GLENCORE

INTERIM REPORT 2011

GLENCORE
INTERNATIONAL PLC
AND SUBSIDIARIES

INTERIM REPORT 2011

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Highlights

US $ million	H1 2011	H1 2010	Change
Key income and cash flow statement highlights:			
Revenues	92 120	70 007	32%
Adjusted EBITDA[1]	3 845	2 625	47%
Adjusted EBIT[1]	3 303	2 197	50%
Glencore income – pre other significant items[1,2]	2 450	1 558	57%
Income before attribution	2 672	1 695	58%
Earnings per share (Basic) – pre other significant items (US $)[2]	0.56	0.42	33%
Earnings per share (Basic) (US $)	0.57	0.29	96%
Cash generated by operating activities before working capital changes	2 472	1 809	37%
Funds from operations (FFO)[3]	2 145	1 372	56%

US $ million	30.06.2011	31.12.2010	Change
Key financial position highlights:			
Total assets	81 363	79 787	2%
Glencore shareholders' funds[1]	29 056	19 613	48%
Net debt[4]	8 287	14 756	– 44%
Current capital employed (CCE)[1]	20 586	19 588	5%
Ratios:			
Adjusted current ratio[1]	1.58x	1.26x	25%
Gearing ratio[1]	22.2%	42.9%	– 48%
FFO to Net debt[5]	49.6%	22.6%	119%
Net debt to Adjusted EBITDA[5]	1.12x	2.38x	– 53%
Adjusted EBITDA to net interest	8.25x	6.91x	19%

[1] Refer to glossary on page 36 for definitions and calculations.
[2] Refer to page 9.
[3] Refer to page 11.
[4] Refer to page 10.
[5] 2011 ratio based on last 12 months' FFO and Adjusted EBITDA, refer to page 37.

- Strong growth in Adjusted EBIT to $ 3.3 billion, a 50% increase in H1 2011 versus H1 2010.
  - Marketing Adjusted EBIT grew 45% to $ 1.25 billion in H1 2011 benefiting in particular from improved profitability from the energy segment where profits increased by 200%.
  - Industrial Adjusted EBIT grew 54% to $ 2.05 billion in H1 2011 as we started to deliver on our growth pipeline, notwithstanding copper concentrate inventory build ups at Kazzinc and Katanga comprising some $ 100 million of Adjusted EBITDA expected to be recognised in H2 2011 rather than H1 2011.
- Strong group profitability fully translated into robust cash flows, driving a 56% increase in funds from operations during H1 2011, and an Adjusted EBITDA interest cover in excess of 8 times.
- Robust balance sheet with $ 10.4 billion of committed liquidity headroom and no material refinancings in the next 12 months. This liquidity is spread across more than 100 banks globally.
- Credit rating improvements by both S&P (via an upgrade) to BBB (stable) and Moody's (via stabilisation) to Baa2 (stable).
- Sector leading growth pipeline (conservatively in excess of 50% copper equivalent volume growth to 2014) remains on time and on budget.
  - The oil E&P and Mutanda copper/cobalt development projects are ahead of expectation, balancing some pace of expansion disappointments at Katanga and Kazzinc.
- The Board declared a maiden dividend of $ 0.05 per share.

Chief Executive Officer's Review

During the first half of 2011, underlying demand conditions for commodities remained generally robust, despite a number of major disruptive events. Most notable amongst these were the Japanese Tsunami and related Fukushima nuclear accident, the socio-political turmoil in the Middle East and North Africa and more recently, the renewed sovereign debt concerns. These events have coincided with a softening in the lead indicators of global growth and a peaking of inflationary pressures, particularly in developing markets. Although both trends were widely anticipated, the effect of them in the background has been to heighten market sensitivity to ongoing economic and political developments.

The Japanese Tsunami caused a major short term demand shock in the world's third largest economy. It also materially disrupted the global supply chain, particularly in manufacturing. Concurrently, the impact of pockets of Middle East turmoil has been to alter both the shape and level of the oil curves. This has not only had ramifications across the entire energy and commodity spectrum, it has also reduced expectations for global growth. The latest bout of concern on developed market sovereign debt levels has seen risk appetite fall as the market has grown concerned about the potential for a second leg of the 2008 liquidity crisis, should regulators and politicians fail to act decisively.

Against this background we are proud that Glencore was able to deliver a materially stronger financial performance than the comparative period a year ago. Adjusted EBIT for H1 2011 increased by 50% to $ 3.3 billion, driven by growth within both our marketing and industrial operations. Our volumes and selling prices generally increased and our operational and capital costs have also remained broadly under control, particularly in relation to our peer group. We are pleased to report that this strong profitability translated into cash flows which has provided us with a balance sheet of record strength and flexibility at a time of great potential advantage. Our current level of committed and undrawn financing, at $ 10.4 billion, is 3.5x the minimum level we set ourselves. We are pleased that both S&P and Moody's have reflected this in their most recent ratings publications on Glencore.

In May 2011, we completed our successful IPO, which was the largest ever issuance of ordinary shares on the premium listing segment of the London Stock Exchange. Glencore's resultant shareholder structure provides a unique and strong alignment of interests between external shareholders and directors and employees. We welcome our new shareholders with the payment of our maiden $ 0.05 per share dividend as a public company.

We would like to take this opportunity to reiterate that at Glencore we view the IPO process as very much the start of the next stage of our journey of value creation. This next stage will see us deliver organic industrial volume growth conservatively in excess of 50% by 2014, substantially ahead of our peer group average. This should in turn help drive growth and profitability within our marketing business, particularly in base metals, coal and oil.

We expect to publish our first Sustainability Report during September and look forward to updating all shareholders on how we are committed to conducting our business in a safe, sustainable and responsible manner.

Looking forward, we remain optimistic about long term global economic prospects, and that the trends that underpin the growth of Glencore's business are firmly in place. The drive towards greater urbanisation and improved living standards in countries such as China and India will continue to underpin the growth in global trade. We at Glencore are well positioned to support these developments using our expertise, relationships and infrastructure. The short term volatility caused by renewed bearishness on sovereign debt in developed markets is of course a concern to us and we are focused on seeking to minimise its adverse impact on our business while remaining alert to the potential opportunities that such an environment uncovers in our end markets.

Ivan Glasenberg
Chief Executive Officer

Financial Review

Glencore income (pre other significant items), see page 9, increased 57% to $ 2,450 million and Adjusted EBIT increased 50% to $ 3,303 million in the first half of 2011 compared to the first half of 2010. The 2011 results benefited from overall better commodity market conditions compared to the first half of 2010, translating into higher average prices for the key commodities Glencore produces and generally greater volumes handled by our marketing groups. The Group's large scale, vertically integrated business model, with its unique combination of marketing and industrial activities across a diverse commodity portfolio, serves to underpin the Group's long term sustainability and resilience.

Adjusted EBIT

Adjusted EBIT (refer to glossary on page 36 and note 3 of the interim financial statements) by business segment is as follows:

US $ million	Marketing activities	Industrial activities	H1 2011 Adjusted EBIT		Marketing activities	Industrial activities	H1 2010 Adjusted EBIT	
Metals and minerals	633	950	1 583	48%	635	477	1 112	51%
Energy products	552	211	763	23%	184	156	340	15%
Agricultural products	92	– 17	75	2%	119	6	125	6%
Corporate and other [1]	– 26	908	882	27%	– 73	693	620	28%
Total	**1 251**	**2 052**	**3 303**	**100%**	**865**	**1 332**	**2 197**	**100%**

[1] Corporate industrial activities include $ 977 million (2010: $ 767 million) of Glencore's equity accounted share of Xstrata's income.

