adjusted EBITDA pre-exceptional items(1)	95	85	88
Adjusted EBIT pre-exceptional items(1)	84	48	39
Capex	102	116	71

Note:

(1) Excludes share of income from associates and dividends.

Farming production

The tables below sets out farming production of the controlled assets of the Agricultural Products business segment for the years ended 31 December 2008, 31 December 2009 and 31 December 2010:

Total Farming Production of Major Commodities by Country/Commodity MT

	Australia			Argentina			Paraguay			Russia			Ukraine			Kazakhstan		
	2008	**2009**	**2010**	**2008**	**2009**	**2010**	**2008**	**2009**	**2010**	**2008**	**2009**	**2010**	**2008**	**2009**	**2010**	**2008**	**2009**	**2010**
Wheat	37,116	49,426	100,739	22,131	26,857	7,243	4,406	4,058	3,722	109,262	114,298	124,096	85,625	91,215	81,782	N/A	41,498	17,725
Barley	20,385	17,793	2,801	1,437	3,591	477	N/A	N/A	N/A	15,439	10,588	6,350	47,544	66,274	49,268	N/A	6,454	729
Corn	N/A	N/A	N/A	60,930	34,067	53,836	7,487	9,609	5,689	10,506	12,287	8,935	56,167	7,884	43,288	N/A	N/A	N/A
Rapeseeds	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	421	2,812	6,149	16,701	13,922	N/A	N/A	N/A
Sunflower seeds	N/A	N/A	N/A	69,320	48,228	34,943	N/A	N/A	N/A	9,838	6,929	7,516	7,952	7,313	11,729	N/A	N/A	N/A
Soybeans	N/A	N/A	N/A	73,419	39,742	81,083	20,315	19,627	26,976	322	355	205	9,746	22,213	13,737	N/A	N/A	N/A
Total	**57,501**	**67,219**	**103,540**	**227,238**	**152,484**	**177,582**	**32,208**	**33,294**	**36,387**	**145,367**	**144,878**	**149,915**	**213,183**	**211,600**	**213,726**	**N/A**	**47,952**	**18,454**

Total Production MT

	Crushed/Estered/ Milled Volumes		
Production MT	**2008**	**2009**	**2010**
	(million MT)		
Crushing			
Moreno	1.32	1.28	1.19
Ponta Pora	N/A	0.11	0.22
OMEZ	0.16	0.21	0.19
Lubmin	N/A	N/A	0.16
Biodiesel			
Biopetrol	N/A	N/A	0.27
Renova	0.22	0.38	0.49
Advanced Organic Materials	N/A	N/A	0.03
Rice Milling			
Argentina	0.15	0.14	0.10
Uruguay	0.11	0.12	0.08
Wheat Milling			
Agua Branca	0.37	0.34	0.36
Moinhos Cruzeiro	N/A	N/A	0.68
Sugarcane Processing			
Rio Vermelho	0.40	0.90	1.12

Farming Assets:

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

Processing Assets:

Access to or ownership of processing assets enables Glencore to take advantage of the various price differentials for agricultural commodities. The largest of these assets is Moreno in Argentina, of which Glencore owns 100 per cent. 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 in Argentina with a combined capacity of 1.9 million MT per annum. In 2007, Moreno started a biodiesel facility as a joint venture. The plant became fully operational in 2008 and its current capacity is 0.5 million MT per annum. In addition, Glencore owns, or part owns, crushing facilities with a combined capacity of 740k MT per annum in Brazil, Ukraine and Germany, including:

- a 100 per cent. interest in Ponta Pora, a Brazilian oilseed crushing plant with production capacity of 350k MT per annum;
- a 100 per cent. interest in Lubmin, a German rapeseed crushing plant with capacity of 140k MT per annum;

- an 80 per cent. interest in OMEZ, a Ukrainian sunseed crushing plant with capacity of 250k MT per annum;
- a 40 per cent. share of production rights in a crushing plant through its stake in a joint venture with Vicentin and Molinos in Argentina which is expected to be operational in 2012 and which will have a capacity of 5 million MT per annum;
- a 76 per cent. stake in Rio Vermelho, a stand-alone distillery located in state of Sao Paulo (Brazil), with a sugarcane crushing capacity of 1.2 million per annum. Currently only produces hydrous fuel ethanol (approximately 95,000 m^3/season); and
- a soft seed crushing facility with a capacity of 500k MT is currently under construction in Hungary with an expected start-up date in the fourth quarter of 2011.

Glencore has the following other production interests outside the crushing business:

- a 60.3 per cent. stake in the Swiss company Biopetrol Industries AG owning four biodiesel production facilities;
- a 33.3 per cent. stake in Renova, an Argentinean biodiesel producer;
- rice/wheat mills with a combined capacity of 1,500k MT per annum in Argentina, Brazil and Uruguay; and
- a share in two biodiesel production facilities in Argentina with a combined capacity of 530k MT per annum.

The Agricultural Products business segment's medium-term investment is focused on increasing processing capacity in oil/oilseeds at origin, which is mainly in South America.

Relationship and commercial arrangements with Xstrata

Overview of Xstrata

Glencore owns 34.5 per cent. of Xstrata, is its largest shareholder. As at 29 April 2011 (being the last practicable date prior to publication of the Prospectus), Glencore currently has two directors on the board of Xstrata (being Willy Strothotte and Ivan Glasenberg). Willy Strothotte will resign from the board of directors of Xstrata with effect from the date of the Xstrata Annual General Meeting (expected to be held on 4 May 2011) and Ivan Glasenberg will stand for re-election as a director at this meeting. In accordance with the Relationship Agreement (as described below), Glencore has also nominated Aristotelis Mistakidis and Tor Peterson as directors to the Xstrata board (who are subject to election by the shareholders of Xstrata at the Xstrata Annual General Meeting).

Shares in Xstrata are listed on the Official List of the FSA, admitted to trading on the London Stock Exchange's market for listed securities and admitted to listing on the SIX. As at 29 April 2011, being the last practicable date prior to the publication of this Prospectus, the market capitalisation of Xstrata was approximately U.S.$75.4 billion. Xstrata is a member of the FTSE 100, an index that comprises the 100 "most highly capitalised UK-domiciled blue chip companies".

Xstrata is the fourth largest diversified mining group in the world by revenue with top five industry positions in copper, export thermal coal, export coking coal, ferrochrome, zinc, nickel and vanadium. In addition, Xstrata has recycling facilities, additional exposures to platinum, gold, cobalt, lead and silver and a suite of global technologies, many of which are industry leaders. Xstrata's operations and projects span 19 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, Ireland, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the United Kingdom and the U.S.

Xstrata mines and processes physical commodities that are marketed by Glencore's Metals and Minerals and Energy Products business segments. Its business is organised in the following five principal business units:

Xstrata Alloys: Xstrata is the world's largest producer of ferrochrome and one of the world's leading producers of primary vanadium, with integrated mining and smelting facilities in South Africa. In South Africa, Xstrata also mines and concentrates platinum group metals.

Xstrata Coal: On a managed basis, Xstrata is the world's largest producer of export thermal coal, one of the largest producers of export semi-soft/pulverised coal injection coal and among the top five producers of export coking coal. It has interests in 30 operating coal mines in Australia, South Africa and Colombia.

Xstrata Copper: Xstrata is a fully-integrated producer of copper metal and concentrate and is one of the world's five largest producers of mined copper, with mining and mineral processing operations in Argentina, Australia, Canada, Chile and Peru. Xstrata also has a portfolio of mine development projects at various stages of evaluation in Argentina, Australia, Chile, the Philippines, Papua New Guinea and Peru.

Xstrata Nickel: Xstrata is one of the world's five largest producers of nickel and one of the largest recyclers and processors of nickel and cobalt-bearing materials. Its operations include mines and processing facilities in Australia, Canada, Norway and the Dominican Republic.

Xstrata Zinc: Xstrata is one of the world's largest producers of zinc and also produces lead and silver. Xstrata Zinc incorporates zinc smelting operations in Spain, Germany and Canada, interests in four operating mines, a mine project and a lead smelter in Australia, a lead refining plant in the United Kingdom, interests in the Antamina copper and zinc mine in Peru, two zinc mines, a lead smelter and refinery and a minority interest in a zinc smelter in Canada.

In addition to its five principal business units, Xstrata also operates Xstrata Process Support and Xstrata Technology, mining and processing technology businesses with operations in Australia, Canada, Chile and South Africa.

Financial information

The table below sets out certain financial information relating to Xstrata for the years ended 31 December 2008, 2009 and 2010. Such information has been extracted without material adjustment from Xstrata's Annual Report 2010.

	2008	2009	2010
	(U.S.$ million, except per share amounts)		
Revenue	27,952	22,732	30,499
Operating profit (before exceptional items)	7,249	4,369	7,654
Attributable profit	3,595	661	4,688
Dividends per share (U.S.$)	.10	.08	.25
Total assets	55,314	63,824	69,709
Net assets	24,399	34,919	42,021
Cash and cash equivalents as at 31 December	1,156	1,177	1,722

The Relationship Agreement

Xstrata is party to the Relationship Agreement with Glencore dated 20 March 2002. The Relationship Agreement regulates the continuing relationship between the parties. In particular, it ensures that:

- Xstrata is capable of carrying on its business independently of Glencore as a controlling shareholder (as such term is defined in the Relationship Agreement);
- transactions and relationships between Glencore (or any of its subsidiaries or affiliates) and Xstrata are at an arm's length and on normal commercial terms;
- Glencore shall be entitled to nominate up to three directors or (if lower or higher) such number of directors equal to one less than the number of directors who are independent directors (which means a director who is not a director, officer or employee of any member of Glencore and is free from any business or other relationship with Glencore or any of its associates, which could materially interfere with the exercise of his independent judgment in matters concerning Glencore); and
- directors of Xstrata nominated by Glencore shall not be permitted to vote on any board resolution, unless otherwise agreed by the independent directors, to approve any aspect of Xstrata's involvement in or enforcement of any arrangements, agreements or transactions with Glencore or any of its subsidiaries or affiliates.

It is expressed that the Relationship Agreement terminates in the event that Glencore ceases to be a controlling shareholder of Xstrata following a sale or disposal of shares in Xstrata or if Xstrata ceases to be listed on the Official List and traded on the London Stock Exchange.

Operational agreements between Glencore and Xstrata

Alloys

Xstrata Alloys entered into a ferrochrome marketing agreement with Glencore on 21 April 1995, appointing Glencore as its exclusive worldwide marketing agent for the sale of Xstrata Alloys and Merafe's entire production of ferrochrome, other than ferrochrome sold into the U.S., Canada and certain Asian countries. The agreement continues for as long as Xstrata Alloys and Merafe produces ferrochrome. Glencore is obliged to use its best endeavours to arrange sales at prevailing market rates, subject to initial agreement and approval by Xstrata Alloys and Merafe prior to effecting the sale. Glencore assists Xstrata Alloys in negotiating sales contracts with third parties. Glencore is entitled to receive an agency fee of 3.5 per cent. on FOB sales revenues and an additional fee of 0.75 per cent. on FOB sales revenues for assuming the risk of non-payment by customers on this material. Glencore assumes 60 per cent. of the risk of non-payment by customers in relation to ferrochrome sales.

If, at any time, Xstrata Alloys and Merafe notifies Glencore that it is able to find purchasers for its production at prices higher than those generally obtainable by Glencore, Xstrata Alloys may, unless Glencore is able to obtain similar prices, sell its products in the market. Glencore is nevertheless entitled to an agency fee of 3.5 per cent. of FOB sales revenue in respect of such sales. Glencore is also entitled to receive a U.S.$50,000 monthly fee in connection with market analysis and certain administrative tasks it performs for Xstrata Alloys. Interest is charged by Xstrata Alloys on single monthly settlements made by Glencore, and Glencore charges interest on any selling expenses incurred on behalf of Xstrata Alloys at LIBOR and a margin of 150 basis points.

Ferrochrome sold into the U.S. and Canada is distributed by Glencore Ltd and Glencore Canada Inc., respectively, under two distribution agreements. These agreements continue indefinitely, with both parties having the right to terminate the agreement on 12 months' notice. The percentage of distribution fees payable by Xstrata in respect of ferrochrome sold under the distribution agreement is substantially the same as the commission paid in respect of ferrochrome sold under the marketing agreement.

Mitsui & Co. Ltd is the appointed distributing agent for ferrochrome sales into China, Japan and South Korea up to a maximum of 105,000 tonnes per annum. A change in distributing agent for sales into these countries must be done with the consent of Glencore.