Adjusted EBIT for the six months ended 30 June 2011 was $ 3,303 million, a 50% increase from $ 2,197 million in the six months ended 30 June 2010. This increase was made up of stronger contributions from both our marketing and industrial activities. Adjusted EBIT contribution from industrial activities was up 54% to $ 2,052 million from $ 1,332 million in 2010 on the back of higher average commodity prices and production increases at many of our operations. The contribution from marketing activities was up 45% to $ 1,251 million from $ 865 million in the first half of 2010, principally due to a return to more typical oil market conditions, following the challenging backdrop which prevailed during most of 2010.

The metals and minerals segment's Adjusted EBIT was up 42% to $ 1,583 million over the comparable prior period, as its sizeable industrial asset portfolio benefited from the stronger metals prices and increased production at many operations. First half metals and minerals marketing contribution was in line with 2010.

The largest increase in Adjusted EBIT was in the energy segment, which more than doubled its contribution. The stronger oil marketing performance and steadily increasing coal production from Prodeco drove the energy segment's contribution to $ 763 million, a 124% increase over first half 2010.

Adjusted EBIT contribution from the agricultural products segment was $ 75 million over the first half 2011, $ 50 million below the comparable 2010 period. Adjusted EBIT reduction comprises similar amounts from the marketing and industrial components, however both are expected to deliver improved second half performances.

Corporate and other primarily relates to our equity accounted interest in Xstrata and the variable pool bonus accrual, the net result of which was up 42% to $ 882 million over the first half 2011 compared to the corresponding 2010 period. This increase was largely due to the improvement in Xstrata's earnings, which reflected higher metal prices during the period.

Revenue

Revenue for the period ended 30 June 2011 was $ 92,120 million, a 32% increase from $ 70,007 million in the 2010 comparable period. This increase was primarily due to significantly higher average commodity prices for most of the commodities which Glencore produces and markets. Higher period-on-period average prices were notable in Brent oil (42%), thermal coal (39%), wheat (38%), copper (32%) and gold (26%), contributing to an overall increase in revenue of $ 22,113 million. Given the relatively high proportion of Glencore's oil business to Group revenue, the increase in average oil prices was the largest driver of the total revenue increase over the period.

Cost of goods sold

Cost of goods sold for the period ended 30 June 2011 was $ 89,411 million, a 31% increase from $ 68,138 million over the comparable 2010 period. This increase was primarily due to the higher commodity prices noted above and the resulting impact on the purchases of the respective commodities.

Selling and administrative expenses

Selling and administrative expenses for the period ended 30 June 2011 were $ 457 million, a 4% reduction from $ 476 million in 2010.

Share of income from associates and jointly controlled entities

Share of income from associates and jointly controlled entities for the first half 2011 was $ 1,040 million, a 30% increase from $ 797 million in 2010. The increase is due to the higher earnings flow-through from Xstrata and a $ 63 million contribution (up 110% over H1 2010) from several other associates, including Mutanda and Novo Shirokinsky Gold (part of Kazzinc), which are successfully expanding mining projects.

Other (expense)/income – net

Net other expense for the first half 2011 was negative $ 366 million, compared to a net other income of $ 54 million in the first half of 2010. The net amount in 2011 primarily comprised $ 161 million of negative mark to market adjustments related to certain fixed priced forward coal sales contracts in respect of Prodeco's future production that did not qualify for "own use" or cash flow hedge accounting and $ 258 million of expenses related to the Listing of the Glencore Group.

Interest income

Interest income over the first half 2011 was $ 160 million consistent with the corresponding prior period. Interest income includes interest earned on various loans extended, including to companies within the Russneft Group.

Interest expense

Interest expense for the first half 2011 was $ 626 million, a 10% increase from $ 569 million in the first half of 2010, or up 18% on a pre-exceptional basis, taking into account $ 39 million of capitalised borrowing costs written off in 2010. The increase was primarily due to higher average debt levels and, to a lesser extent, the incremental cost impact of a higher long term, fixed rate funding mix.

Interest expense on floating rate debt increased by $ 20 million to $ 275 million from $ 255 million (excluding exceptional charges) in the corresponding 2010 period. Floating rate debt is predominantly used to fund fast turning and liquid working capital, the funding cost of which is taken into account in transactional pricing and terms and accordingly sought to be "recovered" in Adjusted EBIT of our marketing activities.

Interest expense on fixed rate funding was $ 351 million over the first half 2011, an increase of $ 76 million over the corresponding 2010 period. The net increase is due to the Eurobond and Swiss Franc bond issuances in March 2010 and October 2010/January 2011 respectively.

Income taxes

A net income tax credit of $ 201 million was recognised over the first half 2011 compared to an expense of $ 153 million over the first half of 2010. The 2011 credit has resulted from the recognition of $ 427 million of tax benefits (losses carried forward) that were crystallised following the reorganisation of the Glencore Group as part of the Listing. Adjusting for this one off item and excluding share of income from associates and jointly controlled entities which is recorded post tax, the effective tax rate was largely unchanged at 15.8% compared to 14.6% for 2010.

Earnings

A summary of the differences between Adjusted EBIT and Glencore income, including other significant items, is set out in the following table:

US $ million	H1 2011	H1 2010
Adjusted EBIT [1]	**3 303**	**2 197**
Net finance costs	– 466	– 364
Net other items [2]	37	– 44
Income tax expense pre other significant items	– 226	– 153
Non controlling interests pre other significant items	– 198	– 78
Glencore income pre other significant items	**2 450**	**1 558**
Earnings per share (Basic) pre other significant items (US $)	0.56	0.42
Mark to market valuation of forward contracts [2]	– 161	– 131
Net property, plant and equipment impairment reversal/(charge) [2]	16	– 24
Listing related expenses [2]	– 258	0
Write off capitalised borrowing costs [3]	0	– 39
Prodeco call option expense [2]	0	– 209
Gain on revaluation of Vasilkovskoje Gold [2]	0	462
Non controlling interest portion of gain on revaluation of Vasilkovskoje Gold	0	– 147
Deferred tax asset recorded upon Listing/Restructuring [4]	427	0
Total other significant items	**24**	**– 88**
Attribution to hybrid and ordinary profit participation shareholders	0	– 390
Income attributable to equity holders	**2 474**	**1 080**
Earnings per share (Basic) (US $)	0.57	0.29

[1] Refer to glossary on page 36.
[2] Recognised within other (expense)/income – net, see note 4 of the interim financial statements.
[3] Recognised within interest expense.
[4] Recognised within income tax credit/(expense), see note 5 of the interim financial statements.

OTHER SIGNIFICANT ITEMS

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

In the first half of 2011, Glencore recognised $ 419 million of other significant expenses which comprised $ 161 million (2010: $ 131 million) of negative mark to market adjustments associated with certain fixed price forward coal sales contracts relating to Prodeco's future production that did not qualify for "own use" or cash flow hedge accounting and $ 258 million of expenses related to the Listing of the Glencore Group. These expenses were more than 'offset' through the recognition of a $ 427 million tax credit relating to certain income tax deductions that were crystallised, following the reorganisation of the Glencore Group prior to Listing. The net amount for 2010 also included $ 209 million of Prodeco call option expenses, offset by $ 462 million ($ 315 million, net of non controlling interests) related to the revaluation of the initial 40% interest in Vasilkovskoje Gold immediately prior to the acquisition of the remaining 60% interest in February 2010. See note 4 of the interim financial statements for additional details.

LIQUIDITY AND CAPITAL RESOURCES – CASH FLOW

Cash generated by operating activities before working capital changes

Net cash generated by operating activities before working capital changes over the first half 2011 was $ 2,472 million, an increase of $ 663 million (37%) compared to the corresponding 2010 period, consistent with the improved earnings from both marketing and industrial activities.