Xstrata Alloys entered into a chrome ore marketing agreement with Glencore in July 2010, appointing Glencore as its exclusive worldwide marketing agent for the sale of Xstrata Alloys and Merafe entire production of chrome ore. The agreement is for a fixed term ending 20 May 2011. Glencore is entitled to receive an agency fee of 2 per cent. on FOB sales revenues loading port value, Glencore assumes 100 per cent. of the risk of non-payment by customers in relation to chrome ore sales. Interest is charged by Xstrata Alloys on single monthly settlements by Glencore at LIBOR and a margin of 150 basis points.

In December 1997, Xstrata entered into a 20-year marketing agreement with Glencore in respect of Rhovan's and Vantech's (closed in 2004) entire production of vanadium, other than vanadium sold into the U.S. and Canada.

Glencore is obliged to use its best endeavours to arrange sales of vanadium pentoxide and ferrovanadium to customers at prevailing market rates, subject to initial agreement and approval by Xstrata Alloys prior to effecting the sale. Xstrata Alloys is obliged to pay to Glencore an agency fee of 3.5 per cent. on FOB sales revenues and an additional fee of 1.5 per cent. on FOB sales revenues for assuming the risk of non-payment by customers on this material. Glencore assumes 100 per cent. of the risk of non-payment by customers in relation to vanadium sales.

If, at any time, Xstrata Alloys notifies Glencore that it is able to find purchasers for its production at prices higher than those generally obtainable by Glencore, Xstrata Alloys may, unless Glencore is able to obtain similar prices, sell its products in the market. Glencore is nevertheless entitled to the 3.5 per cent. agency fees described above in respect of such sales. Interest is charged by Xstrata Alloys on single monthly settlements made by Glencore, and Glencore charges interest on any selling expenses incurred on behalf of Xstrata Alloys at LIBOR and a margin of 150 basis points.

Vanadium pentoxide and ferrovanadium sold into the U.S. and Canada is distributed by Glencore Ltd and Glencore Canada Inc., respectively, under two distribution agreements. The distribution agreements have the same term as the marketing agreement and, consequently, the percentage of distribution fees payable by Xstrata in respect of vanadium pentoxide and ferrovanadium is substantially the same as the commission paid in respect of vanadium pentoxide and ferrovanadium sold under the marketing agreement.

Coal

In 2002, Xstrata entered into a 20-year market advisory agreement with Glencore with fee reviews at the end of every fifth year of the agreement. Pursuant to this agreement, Glencore acts as Xstrata's market adviser with respect to its export production of coal (other than for Xstrata Coal's share of production from the Cerrejón thermal coal operation in Colombia). The fee payable to Glencore is U.S.$0.50 per attributable tonne of coal exported by Xstrata from Australia or South Africa.

In 2010, Xstrata entered into market standard forward commodity price derivatives for 1,070,000 tonnes (2009: 4,455,000 tonnes) and bought market standard forward commodity price derivatives for 385,000 tonnes (2009: nil tonnes) with Glencore as counterparty. During the year ended 31 December 2010, 3,360,000 sold tonnes and 385,000 bought tonnes were delivered (2009: 3,180,000 tonnes were sold). At 31 December 2010, 965,000 tonnes (2009: 3,255,000 tonnes) were contracted with Glencore for delivery in 2011 and 2012. These derivatives are on arm's length terms and conditions and are included within derivative financial assets and liabilities.

During the year ended 31 December 2010, nil tonnes were borrowed from Glencore (2009: 2,550 tonnes) and nil tonnes owed to Glencore at 31 December 2010 (2009 nil tonnes) on arm's length terms and conditions.

In April 2010, Xstrata entered into a five-year fuel supply agreement with Glencore to supply diesel fuels to coal mines and cattle stations in New South Wales and Queensland. Under this supply agreement U.S.$147 million (2009: U.S.$111 million) worth of fuel was delivered during the year ended 31 December 2010. The supply agreement is on arm's length terms and prices change monthly according to the world market price per barrel (U.S.$/BBL).

In February 2010, Cerrejón entered into a five-year fuel supply agreement with Glencore to supply diesel fuels. The Group's share of the fuel purchases for the year ended 31 December 2010 was U.S.$65 million (2009: U.S.$44 million). The supply agreement is on arm's length terms and prices change for each shipment according to the world market price per barrel (U.S.$/BBL).

All coal purchases and sales with Glencore are on arm's length terms and conditions.

Copper

Xstrata Copper has entered into an "evergreen" service agreement with Glencore with a 12-month cancellation notice for the supply of advice, support and assistance with regard to its marketing and operational hedging activities.

Copper cathode sales agreements were entered into between Xstrata Copper Canada/Xstrata Copper North Chile/Xstrata Commodities Middle East and Glencore for the period 1 January to 31 December 2010. All sales were based on either spot or benchmark terms in accordance with prevailing market conditions. These agreements have been replaced with new annual contracts for 2011, based on either spot or benchmark terms in line with prevailing market conditions.

Xstrata Copper (Minera Alumbrera Limited) has entered into a five-year frame contract with Glencore on an "evergreen" basis. The sales terms for the copper concentrate are negotiated annually on arm's length terms and conditions. Minera Alumbrera Limited, on occasions, sells concentrate to Glencore at prevailing spot market prices.

Copper concentrate purchase agreements were entered into between Xstrata Copper North Chile and Glencore for a four-year frame contract commencing 1 January 2007. All purchases are based on benchmark terms in accordance with prevailing market conditions. This is an "evergreen" contract after 2010 and therefore continues to be in place.

Copper concentrate sales agreements were entered into between Xstrata Copper Tintaya and Glencore for the period 1 January to 31 December 2010. All sales are based on either spot or benchmark terms in accordance with prevailing market conditions. As these sales agreements are spot contracts Glencore expects to replace these for 2011 based on prevailing market conditions.

A copper concentrate sales agreement was entered into between Xstrata Commodities Middle East and Glencore for a three-year period effective from 1 June 2008 and "evergreen" thereafter on benchmark terms. Xstrata Commodities Middle East also sells concentrate to Glencore based on a spot basis on occasions throughout the year at prevailing market terms.

Xstrata Copper North Queensland has entered into a sales agreement with Glencore for copper concentrate for a three-year period effective from 1 June 2008 and "evergreen" thereafter. This agreement is based on annual benchmark terms.

Copper blister and anode sales agreements were entered into between Xstrata Commodities Middle East and Glencore between April and December 2010 at benchmark or spot terms. These agreements have been replaced with a copper blister annual contract for 2011 on benchmark terms.

A molybdenum concentrate spot sales contract was entered into between Mineral Alumbrera Limited and Glencore in 2010 on market-related terms.