Working capital changes

Net working capital increased by $ 507 million over the first half 2011 compared to a release of $ 2,074 million in the comparable 2010 period. In relation to Glencore's overall net working capital position, this net increase in 2011 was less than 3%. The second quarter of 2011 saw a working capital release of $ 1,317 million.

Net cash used by investing activities

Net cash used by investing activities over the first half 2011 was $ 1,282 million compared to $ 3,095 million in the first half of 2010. The net outflow in 2011 primarily related to the continued capital expenditure programs in respect of Vasilkovskoje Gold's production ramp up, the various West African upstream oil development projects, the development of the Mutanda copper/cobalt mine and production expansion at Katanga and Prodeco, as well as increases in our equity related holdings in Volcan and Century Aluminum. The 2010 net outflow included the $ 2,000 million base amount in relation to the exercise of the Prodeco call option.

Net cash generated by financing activities

Over the first half 2011, Glencore refinanced the $ 2.8 billion ($ 2.3 billion drawn) Xstrata secured bank loans with new 2 year $ 2.7 billion equivalent facilities and raised a net $ 7.7 billion via equity offerings on the London and Hong Kong stock exchanges.

ASSETS, LEVERAGE AND WORKING CAPITAL

Total assets were $ 81,363 million as at 30 June 2011 compared to $ 79,787 million as at 31 December 2010. Over the same time period current assets decreased from $ 44,296 million to $ 43,748 million. The adjusted current ratio at 30 June 2011 was 1.58 compared to 1.26 at 31 December 2010. This improvement is attributable to the refinancing of the Xstrata secured bank loans and the resulting reclassification from current to non current borrowings and the repayment of various 're-drawable' short term facilities. Non current assets increased from $ 35,491 million as at 31 December 2010 to $ 37,615 million as at 30 June 2011, primarily due to the capital expenditure programs noted above and the equity accounting pick-up of our share of Xstrata's earnings.

Consistent with 31 December 2010, 99% ($ 14,186 million) of total marketing inventories were contractually sold or hedged (readily marketable inventories) at 30 June 2011. These inventories are readily convertible into cash due to their liquid nature, widely available markets, and the fact that any associated price risk is covered either by a physical sale transaction or a hedge transaction on a commodity exchange or with a highly rated counterparty. Given the highly liquid nature of these inventories, which represent a significant share of current assets, Glencore believes it is appropriate to consider them together with cash equivalents in analysing Group net debt levels and computing certain debt coverage ratios and credit trends. Balance sheet liquidity is very healthy such that current capital employed plus liquid stakes in listed associates (at book carrying value) covers 153% of Glencore's total gross debt, or 181%, taking into account the market value of the listed associates as at 30 June 2011.

Net debt

US $ million	30.06.2011	31.12.2010
Borrowings	23 987	30 132
Commodities sold with agreements to repurchase	101	484
Gross debt	**24 088**	**30 616**
Cash and cash equivalents and marketable securities	– 1 615	– 1 529
Net funding	**22 473**	**29 087**
Readily marketable inventories	– 14 186	– 14 331
Net debt	**8 287**	**14 756**

Movement in net debt

US $ million	30.06.2011	30.06.2010
Cash generated by operating activities before working capital changes	2 472	1 809
Listing related cash expenses included in number above (via statement of income)	297	0
Net interest paid	– 543	– 385
Tax paid	– 311	– 162
Dividends received from associates	230	110
Funds from operations	**2 145**	**1 372**
Non current advances and loans	– 64	– 247
Acquisition of subsidiaries	0	– 364
Purchase and sale of investments	– 409	– 2 036
Purchase and sale of property, plant and equipment	– 1 039	– 558
Working capital changes, excluding readily marketable inventory movements and other	– 723	– 1 151
Share issuance, net of Listing related cash expenses included in the statement of income (see above)	7 377	0
Cash movement in net debt	**7 287**	**– 2 984**
Foreign currency revaluation of non current borrowings and other non cash items	– 550	– 165
Profit participation certificates redemptions	– 268	– 304
Non cash movement in net debt	**– 818**	**– 469**
Total movement in net debt	**6 469**	**– 3 453**
Net debt, beginning of period	– 14 756	– 10 186
Net debt, end of period	**– 8 287**	**– 13 639**

Net debt as at 30 June 2011 decreased to $ 8,287 million from $ 14,756 million as at 31 December 2010, with the proceeds raised from the Listing largely accounting for the reduction.

The ratio of net debt to 12 months rolling Adjusted EBITDA improved from 2.38 in 2010 to 1.12 as at 30 June 2011, while the ratio of 12 months rolling FFO to Net debt improved from 22.6% in 2010 to 49.6% as at 30 June 2011.

CAPITAL RESOURCES AND FINANCING

During the first half of 2011, the following significant financing activities took place:

- In January, Glencore issued 5 year, 3.625% CHF 225 million ($ 235 million) bonds, as a tap to its existing CHF bond;
- In February, Glencore redeemed $ 300 million of the $ 700 million 8% Perpetual bonds at par;
- In May, Glencore replaced the previous 364 day $ 1,375 million and $ 515 million committed revolving credit facilities with two new 364 day committed revolving credit facilities for $ 2,925 million and $ 610 million respectively, both with a one year term extension option at the borrower's discretion. In addition, Glencore extended the final maturity of $ 8,340 million of the $ 8,370 million medium term revolver for a further year to May 2014. In aggregate, the new facilities represented an overall increase in committed available liquidity of $ 1,645 million;
- In May, Glencore International plc was admitted to trading on the London and Hong Kong Stock Exchanges in what was the largest ever initial public offering (IPO) of ordinary shares on the premium listing segment of the London Stock Exchange and the first simultaneous London primary and Hong Kong secondary IPO. The offer represents 16.94% of Glencore International plc's post-IPO issued share capital and raised a net $ 7,674 million; and
- In June, Glencore refinanced the $ 2.8 billion ($ 2.3 billion drawn) Xstrata secured facilities with new 2 year $ 2.7 billion equivalent facilities.

Glencore's main refinancing requirements over the next twelve months relate to a few secured borrowing base working capital facilities which ordinarily require extension/renewal each year. However, these tend to be routine given the underlying strong collateral and their modest amounts in the context of our overall balance sheet and funding/liquidity levels. As at 30 June 2011, Glencore had available committed undrawn credit facilities and cash amounting to $ 10.4 billion (as a financial policy, Glencore maintains a $ 3 billion minimum threshold requirement). Based on these available capital resources and Glencore's financial fore-

casts and projections, which take into account reasonable possible changes in performance, the directors believe Glencore can continue as a going concern for the foreseeable future.

Value at risk

One of the tools used by Glencore to monitor and limit its primary market risk exposure, namely commodity price risk related to its physical marketing activities, is the use of a value at risk (VaR) computation. VaR is a risk measurement technique which estimates the potential loss that could occur on risk positions as a result of movements in risk factors over a specified time horizon, given a specific level of confidence. The VaR methodology is a statistically defined, probability based approach that takes into account market volatilities, as well as risk diversification by recognizing offsetting positions and correlations between commodities and markets. In this way, risks can be measured consistently across all markets and commodities and risk measures can be aggregated to derive a single risk value. Glencore has set a consolidated VaR limit (1 day 95%) of $ 100 million representing less than 0.5% of Glencore shareholders' funds.

Glencore uses a VaR approach based on Monte Carlo simulations and is either a one day or one week time horizon computed at a 95% confidence level with a weighted data history.

Average market risk VaR (1 day 95%) during the first half of 2011 was $ 48 million, representing a modest 0.2% of shareholders' equity. Average equivalent VaR during the first half of 2010 was $ 37 million.

Credit ratings

In light of our extensive funding activities, investment grade ratings are of utmost importance to us. Following the Listing, both S&P (via an upgrade) and Moody's (via stabilisation of outlook) improved their credit ratings on Glencore to BBB (stable) and Baa2 (stable) respectively.

Dividends

The directors have declared a 2011 interim dividend of $ 0.05 per share amounting to $ 346 million. The dividend will be paid on 30 September 2011.

Interim dividend	2011
Ex-dividend date (UK and Hong Kong)	7 September
Last time for lodging transfers in Hong Kong	4:30 pm (HK) 8 September
Interim dividend record date in Hong Kong	Opening of business (HK) 9 September 2011
Interim dividend record date in UK	Close of business (UK) 9 September 2011
Deadline for return of currency election form (Jersey shareholders)	12 September
Applicable exchange rate date	23 September
Payment date	30 September

As the interim dividends will be paid out of capital contribution reserves, they are exempt from Swiss withholding tax. As at 30 June 2011, Glencore International plc had CHF 14.5 billion of such capital contribution reserves in its statutory accounts.

The interim dividend is declared and ordinarily paid in US dollars. Shareholders on the Jersey register, may elect to receive the dividend in Sterling, Euros or Swiss Francs. The Sterling, Euro or Swiss Franc amount will be determined by reference to the exchange rates applicable to the US dollar seven days prior to the dividend payment date. Shareholders on the Hong Kong branch register will receive their dividends in Hong Kong dollars. Further details on dividend payments, together with currency election and dividend mandate forms, are available from Glencore's website (www.glencore.com) or from the Company's Registrars.

Notional allocation of debt and interest expense

Glencore's indebtedness is primarily arranged centrally, with the proceeds then applied to marketing and industrial activities as required.

Glencore does not allocate borrowings or interest to its three operating segments. However, to assist investors in the assessment of overall performance and underlying value contributors of its integrated business model, Glencore notionally allocates its borrowings and interest expense between its marketing and industrial activities as shown below. Further details as to the methodology used can be found in the 2010 Annual Report.

US $ million	Marketing activities	Industrial activities	Total
Adjusted EBIT – H1 2011	1 251	2 052	3 303
Interest expense allocation	– 167	– 459	– 626
Interest income allocation	0	160	160
Allocated profit before tax – H1 2011	**1 084**	**1 753**	**2 837**
Allocated borrowings – 30 June 2011[1]	12 842	11 246	24 088
Allocated borrowings – 31 December 2010	12 835	17 781	30 616
Allocated borrowings – quarterly average	13 544	16 442	29 986

[1] Allocated borrowings in industrial activities decreased following the Listing and the 'repayment' of allocated debt.

RISK FACTORS

Glencore is exposed to a number of risks and uncertainties which exist in our business and which may have an impact on the ability to execute the strategy effectively in the remaining six months of the financial year and could cause the actual results to differ materially from expected and historical results. The directors do not consider that the principal risks and uncertainties as summarised below and detailed in the Glencore International plc prospectus dated 3 May 2011 filed in connection with the Listing (the "Prospectus") on pages 12 to 29 and in the 2010 Annual Report on pages 64 to 67, copies of both are available at www.glencore.com, have changed materially.

Risks relating to the Glencore Group:

- Declines in the current and expected volumes of supply or demand for commodities, to commodity prices and to deterioration in economic and financial conditions.
- Significant geopolitical risk.
- Liquidity risk.
- A reduction in Glencore's credit rating.
- Glencore's ability to attract, retain and compensate key employees may be impacted by its transition to a public company.
- Fluctuations in currency exchange and interest rates.

Risks relating to Glencore's marketing activities:

- Its ability to identify and take advantage of arbitrage opportunities.
- The effectiveness of its hedging strategy.
- Counterparty risk.
- Risk management policies and procedures that may leave it exposed to unidentified or unanticipated risks.
- Reliance on third parties to source the majority of its products.
- Reliance on certain agreements for the sourcing of commodities.
- Significant amounts of freight, storage, infrastructure and logistics support required by its marketing activities and increases in costs thereof.

Risks relating to Glencore's industrial activities:

- Delays in or failure to develop planned expansions or new projects.
- Operating risks and hazards at its industrial assets.
- Title to the land, resource tenure and extraction rights of industrial activities.
- Infrastructure at its industrial assets being adequate and remaining available.
- Increases in production costs.
- Stated mineral and hydrocarbon reserves, resources and mineralised potential are only estimates.
- The processes and chemicals used in Glencore's extraction and production methods and its shipping and storage activities.
- Accidents at Glencore's industrial activities, logistics and storage facilities which could result in injuries and fatalities.

SUBSEQUENT EVENTS AFFECTING OUR FINANCIAL POSITION

- In July 2011, Glencore conditionally agreed to acquire from CST Mining Group Limited a 70% interest in Marcobre S.A.C., the sole owner of the Marcona Copper Property and the Mina Justa Project in Peru, for a cash consideration of $ 475 million, subject to closing adjustments.
- In August 2011, Glencore announced its intention to make a cash takeover offer for all of the shares in Minara Resources Limited that it does not already own (approximately 27%) of A$ 0.87 per share, representing a total consideration of approximately US$ 285 million.

Metals and Minerals

US $ million	Marketing activities	Industrial activities	H1 2011	Marketing activities	Industrial activities	H1 2010
Revenue	20 666	4 556	25 222	18 966	3 295	22 261
Adjusted EBITDA	635	1 345	1 980	635	824	1 459
Adjusted EBIT	633	950	1 583	635	477	1 112
Adjusted EBITDA margin (%)	3.1	29.5	–	3.3	25.0	–

MARKET CONDITIONS

Select average commodity prices

	H1 2011	H1 2010	Change
S&P GSCI Industrial Metals Index	470	380	24%
LME (cash) zinc price ($/t)	2 323	2 159	8%
LME (cash) copper price ($/t)	9 399	7 143	32%
LME (cash) lead price ($/t)	2 581	2 084	24%
LME gold price ($/oz)	1 449	1 154	26%
Metal Bulletin alumina price ($/t)	400	330	21%
LME (cash) aluminium price ($/t)	2 558	2 133	20%
LME (cash) nickel price ($/t)	25 587	21 290	20%
Metal Bulletin cobalt price ($/lb)	17	19	– 9%
Iron ore (Platts 62% CFR North China) price ($/DMT)	179	146	23%

Currency table

	Average H1 2011	Spot 30.06.2011	Average H1 2010	Spot 30.06.2010	Change in average prices
AUD : USD	1.03	1.07	0.89	0.84	16%
USD : COP	1 837	1 771	1 946	1 900	– 6%
EUR : USD	1.41	1.45	1.33	1.22	6%
GBP : USD	1.62	1.60	1.53	1.49	6%
USD : CHF	0.90	0.84	1.08	1.08	– 17%
USD : KZT	146.00	145.90	147.25	147.37	– 1%
USD : ZAR	6.89	6.77	7.53	7.67	– 8%

The underlying fundamentals of metals and minerals markets remained supportive across the segment during H1 2011, with demand levels broadly seeing healthy increases while production has not always kept pace. As a result, metals prices generally increased over H1 2011 compared to H1 2010. The GSCI Metals Index increased by 24% from June 2010 to June 2011. However, with the exception of aluminium, base metals prices were on average 5%–10% lower in Q2 2011 compared to Q1 2011, which reflected increased investor and end user caution on the global growth outlook.

Copper and zinc market fundamentals remained well supported in spite of some periods of general risk-aversion during H1 2011. Average H1 2011 prices were respectively 32% and 8% above corresponding 2010 levels. The average copper price for Q2 2011 was $ 9,150/tonne vs. $ 9,632/tonne in Q1 2011. May saw strong Chinese restocking, especially in copper, following the running down of inventories since Q3 2010, largely in reaction to higher prices. SHFE copper exchange stocks have fallen during H1 2011,

although perhaps the most notable development has been the significant drawdown in bonded warehouse stocks that had been sitting at ports since last year. While the precise change in bonded warehouse stocks cannot be definitively quantified, it appears that they have at least halved over this time period, although this partly reflects the tighter financing conditions facing various market participants. Adjusting apparent demand for the significant inventory drawdowns we have seen in China during H1 2011, one can conclude that real demand has been and continues to be strong. In the developed world, US and Europe base metal demand was steady but was constrained by poor supply growth, despite the elevated prices, which in turn supported prices. German base metal demand has been particularly strong through H1 2011, driven principally by stronger export demand.