A molybdenum concentrate contract was entered into between Xstrata Norte Exploraciones y Servicios Limitada and Minerales del Sur S.A. for 2010 off-take Collahuasi tonnes on market-related terms. Glencore is in the process of renewing this contract for 2011.

All sales transactions with Glencore are on arm's length terms and conditions.

Nickel/Cobalt

Xstrata Nickel has entered into long-term purchase agreements with Glencore for copper-cobalt white alloy raw material feeds to the Sudbury smelter in Canada and Nikkelverk refinery in Norway. Contracts include both a metal purchase and a sale component for cobalt. The term of the contracts are to the end of 2011, continuing indefinitely thereafter unless terminated by either party with six months' notice given not earlier than 1 July 2011. Pricing terms are based on prevailing market rates. Other short-term or one-time feed purchase agreements were entered into with Glencore, with pricing terms based on prevailing market rates. During 2010, Xstrata Nickel purchased from Glencore 102 tonnes of nickel, 109 tonnes of copper, 15 tonnes of cobalt and 66 kilograms of PGM's (2009: 287 tonnes, 563 tonnes, 250 tonnes, and nil kilograms, respectively). In addition, during 2010, Xstrata Nickel sold to Glencore 64 tonnes of cobalt (2009: 297 tonnes)(1).

In March 2007, Xstrata Nickel entered into sole distributorship agreements with Glencore, for its nickel, cobalt and ferronickel production. These agreements continue until 31 December 2012 and are automatically renewed for successive three year periods unless terminated by either party with not less than 12 months' notice prior to the end of the original term or any renewal terms, or unless Xstrata Nickel permanently ceases production of these metals. The nickel and cobalt distribution agreement was extended, only in respect of nickel, for a further five year term on 15 April 2011 and a revised premia structure will take effect only in respect of nickel as of 1 January 2013. These amendments with respect to nickel are subject to board approval by Xstrata. Xstrata Nickel, at its sole discretion, may cease, suspend or reduce production at any time. Glencore is obliged to distribute the products with all due care and diligence and shall cultivate and maintain good relations with purchasers and potential purchasers in accordance with sound commercial principles and taking into account Xstrata Nickel's business principles. All sales terms and conditions are set on an arm's length basis. For nickel and cobalt sales, the price basis is the month following the month of delivery. For ferronickel sales, the price basis is the quotational period provided for in customer contracts. Accordingly, provisionally priced nickel, cobalt and ferronickel revenues are subject to final price adjustments due to future price changes. During 2010, Xstrata Nickel sold to Glencore 92,139 tonnes of nickel (2009: 88,457 tonnes), 3,104 tonnes of cobalt (2009: 3,066 tonnes) and nil tonnes of ferronickel (2009: 236 tonnes). In addition, Glencore prepays monthly to Xstrata Nickel in two equal instalments 100 per cent. of the value of the month's planned production. The prepayment balance as at 31 December 2010 amounted to U.S.$36 million (2009: U.S.$49 million).

Xstrata Nickel sells refined copper to Glencore on arm's length terms and conditions under spot arrangements, which are based on prevailing market rates. During 2010, Xstrata Nickel sold to Glencore 3,698 tonnes of copper (2009: 1,547 tonnes). Effective for the period 1 January to 31 December 2011,

(1) The contract with Xstrata Nickel for the sale of cobalt is a toll conversion and sale contract. Under the terms of such contract Glencore is able to sell excess cobalt concentrate which it might not otherwise have the capacity to process to a subsidiary of Xstrata and then buy back a portion of the processed cobalt metal. 50 per cent. of the material purchased by Xstrata Nickel is sold onto its subsidiary production operations and the remaining 50 per cent. is toll converted into cobalt metal by such subsidiary. The converted metal is then returned to the Glencore Group in accordance with the terms and conditions of the agreement between the Glencore Group and Xstrata Nickel. All transactions are completed in accordance with contracted terms and on an arm's length basis. The sale of cobalt to Xstrata Nickel is treated as a normal sale in the Group's accounts and the metal returned is treated as a normal purchase.

Glencore has agreed to purchase, on a monthly basis, all copper production not otherwise sold by Xstrata Nickel under long-term contracts.

In April 2011, Xstrata Nickel and Glencore agreed the principal terms of a sole sub-distributorship arrangement in relation to 100 per cent. of the ferronickel production from the Koniambo ore body in New Caledonia, a project owned jointly by Xstrata Nickel and Société Minière du Sud Pacifique, the development arm of the North Province of New Caledonia, where Xstrata Nickel holds the exclusive marketing rights for all products. The terms agreed are binding on the parties subject to the satisfaction of certain conditions, which are expected to be satisfied during 2011. The sub-distributorship arrangement is expected to continue until 31 December 2017 and will be automatically renewed for successive three-year periods, unless and until terminated by either party by written notice no less than one year prior to the end of the initial term or any renewal term. In addition, the arrangement will be capable of earlier termination due to, among other things, material breach by, or the insolvency of, either party. Xstrata Nickel will also have the right to temporarily cease, suspend or reduce delivery of ferronickel at any time following the provision of reasonable notice to Glencore and for whatever reason. All sales terms and conditions between Xstrata Nickel and Glencore are on an arm's length basis.

Zinc

On 1 January 2007, Xstrata Zinc renewed a service agreement for a period of three years which shall continue in effect thereafter unless terminated by any of the parties giving the other prior written notice of no less than 12 calendar months with Glencore (the Xstrata Zinc Service Agreement), under the terms of which Glencore provides advice and assistance with respect to pricing and structural issues regarding hedging and the optimisation of internal flows of raw materials. The fees to be paid by Asturiana under the Asturiana Service Agreement are U.S.$2 million per annum.

In 2010, Xstrata Zinc agreed to supply Glencore with 255,000 tonnes (2009: 315,000 tonnes) of SHG zinc slabs and CGG ingots from San Juan de Nieva and Nordenham smelters based on market prices plus the respective FOB/CPT market premium. The terms for the replacement 2011 annual contract are currently being finalised—shipments continue to be made as normal under this arrangement.

In 2010, Xstrata Zinc Canada agreed to supply Glencore with approximately 14,600 tonnes (2009: 63,700 tonnes) of SHG zinc slabs and jumbos based on market prices plus the respective delivery duty paid (DDP) premium. This contract has been replaced with an annual contract for 2011 based on market terms.

In 2010, Britannia Refined Metals agreed to supply Glencore with between 12,000 and 18,000 tonnes of lead metal ingots. The agreement is "evergreen" in nature. In addition, Britannia Refined Metals agreed to supply Glencore with a separate additional 7,500 tonnes of lead metal ingots. Both agreements are based on market prices plus the respective ex-works market premium.

In 2010, Xstrata Zinc Canada made agreements to supply Glencore with approximately 18,300 tonnes (2009: 32,000 tonnes) of lead metal ingots and jumbos. All agreements are based on market prices plus the respective DDP premium. These agreements have been replaced with an annual contract for 2011 based on market terms.

In 2010, Mt Isa Mine had an evergreen contract to supply 80,000 tonnes to Glencore (2003: 80,000 tonnes).

In 2010 Xstrata Zinc sold 300,000 tonnes of zinc concentrate to Glencore under an evergreen swap contract. In return, Xstrata Zinc purchased from Glencore 300,000 tonnes of various zinc concentrate qualities delivered to Xstrata Zinc smelters (2009: 300,000 tonnes). In addition, Xstrata Zinc sold 50,000 tonnes to Glencore under a time swap agreement.

In 2010, Xstrata Zinc sold to Glencore 158,000 tonnes of zinc concentrate under various spot sales contracts from Mt Isa Mine, Antamina, McArthur River and other zinc concentrate qualities.

In 2010, Xstrata Zinc had an agreement to supply Glencore 247,000 tonnes of McArthur River bulk concentrate on an evergreen basis (2009: 245,000 tonnes). Further to the aforementioned agreement, an additional 65,000 tonnes of McArthur River and Brunswick Mine bulk concentrate were sold under annual contracts.

During 2010, Xstrata Zinc Canada purchased 25,000 tonnes of lead concentrates from Glencore for delivery to the Belledune lead smelter under various spot contracts.

All evergreen and annual zinc concentrate and bulk concentrate contracts are based on recognised annual industry benchmark treatment charges and related terms for price participation and silver payables. Spot contracts are negotiated at prevailing market terms.

Technology

In 2006, Xstrata Technology was contracted to install a copper ISASMELT furnace, a lead ISASMELT furnace and an IsaProcess copper refinery at Kazzinc, a Glencore subsidiary for U.S.$99 million. The project commenced in May 2006 and will be commissioned late 2011. This transaction with Kazzinc is on arm's length terms and conditions.

Approximately 6.5 per cent. of Glencore's total purchases were attributable to purchases from Xstrata for the year ended 31 December 2010.

Worldwide office network

Organisation

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

Glencore's finance department is headed by the Chief Financial Officer based at Glencore's head office in Baar. Finance and accounting staff in each principal location (Baar, London, Rotterdam, Stamford, Singapore and Beijing) 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 Glencore's marketing and logistics activities is important in order to ensure prompt and professional handling of the finance and accounting activities related to the specific commodity. The head office finance staff handle (i) funding activities based on Glencore's corporate credit, such as syndicated loan facilities and debt capital market transactions, (ii) co-ordination of the worldwide treasury, hedging and credit and exposure management activities, (iii) presentation of Glencore'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. The head office accounting staff are responsible for (a) financial accounting, including the preparation of the financial statements of the legal entities, (b) preparation of Glencore'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 Glencore's global network of more than 50 offices in more than 40 countries. As shown below, these offices are located in major American, European, Asian, African and Middle Eastern natural resources producing and consuming markets. Some of these offices also oversee local logistics, including supervision of shipments, initial quality control, local authority liaison and shipping documentation. As at 31 December 2010, Glencore's global marketing network comprised the following offices:

Europe	CIS	Asia/Australia	Americas	Middle East and Africa
Avon	Baku	Beijing	Asuncion	Casablanca
Baar	Kiev	Brisbane	Bogota	Dubai
Bucharest	Moscow	Ho Chi Minh City	Buenos Aires	Johannesburg
Budapest	Odessa	Jakarta	Calgary	Maputo
Gdansk		Kolkata	Cancun	
Istanbul		Manila	Clarksville	
London		Melbourne	Hamilton	
Madrid		Mumbai	Houston	
Milan		New Delhi	La Paz	
Rotterdam		Seoul	Lima	
Sofia		Shanghai	Los Olivos	
Thame		Singapore	Mexico City	
Zagreb		Sydney	Montevideo	
		Taipei	Pittsburgh	
		Tokyo	Quito	
			Rio De Janeiro	
			Santiago	
			Sao Paulo	
			Stamford	

Glencore believes its global office network significantly enhances its worldwide sourcing and distribution capabilities. It also secures key competitive advantages by enabling Glencore to penetrate and maintain a presence in local markets, identify strategic investment opportunities, develop excellent knowledge of trading conditions and counterparty quality, and respond quickly to changes in market practices and characteristics. Glencore's close proximity to its suppliers and customers is one of its key strengths.

Tax residency

The Company is incorporated and registered in Jersey as a public company limited by shares under the Jersey Companies Law. The Company is headquartered in Baar, Switzerland and the Swiss tax authorities have confirmed that, on the assumption that the affairs of the Company are conducted as the Directors intend, they will regard the Company as a resident of Switzerland for the purposes of Swiss taxation law. Further, as set out in Note (4) of Section VII: "Unaudited Pro Forma Financial Information", the Restructuring will crystallise Swiss tax deductions of U.S.$4,785 million and will result in a deferred tax asset in Glencore International with a value of U.S.$444 million (net of other tax adjustments). Glencore's effective tax rate results primarily from the location of the Glencore Group's individual operations in differing tax jurisdictions relative to Glencore's historic corporate tax jurisdiction, Switzerland. Glencore's industrial operations are taxed at local rates in the jurisdictions where the relevant operating subsidiaries are located. It is not intended that the Company will be tax resident in any other jurisdiction.

Employees, employee relations and employee benefits

As at 31 December 2010, Glencore employed 2,772 people worldwide, excluding employees in the operations of its industrial assets. The employees include managers, support staff and employees in the offices. The following table indicates the distribution of Glencore's employees by geographic region:

Employees by geographic region

	As at 31 December 2010
Region	
Europe	1,241
U.S.	260
Latin America	176
Africa	59
Asia	400
Australia	56
CIS	580
Total	**2,772**

As at 31 December 2010, 54,884 people were employed by Glencore's industrial assets.