The gold price experienced strong gains during H1 2011, with an average price of $ 1,449/oz, 26% and 12% above the H1 2010 and H2 2010 prices respectively. The price continues to be underpinned by negative real interest rates in the United States, and by mounting investor concerns about major global currencies. The Federal Reserve's recent commitment to hold rates at the current very low levels until 2013 supports continued price strength.

The average alumina spot price increased to around $ 400/tonne in H1 2011 versus $ 330/tonne in H1 2010. Q2 2011 average prices were approximately $ 405/tonne. Factors behind the year-on-year increase included production problems in various facilities in Australia, start-up of new aluminium smelting capacity in the Gulf region and restarts of idled smelters in Europe and the USA. Average LME prices for aluminium were $ 2,558/tonne in H1 2011 versus $ 2,133/tonne in H1 2010, up 20%. During Q2 2011, they were 4% higher than the average for Q1 2011. Aluminium stock levels have decreased slightly (although from a very high level) from H1 2010 in the developed world and, to a more significant extent, in China.

The global stainless steel industry experienced continued growth for the first four months of 2011, however the remaining two months of H1 2011 experienced a slowdown due to destocking, falling nickel prices and the broader macroeconomic events and associated uncertainties. Global stainless steel production was up H1 2011 versus H1 2010 with the majority of the growth once again occurring in China. Consequently, nickel markets were characterised by strong demand from stainless mills during the first four months of 2011 compared with 2010 and some weakness thereafter. However, non-stainless consuming industries like aerospace, automotive, oil and gas, and plating saw strong demand throughout H1 2011. Average LME prices for nickel were 20% higher in H1 2011 vs. H1 2010, but 10% lower in Q2 2011 compared to Q1 2011.

Q1 2011 saw a healthy level of orders of cobalt intermediates and metal across the various end user sectors. Q2 2011, however, was characterised by reduced end demand from the Chinese battery sector as well as inventory liquidation in the face of the tightening liquidity situation. At the end of H1 2011, we continued to see demand from the battery sector being negatively impacted by relatively high stock levels and resultant destocking. On a positive note, we have seen super-alloy applications benefit from a generally improved supply/demand environment and expect to see this continue due to the ongoing strength of the aerospace sector.

On the global crude steel production front, after a slow month in February mainly impacted by adverse weather conditions in China, production levels recovered and remained fairly stable throughout H1 2011 around January's production levels. China remains the key driver of market volume and growth, accounting for roughly half of worldwide production during H1 2011, with some 10% growth between H1 2011 and H1 2010. Global crude steel production was up approximately 7.5% in H1 2011 vs. H1 2010.

MARKETING

Highlights

The marketing business of metals and minerals delivered good sequential progress during the first two quarters of 2011, highlighting the potential for profitable growth in our end markets in an environment of heightened volatility in several of our major traded commodities. This performance demonstrates the strength of Glencore's unique global platform which combines own production with long term supplier and consumer relationships.

Marketing revenues in H1 2011 were $ 20.7 billion versus $ 19.0 billion in H1 2010, representing an increase of 9%. This growth was principally driven by higher commodity prices for most metals. Q2 2011 revenues were $ 10,602 million, compared to $ 10,064 million in Q1 2011. Adjusted marketing EBITDA and EBIT for H1 2011 were $ 635 million and $ 633 million respectively, compared to $ 635 million and $ 635 million in H1 2010. This performance was driven by profit growth in alumina/aluminium offsetting weaker year-on-year results in zinc/copper and ferroalloys/nickel. Within the half, Q2 2011 Adjusted EBIT was $ 372 million, compared to $ 263 million in Q1 2011.

Financial information

US $ million	H1 2011	H1 2010	Change
Revenue	20 666	18 966	9%
Adjusted EBITDA	635	635	0%
Adjusted EBIT	633	635	0%

Select marketing volumes sold

million MT	H1 2011	H1 2010	Change
Zinc metal and concentrates	1.8	2.0	– 10%
Copper metal and concentrates	1.5	1.8	– 17%
Lead metal and concentrates	0.4	0.4	0 %
Gold (ktoz)	414	245	69 %
Silver (ktoz)	4 921	4 457	10 %
Alumina/aluminium	6.5	5.6	16 %
Ferroalloys (incl. agency)	1.2	1.4	– 14%
Nickel (kMT)	97.8	118.1	– 17%
Cobalt (kMT)	12.3	9.1	35%
Iron ore	2.9	4.1	– 29%

ZINC/COPPER/LEAD

H1 2011 volumes for zinc, copper and lead were somewhat lower at 1.8 million tonnes, 1.5 million tonnes and 0.4 million tonnes vs. 2.0 million tonnes, 1.8 million tonnes and 0.4 million tonnes H1 2010 respectively.

Profits in H1 2011 were lower than in the prior year period but remained at healthy levels. This result, to a large extent, reflects the strong performance during H1 2010, a period when physical purchasing and restocking in Asia was particularly strong.

We expect zinc, copper and lead end user demand to remain relatively firm during H2 2011, subject to any potential negative impacts on business and consumer spending/demand induced by the recent sovereign debt uncertainties and associated fall in market value of several asset classes. We also see mounting risks to supply, particularly in the copper concentrate market, which should support prices.

ALUMINA/ALUMINIUM

For H1 2011, the marketed volumes for alumina/aluminium increased to 6.5 million tonnes compared to 5.6 million tonnes in H1 2010, representing an increase of approximately 16%.

Alumina arbitrage opportunities were broadly similar in H1 2011 compared to H1 2010, apart from China, which swung from being a large importer to being more balanced. Market conditions in aluminium have generally been favourable, with inventory financing transactions and logistics bottlenecks creating significant premium support.

Looking forward, we will continue to seek long term purchase and supply contracts with existing counterparties, as well as targeting new business opportunities with smelters being opened in the Gulf and elsewhere. We will also continue to focus on our Chinese domestic flows and warehousing activities.

FERROALLOYS/NICKEL/COBALT/IRON ORE

Chrome ore volumes increased steadily during H1 2011, however ferrochrome volumes decreased during H1 2011 with fewer opportunities to sell High Carbon Ferrochrome on a spot basis compared with H1 2010.

Nickel volumes declined by 17% in H1 2011 in comparison to the same period in the prior year. This reflected the higher level of underlying demand from stainless steel producers restocking during H1 2010.

H1 2011 cobalt volumes increased by 35% compared to the corresponding period of 2010. This resulted from increased orders from China during Q1 2011 and from our increased supply of material from the Democratic Republic of Congo.

Iron ore volumes decreased by 1.2 million tonnes in H1 2011 compared to H1 2010 mainly due to reduced availability of spot cargoes from Brazil and Australia. Due to severe supply disruptions commencing in Q4 2010 in Canada, Brazil and Australia, iron ore availability was limited and prices started to increase substantially during Q1 2011. High seaborne prices allowed high cost Chinese domestic producers to enter the market and supply domestic concentrates. Seaborne iron ore availability started recovering in Q2 2011 which, combined with high levels of Chinese production, exerted upward pressure on prices. Prices also remain reasonably well supported due to reduced Indian supply, on the back of the Monsoon and Karnataka (export ban) situation.

Overall profits in H1 2011 were slightly below H1 2010 levels with a mixture of positive and negative year-on-year performances within the various individual commodity books.