Employee relations

Generally, the Directors believe that Glencore enjoys good labour relations across its group. Glencore's direct employees are not unionised. Some employees in the operations of Glencore's industrial assets are unionised. Glencore believes that it and its industrial assets have a positive and constructive relationship with these unions. However, as in any business in which there is union involvement, there is a risk that Glencore's operations could be affected by disputes with unions (see "Risk Factors—Other risks relating to Glencore—The maintenance of positive employee relations and the ability to attract and retain skilled workers is key to the successful operation of Glencore's industrial activities"). Glencore minimises the risk of such disputes by ensuring that the management of Glencore and of the industrial assets maintains a frequent and open dialogue with the unions.

Employee benefits

Glencore's remuneration to employees includes salaries, bonuses and selective equity participation. Bonuses are generally discretionary based on the individual performance of the employee and the overall performance of Glencore. Benefits may include pensions, health insurance, life insurance and other allowances depending on the role of the employee and applicable law.

Please refer to Section X: "Additional Information" for further information on pensions and employee share plans.

Properties

Glencore leases its headquarters in Baar, Switzerland, as well as offices in major locations such as London, Rotterdam, Stamford and Singapore under long-term lease agreements.

Environment, health and safety

Glencore is committed to conducting its business activities in a manner that will safeguard the health and safety of all employees and protect the environment. Glencore's industrial assets, as well as marketing and logistics activities, are subject to a range of EHS laws and regulations. For its operations (industrial assets and marketing logistics), Glencore has EHS policies and management programmes in place to manage and ensure compliance as well as to track and improve overall performance with the applicable local and international EHS laws and regulations. Glencore's EHS policies, management programmes and reporting schemes seek to identify areas of non-compliance or areas for general improvement. These measures are also used to identify deficiencies by providing appropriate information and specialist advice to determine appropriate corrective actions.

Glencore's EHS policies and management systems are embedded into Glencore Corporate Practice programme ("GCP"). The GCP principles apply to Glencore's marketing activities and to all controlled industrial assets. GCP was designed to address the key non-financial aspects of Glencore's business activities that are important to its success and are indirectly linked to its overall financial performance, which are:

- health and safety;
- environment;
- community relations;
- human resources;
- impact on society and economies; and
- compliance.

These points are addressed in the form of commitments (a) to employees, the environment, communities in which Glencore operates, customers and investors; and (b) to adhere to good practice in compliance, communication and reporting. GCP meets internationally accepted good practice standards for corporate governance and management of non-financial activities.

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 or monthly internal reporting or, for critical incidents, reporting within 24 hours. Glencore 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.

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

Where GCP applies, employees are required to understand and comply with the principles. Glencore's managers are responsible for ensuring compliance, carrying out periodic assessments, management reviews and reviews of corrective action plans. Glencore 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

In order to manage and limit the environmental impact of its controlled-extractive activities, the Glencore Group has established environmental management systems which are used to monitor environmental aspects of the operations undertaken by Glencore Group. Glencore's controlled-extractive assets carry out internal and external environmental audits from time to time. See the Prodeco MER, Mopani MER, Katanga MER and Kazzinc MER in Section XIV: "Independent Technical Reports" for further details of the environmental assessments carried out on Glencore's key industrial assets.

In common with other natural resources and mineral processing companies, despite its best efforts, Glencore's operations cannot always prevent adverse effects on the environment and surrounding communities. Such unfortunate situations may occur even though Glencore'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 sulphur dioxide emissions caused by installations such as smelter furnaces or converter units, dust emissions from smelters, 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, they need to be disposed in a safe and environmentally friendly manner.

Glencore 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 impact along the entire supply chain. Glencore's marketing and logistics operations also need to actively manage certain issues to seek to prevent damage to the environment and surrounding communities.

Besides the environmental aspects of industrial assets, Glencore's marketing and logistics operations also need to actively manage certain issues to prevent damage to the environment and surrounding communities. For example, failure in the logistics of crude oil or petroleum products can result in major environmental impact with huge reputational and financial damages. Therefore, Glencore's time charter fleet for crude oil and petroleum products is regularly inspected according to international maritime standards and has to meet certain technical criteria (for example, double hull) before being qualified to transport Glencore's products. All of this ensures sea- and cargo-worthiness and reduces the risk of failure to a tolerable minimum.

Glencore's products placed in the market are in many cases covered by national and international product safety and dangerous goods regulations. Any failure in complying with these obligations could result in a delay of Glencore's product delivery, loss of insurance coverage, business interruption for Glencore's customers, administrative or criminal sanctions and in extreme cases (temporarily) banning from a marketplace. Glencore has management systems in place to ensure compliance with applicable product safety and dangerous goods regulations. For example, Glencore provides service providers within the supply chain as well as its customers with supporting product information and documentation to allow them to take appropriate steps in relation to safe transportation, handling and use of Glencore's products.

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

Health and safety

Glencore is committed to the health and safety of Glencore employees and contractors and surrounding communities. Glencore's operations developed, implemented and maintain health and safety management systems and programmes which meet international standards and applicable regulatory requirements. These are tailored to the specific needs of Glencore's operations and activities. Performance is regularly monitored by tracking injuries, lost days, fatalities and near-miss events. This information is used as the basis for continuous improvement programmes, training and improvement of the integrity and safety of work places as well as mobile or stationary equipment.

Communities

Glencore believes that its business activities, and in particular its mining operations, contribute in the medium and long term to local development of communities. In addition to monetary distribution of wealth (e.g. direct employment, taxes or royalties), Glencore adds value by procurement of products and services, investments in infrastructure and involvement in local social and development projects.

Initiatives are usually adapted to local situations and needs. They can either be single projects or programmes with long-term commitments. Areas of activity include, for example, education, sports, child care, medical care, culture, environment or even public provision of utilities for the surrounding communities. Glencore works in partnership with local authorities and communities to ensure effectiveness, efficiency and acceptance of each of these programmes.

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

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

Insurance

Glencore maintains a number of key insurance policies that it believes are commercially appropriate to cover the risks associated with its business operations. All of Glencore's insurance policies are placed in external insurance markets with global and local insurers as appropriate and have bespoke terms to reflect Glencore's requirements. Deductibles are generally kept at a low level, ranging from zero to approximately U.S.$1 million (except for one of the industrial assets, which has a deductible of U.S.$20 million). The vast majority of Glencore's insurance policies are underwritten through Lloyd's and other major European and international insurance companies. Glencore maintains an insurance portfolio that covers both physical assets and liability exposures.