INDUSTRIAL ACTIVITIES

Highlights

Metals and minerals industrial business continued its improving performance into H1 2011, generally driven by higher average prices compared with H1 2010, but also aided by operational enhancements and increased production at many of our operations.

Total industrial revenues for metals and minerals in H1 2011 were $ 4.6 billion, up 38% from H1 2010's $ 3.3 billion. Adjusted EBITDA and EBIT for the period were $ 1,345 million and $ 950 million respectively, up 63% and 99% compared to $ 824 million and $ 477 million in H1 2010.

The growth strategy remains on track. Production capacity is expected to increase for the balance of 2011 and the foreseeable future, driven by the transformation to and establishment of a number of high quality, large scale, long life and low cost assets.

Financial information

US $ million	H1 2011	H1 2010	Change
Revenue			
Kazzinc	1 161	783	48%
Other Zinc	502	431	16%
Zinc	**1 663**	**1 214**	**37%**
Katanga	322	260	24%
Mopani	597	330	81%
Other Copper	1 300	917	42%
Copper	**2 219**	**1 507**	**47%**
Alumina/Aluminium	**281**	**223**	**26%**
Ferroalloys/Nickel/Cobalt/Iron ore	**393**	**351**	**12%**
Total	4 556	3 295	38%
Adjusted EBITDA			
Kazzinc	524	335	56%
Other Zinc	154	93	66%
Zinc	**678**	**428**	**58%**
Katanga	141	81	74%
Mopani	208	72	189%
Other Copper	114	105	9%
Copper	**463**	**258**	**79%**
Alumina/Aluminium	**52**	**9**	**478%**
Ferroalloys/Nickel/Cobalt/Iron ore	**110**	**117**	**– 6%**
Share of income from associates and dividends (includes Mutanda)	42	12	250%
Total	1 345	824	63%
Adjusted EBITDA margin (%)	**29.5**	**25.0**	**–**
Adjusted EBIT			
Kazzinc	372	235	58%
Other Zinc	98	40	145%
Zinc	**470**	**275**	**71%**
Katanga	106	47	126%
Mopani	144	– 10	n.m.
Other Copper	93	88	6%
Copper	**343**	**125**	**174%**
Alumina/Aluminium	**47**	**5**	**840%**
Ferroalloys/Nickel/Cobalt/Iron ore	**48**	**60**	**– 20%**
Share of income from associates and dividends (includes Mutanda)	42	12	250%
Total	950	477	99%
Capex			
Kazzinc	218	121	–
Other Zinc	57	34	–
Zinc	**275**	**155**	**–**
Katanga	137	98	–
Mopani	56	43	–
Other Copper	41	50	–
Copper	**234**	**191**	**–**
Alumina/Aluminium	**3**	**20**	**–**
Ferroalloys/Nickel/Cobalt/Iron ore	**36**	**20**	**–**
Total	548	386	–

Production data

thousand[1]		Using feed from own sources	Using feed from third party sources	H1 2011 Total	Using feed from own sources	Using feed from third party sources	H1 2010 Total	Own feed change
Kazzinc								
Zinc metal	MT	126.0	23.3	149.3	116.0	33.3	149.3	9%
Lead metal[2]	MT	18.8	34.2	53.0	22.3	27.3	49.6	– 16%
Copper metal[3]	MT	25.8	0.7	26.5	28.9	0.9	29.8	– 11%
Gold	ktoz	207	17	224	128	5	133	62%
Silver	ktoz	2 296	1 740	4 036	2 836	675	3 511	– 19%
Katanga								
Copper metal[3]	MT	43.3	–	43.3	25.2	–	25.2	72%
Cobalt	MT	1.3	–	1.3	1.8	–	1.8	– 28%
Mopani								
Copper metal	MT	49.6	52.8	102.4	31.5	49	80.5	57%
Cobalt	MT	0.4	0.1	0.5	0.5	0.1	0.6	– 20%
Other Zinc (Los Quenuales, Sinchi Wayra, AR Zinc, Portovesme)								
Zinc metal	MT	15.2	61.7	76.9	13.3	57.3	70.6	14%
Zinc concentrates	DMT	247.2	–	247.2	156.4	–	156.4	58%
Lead metal	MT	5.9	–	5.9	7.5	–	7.5	– 21%
Lead concentrates	DMT	30.7	–	30.7	22.5	–	22.5	36%
Tin concentrates	DMT	2.2	–	2.2	1.9	–	1.9	16%
Silver metal	ktoz	368	–	368	481	–	481	– 23%
Silver contained in concentrates	ktoz	4 243	–	4 243	3 828	–	3 828	11%
Other Copper (Cobar, Pasar, Punitaqui)								
Copper metal	MT	–	80.6	80.6	–	80.8	80.8	n.m.
Copper concentrates	DMT	93.8	–	93.8	93.6	–	93.6	0%
Alumina/Aluminium (Sherwin)								
Alumina	MT	–	751	751	–	666	666	n.m.
Nickel/Cobalt (Murrin Murrin)								
Nickel metal	MT	13.9	0.7	14.6	14.3	0.2	14.5	– 3%
Cobalt	MT	0.8	0.2	1.0	0.9	0.1	1.0	– 11%
Total Zinc contained	**MT**	**267.4**	**85.1**	**352.5**	**209.9**	**90.6**	**300.5**	**27%**
Total Copper contained	**MT**	**143.9**	**134.1**	**278.0**	**111.6**	**130.7**	**242.3**	**29%**
Total Lead contained	**MT**	**41.8**	**34.2**	**76.0**	**41.3**	**27.3**	**68.6**	**1%**
Total Tin contained	**MT**	**1.0**	**–**	**1.0**	**1.0**	**–**	**1.0**	**0%**
Gold (incl. Silver equivalents)[4]	**ktoz**	**375**	**59**	**434**	**237**	**16**	**253**	**58%**
Total Alumina	**MT**	**–**	**751**	**751**	**–**	**666**	**666**	**n.m.**
Total Nickel	**MT**	**13.9**	**0.7**	**14.6**	**14.3**	**0.2**	**14.5**	**– 3%**
Total Cobalt	**MT**	**2.5**	**0.3**	**2.8**	**3.2**	**0.2**	**3.4**	**22%**

[1] Controlled industrial assets only. Production is on a 100% basis.
[2] Lead metal includes lead contained in lead concentrates.
[3] Copper metal includes copper contained in copper concentrates and blister copper.
[4] Gold/Silver conversion ratio of 1/43.42 and 1/65.62 for the first quarter 2011 and 2010 respectively based on average quarterly prices.

OPERATIONS

Kazzinc (Glencore share: 50.7%)

In H1 2011, Kazzinc equalled or exceeded H1 2010 production in 4 of its 5 main metals, which was achieved together with lower than budgeted expenses. Zinc production was in line with H1 2010, while own mine sourced ore production increased 9%. Total lead production increased by 7% over the same time period due to increased feedstock of purchased raw materials. Gold production increased by 68% in H1 2011 compared to the same period of 2010 (explained below), while processing of silver-rich Dukatsky concentrate helped Kazzinc to increase its silver production by 15%. Following the Japanese earthquake, spot copper concentrate terms in China developed adversely to the point that Kazzinc copper concentrates could not be sold in meaningful quantities in recent months. The current market value of all copper concentrates in stock is in the region of $ 127 million. This stock build-up, which will reverse in H2 2011, has had the effect of lowering Kazzinc's H1 2011 Adjusted EBITDA by some $ 70 million. Kazzinc has experienced unit cost inflation of 3.6% in H1 2011 versus H1 2010. The management team has successfully introduced stringent operational cost controls, which resulted in lower than budgeted H1 2011 capex and operating costs.

The ramp-up in mining and processing at Altyntau Kokshetau (formerly Vasilkovskoye Gold) has accounted for a 2.0 million tonnes increase in gold ore mined and a 1.6 million tonnes increase in ore processed in H1 2011 when compared with H1 2010. Altyntau's mills were stopped in June and July for 45 days to allow work to be completed which will result in an 8 million tonnes increase in processing production capacity to the design throughput. Kazzinc has not met its gold plan for H1 2011, primarily due to lower recoveries and these mill stoppages, and is expected to produce approximately 516,000 toz of gold, 109,000 toz less than the 625,000 toz stated in the IPO Mineral Expert Report (MER) budget in 2011. The previously reported reinforcement of the foundations underneath the two ball mills is progressing well, with one mill already back in production at the end of July, and the second expected to be in production towards the end of August. The recovery issue is being addressed by having installed an additional fine grinding capacity during the 45 day stoppage period, which should allow the liberation of more gold in the grinding stage and increase gold recovery once the plant is again operational at design throughput capacity.

Kazzinc is finalising the completion of its new metallurgy project at the forecast capex of $ 875 million, of which $ 831 million has been incurred to date. This new project primarily comprises the construction of an initial 70,000 tonnes per annum IsaSmelt copper smelter/refinery (which will subsequently be ramped up to 87,500 tonnes per annum), a new acid plant, the modernisation of the existing lead plant and construction of the necessary auxiliary operations. Commissioning of the new copper smelter has started, and first anode copper production was achieved in August.

Together with the upcoming production of the copper cathodes, the most positive effect on consolidated financial performance on a three year time horizon is expected to be an increase in gold production in the region of 1.5 times our current 2011 forecast for each of the next 3 years.

With respect to Kazzinc's upcoming projects, all of its gold assets, including Vasilkovskoje gold mining assets and the Ridder Sokolny mine and gold refinery, are being transferred into Kazzinc's new gold division Altyntau. The reorganisation is expected to be finalised in Q4 2011, and, depending on market conditions, management will thereafter consider a public listing of Altyntau. In addition, in March 2011, Novoko B.V. and Kazzinc signed a sale and purchase agreement regarding Kazzinc's interest in Shubinskoye LLP, whereby Novoko agreed to buy 49%. As part of the transaction, Shubinskoye acquired mineral rights to the Novo-Leninogorskoye property located 10 km away from the Ridder-Sokolny mine. A feasibility study for Novo-Leninogorskoye is underway. Additionally, a feasibility study has now been commissioned for the Dolinnoe-Obruchevskoe gold deposit, which is first in line of the mining expansions at Kazzinc.

Excluding gold production discussed above, Kazzinc is expected to match or exceed all 2011 production numbers stated in the MER, including zinc, lead, copper and silver production.

Katanga (Glencore share: 74.8%)

Katanga's contained copper in ore mined amounted to 104,527 tonnes in H1 2011, an increase of 117% from H1 2010. The annualised contained copper in ore mined for Q2 2011 amounts to approximately 227,000 tonnes, which has allowed for an increase in the contained copper in strategic stockpiles of approximately 5,000 tonnes (when compared to Q1 2011) in anticipation of the upcoming wet season.

Ore mined and hoisted at the KTO Underground Mine for H1 2011 was 798,643 tonnes, an increase of 31% on H1 2010. Ore mined at the KOV Open Pit for Q2 2011 was 603,070 tonnes, 10% above Q1 2011 (there was no ore mined in H1 2010). This is equivalent to an annualised production capacity of 2.4 million tonnes, which is consistent with the 2012 production rate and the ramp up schedule as described in Katanga's Independent Technical Report (ITR) of 31 March 2011. The copper grade of ore mined from the KOV Open Pit for the second quarter averaged 5.05%.

The KOV Open Pit is now effectively dewatered, with 52.7 million cubic litres of water having been removed from the pit. During Q2 2011, Katanga also commenced with the dewatering of the Kamoto East Pit, which is adjacent to the KOV Open Pit. The water at Kamoto East has since dropped by 4.4 meters, with 1.5 million cubic meters of water having been removed. The Kamoto East pit dewatering is expected to allow for more efficient and cost effective waste management and the potential development of the Kamoto East resource using underground mining methods.

Ore milled at the Kamoto Concentrator (KTC) in H1 2011 amounted to 2.0 million tonnes, an increase of 49% from H1 2010. The current milling capacity at KTC of 7.7 million tonnes per annum of ore is sufficient to support the Life of Mine Plan through to 2014. Total concentrate produced of 238,981 tonnes represents an increase of 73% from H1 2010. Katanga continues to increase the production of oxide concentrate for sale as a finished product, and construction of a 120,000 tonnes per annum concentrate filtration and bagging facility is expected to be completed by the end of August 2011.

Copper produced in metal and concentrate for H1 2011 totalled approximately 43,300 tonnes, an increase of 71% compared to H1 2010. Cobalt produced totalled 1,298 tonnes, a reduction of 27% compared to H1 2010, due to the lower head grades in the KOV Open Pit compared to those seen in the T17 Open Pit.

Katanga completed all critical scopes of work relating to the upgrade program associated with the previously disclosed Accelerated Development Plan during July 2011. This has increased production capacity to 150,000 tonnes per annum of copper and 8,000 tonnes per annum of cobalt.

During Q2 2011, Katanga completed the front-end engineering and early works study for the New Phase 4 expansion to 310,000 tonnes pa of copper total plant capacity. The study confirms that an additional 100,000 tonnes per annum solvent extraction ("SX") plant, over and above the 200,000 tonnes per annum SX plant described in the ITR, can and will be constructed in front of the Luilu electrowinning plant. As a result, the study also confirms that Katanga is expected to reach higher copper and cobalt production levels sooner than the timeliness described in the ITR. Forecast expansionary capex has been raised from $ 537 million to approximately $ 630 million due primarily to the inclusion of the additional 100,000 tonnes per annum SX plant and an in-pit crusher at the KOV Open Pit. For further information please visit www.katangamining.com.

Mutanda (Glencore share: 40%)

Mutanda is not included in the production table above on account of its status as an associate. However, under Glencore's operational control, the Phase 1 Hydrometallurgical Plant achieved nameplate capacity of 20,000 tonnes per annum of annualised copper cathode production in January 2011. Under the Phase 2 project (40,000 tonnes per annum SX/EW plant), EW 2 and EW 3 tankhouses were commissioned ahead of schedule in April and June respectively, increasing Mutanda's annualised copper cathode production capacity to 60,000 tonnes per annum. Actual copper production has been accelerated to match installed capacity through a combination of increased feed grade through the Phase 1 milling and leaching section and the construction and utilisation of heap leaching.

H1 2011 total copper production was 25,800 tonnes, including both cathodes and copper in concentrate. Forecast copper production for 2011 is expected to reach some 62,200 tonnes of which cathodes are expected to contribute 42,000 tonnes (compared to the MER forecast of 24,000 tonnes of cathodes). Total H1 2011 cobalt production in both concentrate and hydroxide was 3,600 tonnes, and is forecast to reach approximately 7,800 tonnes for the full year.

Copper concentrate production will continue throughout the year (rather than ceasing in August as outlined in the MER). Cobalt concentrate production will continue on a marginal basis for the balance of the year as Mutanda capitalises on pockets of high grade cobalt ore. Production of both copper cathodes and cobalt hydroxide will continue ramping up to installed capacity of 110,000 tonnes per annum of cathodes and 23,000 tonnes per annum of cobalt contained in hydroxide by Q2 2012.