Glencore's global insurance policies cover its subsidiaries and its industrial assets (subject to some local insurance cover), and are purchased centrally by the Glencore Group. Glencore's principal global insurance policies include property damage and business interruption (specific to certain copper and zinc assets), charterer's legal liability, marine cargo, 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. In addition, Glencore provides insurance and assistance in relation to its shipping subsidiaries and arranges coverage in respect of various owned vessels for relevant shipping risks such as hull and machinery losses or damage, loss of hire and third party liability and expenses claims from owning or operating ships as principal. Insurance for the majority of co-owned vessels is arranged by Glencore's joint venture partner/co-owner, such terms and conditions and underwriter's security ratings subject to approval by Glencore. Insurance policies for its industrial assets are typically purchased locally on an individual asset basis, with Glencore covering material losses in excess of local limits. All material and locally purchased policies are held centrally by the Glencore Group. These policies include property damage and business interruption, general third party liability and directors' and officers' liability, charterer's legal liability and marine cargo liability, where applicable. However, many of Glencore's material industrial assets, such as Mopani, Prodeco, Kazzinc, Mutanda and Katanga rely on the Glencore Group's global coverage for certain risks as opposed to effecting its own local insurance cover placed in each local territory. Where local coverage is currently in place in respect of an industrial asset, such as the property damage and business interruption cover for Prodeco, Kazzinc and Mutanda, Glencore considers whether to cover such asset under the global policy, and it is intended that these three assets will be covered by the relevant global policy in 2011.

Glencore 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, Glencore believes that it receives better service in respect of policy placements, premium costs, advice and assistance on claims. Brokers are generally remunerated on a commission basis. Although Glencore 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

Glencore has policies and procedures to manage legal risks and address regulatory requirements and other compliance obligations. Glencore has a centralised group legal department that sets legal policy for the Glencore group, supervises the Glencore Group's overall legal function and provides legal services to all areas of the Glencore Group's business activities. In addition, 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. Furthermore, many of the larger Glencore local operating units, such as Kazzinc by way of example, have a local legal function.

Glencore also has a group compliance department that sets compliance policy for the Glencore Group and seeks to supervise the group's overall compliance function. The group compliance department ensures adherence with relevant laws and regulations through an awareness and review process. In addition, the compliance department has put in place a number of manuals to give the business guidance in a number of areas, including money laundering, conflicts of interest, sanctions, bribery and corrupt payments and confidentiality. Many of Glencore's local operating units also have dedicated compliance personnel to address applicable regulatory requirements and these report to the group compliance department.

While Glencore believes that its internal policies and procedures have been effective in the past, in preparing to become a publicly listed company, Glencore has reviewed and updated its internal policies and procedures to ensure it continues to have an appropriately high level of corporate governance, accountability and risk management and that such policies and procedures are properly documented and communicated. The UK Corporate Governance Code sets out the standards of good practice in relation to board leadership and effectiveness, remuneration, accountability and relationship with shareholders. Glencore has in place all the applicable UK requirements under the UK Corporate Governance Code, including the establishment of independent, effective audit and remuneration committees and the formal documentation of the terms of responsibility and scope of its internal audit procedures.

The Glencore Group's legal and compliance departments assist the Glencore Group in monitoring its overall liability profile associated with legal and regulatory matters, including liabilities that may be associated with the Glencore Group's historical activities.

Glencore is of the view that, in the context of the Glencore Group taken as a whole, there have been no material breaches of any material applicable laws and regulations.

Risk management and financial risk management

Risk management and control spans across Glencore's organisational structure. Glencore's Board has been and will further be involved in the risk management of the Glencore Group at a strategic level. Glencore's CEO engages in an ongoing 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, co-ordination 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 group operational risk and verifying process controls.

Glencore's business could be impacted by various external factors, for example political events and unfavourable actions by governments, natural catastrophes and operational disruptions. In addition, Glencore'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. Glencore's overall risk management programme 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, Glencore 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. Glencore's finance and risk professionals, working in co-ordination with the commodity departments, monitor, manage and report regularly to management on the financial risks and exposures Glencore is facing. Responsibility for reviewing the overall effectiveness of Glencore's system of internal controls and risk management systems lies with the audit committee.

Please refer to Section II: "Directors and Corporate Governance" for further information on the audit committee and to Section IV: "Operating and Financial Review" for further information on financial risk management.

IT Systems

Glencore's IT systems environment is based on the three primary elements of its organisation: the Glencore Group; the marketing operations; and the industrial assets. The Glencore IT department is structured so that it is vertically aligned to the marketing operations of the commodity departments, with horizontal coordination of the IT functions across the Glencore Group. The support and management of the IT systems within the industrial assets is performed by the relevant local teams, with the support and advice from the Glencore IT department based in Baar, London, Rotterdam, Singapore and Stamford. Glencore believes this structure enables it to react more quickly to market changes and enhances Glencore's ability to manage its activities in an efficient, reliable and timely fashion.

Glencore's business-critical software applications such as traffic/marketing, accounting and finance are based on integrated standard components. Glencore's core business processes are supported by a combination of in-house developed and off-shelf purchased applications and are continuously adapted to the newest business needs. All of these applications are managed from Glencore's headquarters in Baar and are available to all the major locations, but some commodity-specific applications are supported by the applicable marketing site, such as agriculture in Rotterdam. The Glencore Global Accounting Programme ("GGAP") is a new programme intended to provide Glencore with improved facilities over decision making, assembling resources and financial control. The implementation of a third party specialist, SAP AG, as enabler for GGAP is intended to provide greater reliability and accuracy of financial information and better support for the diverse information requirements from across the Glencore Group. The programme will be managed centrally in Baar and will replace the current local accounting application used by Glencore's main marketing sites in Baar, London, Singapore, Rotterdam and Stamford. Glencore has sought to establish structures and process to ensure GGAP is delivered on time and to budget and GGAP is scheduled to be released in three separate phases: Baar is due to go live in mid-2011; London, Singapore and Stamford in the third quarter of 2011; and Rotterdam in the first quarter of 2012.

In addition to GGAP, a number of other key IT projects are currently underway within the Glencore Group, such as the replacement of the current systems and operational processes supporting the oil commodity department and the new IT system to be implemented in the Energy Products business segment by 2013. Glencore is continuously expanding and upgrading its communications network in response to the growing need to link its worldwide staff electronically and to store, organise and make available to its staff the increasing volume of data transmitted within the global network.

Glencore's IT network architecture is based on a wide area network that interconnects three of its main marketing sites, namely Baar, London and Stamford, and is designed with built-in resilience through the use of dual connections operated by two separate suppliers. This configuration allows Glencore to provide an efficient and highly available service to its employees. Mechanisms which facilitate the restoration of Glencore systems in the event that they become unavailable are also in place. Glencore has its own IT department with approximately 170 employees worldwide, which excludes people employed in the operations of its industrial assets, focused on providing customised business solutions to the changing needs of Glencore's business and providing smooth operation of IT systems.

Dividend policy

Glencore will adopt a progressive dividend policy with the intention of maintaining or increasing its total ordinary dividend each year.

Glencore's earnings come from a diverse range of consolidated marketing and industrial activities, as well as from its ownership of stakes in other companies such as Xstrata, where the Company receives cash flow in the form of dividends. The Board expects that its dividend policy will reflect this diversity as well as the various growth opportunities open to the Company.

The Board intends to maintain a strong balance sheet to ensure Glencore can continue to invest in organic growth and take advantage of strategic opportunities as they arise. The Board will monitor Glencore's future investment activities against alternative uses of capital, which could include ordinary dividends, special dividends or share buy-backs.

Dividends are expected to be declared by the Board semi-annually, with interim dividends announced with Glencore's half-year results and final dividends announced with Glencore's preliminary full year results. Interim dividends are expected to represent approximately one-third of the total dividend for any year. Dividends will be declared and paid in U.S. dollars, although Shareholders will be able to elect to receive their dividend payments in pounds sterling, Euros or Swiss Francs based on the exchange rates in effect at the date of payment. Shareholders on the Hong Kong branch register will receive their dividends in Hong Kong dollars.

The Directors currently expect to declare an interim dividend of U.S.$350 million in August 2011 concurrent with publication of the interim results for the six months to 30 June 2011.

As described more fully in Section IX: "Taxation", once cumulative dividends and other distributions paid by the Company exceed the aggregate of its nominal capital and Qualifying Reserves (as described in Section IX: "Taxation"), dividends and other distributions paid by the Company will be subject to Swiss federal withholding tax on the cash amount of the distribution at the then prevailing rate. The current rate of Swiss federal withholding tax is 35 per cent..

FTSE eligibility

Following discussions with FTSE, it is anticipated that Glencore will be included in the FTSE 100 under the fast entry rule (that is, at close of business on the first day of official trading).

Reasons for the Global Offer and use of proceeds

The net proceeds from the Global Offer receivable by the Company are estimated to be pounds sterling, U.S. dollar and Hong Kong dollar amounts equivalent in aggregate to U.S.$7,456 million after deduction of estimated underwriting commissions and estimated expenses of the Global Offer (assuming the maximum amount of the Underwriter's incentive commission and the discretionary elements of the fees of the Company's other advisers will be paid and including applicable VAT), assuming the Over-Allotment Option is not exercised and the Offer Price is set at the mid-point of the Offer Price Range and exchange rates as at 29 April 2011 (being the last practicable date prior to the publication of this Prospectus). If the Over-Allotment Option were to be exercised in full, the estimated net proceeds from the Global Offer receivable by the Company would increase to U.S.$8,439 million (estimated U.S. dollar equivalent of proceeds to be received in pounds sterling and Hong Kong dollars and assuming the Offer Price is set at mid-point of the Offer Price Range). The Company will not receive any portion of the proceeds resulting from the sale of the Sale Shares by the Selling Shareholder in the Global Offer (other than where proceeds are paid to Glencore International in respect of tax liabilities settled by the Company on behalf of certain Existing Shareholders where the Glencore group has a withholding tax or other legal obligation to do so and in certain cases to repay a small tranche of outstanding loans extended by companies within the Glencore Group).

The Directors believe that the Global Offer, together with Admission, will assist in positioning Glencore for the next stage of its development, as they will (in equal order of priority):

- provide further resources to invest in future organic and acquisition growth opportunities and improve the financial flexibility of the Company;
- enhance the profile of the Company with existing and potential suppliers and customers; and
- provide the Company with a permanent equity capital base and existing shareholders with a market for their Ordinary Shares going forward.

The Company currently intends to apply the proceeds from the Global Offer in the following order of priority:

- use of approximately U.S.$2.2 billion of the net proceeds from the Global Offer towards meeting the cash portion of the consideration payable to Verny, pursuant to the Kazzinc SPAs (further details of which are set out in Section X: "Additional Information") in respect of Glencore's proposed acquisition of additional stakes in Kazzinc;

- use of approximately U.S.$5 billion of the net proceeds from the Global Offer towards meeting its budgeted total aggregate capital expenditure for the next three calendar years (ending 31 December 2013). Items falling within this include funding of significant expansion projects in respect of Kazzinc (estimated capital expenditure of: U.S.$834 million), Mopani (estimated capital expenditure of: U.S.$512 million), Prodeco (estimated capital expenditure of: U.S.$919 million), the West African Oil Assets (estimated capital expenditure of: U.S.$791 million) and Glencore's other industrial assets (estimated capital expenditure of: U.S.$900 million), further information in relation to which is set out in the Prospectus (Section I: "Information on Glencore"). Glencore will continue to assess its capital expenditure plans on an annual basis; and
- in order to reduce its cost of borrowing and improve financial flexibility, use of a portion of any proceeds that are not applicable to, or immediately required, for these purposes to reduce drawings under the U.S.$11,905 million revolving credit facilities and repay various other debt obligations of the Glencore Group. Should growth opportunities arise in the future, Glencore could either draw down any remaining facilities or put in place new facilities.

Current Trading and Prospects

Introduction

Glencore's operating and financial performance over the first quarter of 2011 continued to benefit from improved market conditions as also experienced in the final months of 2010.

Marketing

Marketing operations began 2011 strongly with performance for the first quarter of 2011 in line with management expectations. In particular, following a challenging 2010, the oil division reported substantially improved results, more in line with 2009 performance, due to increased arbitrage opportunities as a result of market volatility and tighter supply conditions.

Industrial

Glencore's consolidated industrial activities and associates delivered a substantially improved performance over the first quarter of 2011, primarily on the back of a strong commodity price environment but also assisted by year-on-year production increases at many operations. Operating costs and capital expenditures, including expansion related capital expenditures, were broadly in-line with management expectations.

Summary and outlook

Overall, Glencore's businesses performed in line with management's expectations over the first quarter of 2011. Strong market conditions experienced in the first quarter are continuing into the second quarter of 2011. Despite recent events in Japan and the Middle East, the Directors remain confident that economic activity and commodity demand remain robust and Glencore remains well positioned for 2011. In this regard, the Directors reconfirm Glencore's previously announced intention to declare an interim dividend of U.S.$350 million in August 2011 concurrent with publication of the interim results for the six months to 30 June 2011.