Ongoing capital projects include:

- Completion of the front end (milling and leaching) of the Phase 2 plant and associated cobalt circuit in Q1 2012, along with the already commissioned EW2 and EW3 tankhouses. This will increase overall plant capacity to 60,000 tonnes per annum of copper cathodes and 18,000 tonnes per annum of cobalt in hydroxide at design feed grades.
- Commissioning of EW4 and the completion of the electrical modifications to the existing three EW tankhouses is expected by December 2011, increasing installed cathode production capacity to 110,000 tonnes per annum. The remainder of the front end (milling and leaching) of the Phase 3 plant and the associated cobalt circuit is expected to be completed by Q3 2012, which will result in the overall hydrometallurgical complex capable of producing 110,000 tonnes per annum of copper cathodes and 23,000 tonnes per annum of cobalt in hydroxide at design feed grades.
- Completion of the 390 tonnes per day sulfuric acid and 73 tonnes per day SO2 Plant, expected to be commissioned in late 2011.

Total cost to completion for all three Phases of the Hydrometallurgical Plant and the Acid Plant is expected to be $ 690 million (consistent with the forecast in the Glencore IPO prospectus), of which $ 478 million has been incurred to date, with completion ahead of schedule for the copper facilities and slightly behind for cobalt and the acid plant. A feasibility study to expand the Mutanda plant capacity to 210,000 tonnes per annum has been commissioned. Reliable cost estimates do not currently exist due to the early stage of the study, although preliminary studies show positive prospects.

Mutanda, in conjunction with Katanga and Kansuki (see below), is engaged in a project to secure power for all three operations. The total project cost is expected to be some $ 320 million, of which $ 117 million will be contributed by Mutanda. The project is being executed in partnership with SNEL, the national power operator in the DRC, Katanga and EGMF (the project contractor), and is progressing satisfactorily. The amount invested will be recovered via lower electricity tariffs.

Glencore holds a 50% interest in Kansuki Investments Sprl which in turn holds a 75% interest in Kansuki Sprl, the owner of the Kansuki concession (thereby giving Glencore an effective interest of 37.5%). Kansuki is a 185 square kilometre copper and cobalt pre-development project which borders the Mutanda concession. Exploration of the Kansuki concession by Kansuki Sprl has commenced and is ongoing (currently a total $ 43 million has been spent). Discussions are ongoing with respect to a potential combination of the Mutanda and Kansuki operations, with a view to ultimately obtaining a majority stake in the merged entity.

Mopani (Glencore share: 73.1%)

Mining production at Mopani increased in H1 2011 by 18% compared to the equivalent period in 2010 (in terms of ore hoisted), largely attributable to three main factors, namely increased mine development, improved maintenance and new fleet purchases resulting in better equipment availability, which altogether increased the number of available mining stopes by 25% compared to H1 2010. Total contained copper in concentrate for H1 2011 was 13% higher than H1 2010 due to the improved ore deliveries from mining. Total contained copper in ore was 16% higher than in H1 2010.

Gross anode production from the smelter was 34% higher in H1 2011, driven by the increased concentrate receipts and improved recoveries. Total Mopani finished copper from own sources was 57% higher compared to H1 2010. Some of the increased production was achieved in H1 2011 due to the scheduled smelter shutdown that occurred during May 2010. Mopani is expected to match 2011 copper production from own sources stated in the MER.

Finished cobalt production was slightly below the comparable 2010 period, primarily due to lower cobalt grades in both the Mopani and purchased concentrate.

Total mining development is expected to be on budget for 2011 at some 45 km developed. This level of development, together with the improved equipment availability, is expected to result in Mopani meeting budgeted mining production for the second half of 2011.

There are a series of major capital projects underway to increase mine production and continue to improve and modernise the smelter. Significant projects in mining include the Synclinorium project, a major new shaft development. This project should provide access to 115 million tonnes of copper ore at estimated average grades of 1.9% total copper and 0.09% total cobalt, and is expected to produce 5.1 tonnes per annum of ore by 2018, replacing production from the current North, SOB and Central Shafts. The forecast capital expenditure for the project is $ 323 million.

In metallurgy, Smelter Phase III project is currently under way, which includes the installation of 3 new converters, gas cleaning equipment and a second acid plant, which will improve sulphur dioxide emissions capture to above 97%. The project is running on schedule, with commissioning of the first stage (Converter no 1) scheduled for December 2011. The forecast capital expenditure for the project is $ 145 million.

Mining costs for H1 2011 increased by $ 22 million compared to H1 2010 due to the proportionate increase in production and development in both underground and open pit mining. Processing costs for H1 2011 increased by $ 18 million, due to the increased throughput at the smelter and increased quantity of purchased ore and concentrate, primarily from Katanga and Mutanda. Production using feed from third parties increased by approximately 8% between H1 2011 and H1 2010 and therefore, while overall costs have increased, the cash cost per tonne of finished copper from Mopani mines has decreased.

The tax regime in Zambia is relatively stable, including a 30% corporate tax rate and accelerated capital deductions for mining investment. The Zambian Revenue Authority is currently undertaking a review of prior tax years, which is expected to be finalised in Q3 2011.

Other Zinc

Los Quenuales (Glencore share: 97.1%)

H1 2011 was a strong period for Los Quenuales. Total ore processed at Iscaycruz was 113% higher than H1 2010 (the mine reopened in April 2010), although zinc and lead head grades declined slightly. Zinc and lead concentrates production was respectively 121% and 95% higher. Total ore processed at Yauliyacu in H1 2011 was 2% lower than H1 2010, however zinc concentrates production was 4% higher in H1 2011 compared to H1 2010 due to higher head grades and an increased zinc recovery ratio. In late April 2011, Los Quenuales ceased bulk concentrates production and commenced a cleaner production method by splitting the respective lead and copper concentrates. These separated concentrates will be far more readily marketable than the previous complex lead, copper and silver concentrate. It is expected that the Iscaycruz and Yauliyacu mines will maintain their production levels for the remainder of 2011.

Sinchi Wayra (Glencore share: 100%)

Production at Bolivar, Caballo Blanco and Colquiri in H1 2011 was significantly higher than in H1 2010, reflecting the impact of efficiency programs and a number of low capex expansions. These positive factors were slightly offset by incidents of social unrest in the country unrelated to our operations, a heavier than normal rainy season and also some recovery issues in the Colquiri concentrator plant. Production in H2 2011 is expected to continue at a significantly higher rate than in H2 2010. Negotiations with the government to adapt our mining contracts according to the new constitution continue and whilst progress has been made, the final outcome and the timing thereof cannot be determined at this stage.

AR Zinc (Glencore share: 100%)

AR Zinc is on track to meet production targets. The Palpala lead smelter was out of operation in January 2011 for maintenance, although it is forecast to achieve budget with respect to lead, silver, bisulfite and metabisulfite production in H2 2011. Current capital projects include an antimony purification project, which will facilitate environmental improvement and also a higher recovery of zinc and cadmium, as well as an increase in marketable copper and cobalt content in the zinc concentrate treated.

Other Copper

Cobar (Glencore share: 100%)

Total production for H1 2011 was 21,000 tonnes of copper contained, compared to H1 2010 production of 26,000 tonnes. The decrease is largely attributable to reduced loader availability and lower than budget head grade. Forecast production for the full year 2011 is 48,000 tonnes of contained copper. The main project currently being undertaken is the construction of the shaft extension which will reduce operating costs, allow access to more ore and increase production by 2013. The project is in the final stages of planning and contract awarding. Cost per tonne for the period is some 30% above the first half of 2010, driven largely by

the stronger Australian Dollar and, to a lesser extent, the reduced output. The Australian Dollar strengthened to a H1 2011 average rate of 1.06 compared to 0.87 in H1 2010, an increase of 22%.

Punitaqui (Glencore share: 100%)

Punitaqui produced 18,000 tonnes of copper concentrates during H1 2011. This has been the first six months period of full production since the acquisition of the site in February 2010 and the commencement of operations towards the end of 2010. Although the commissioning has been successful, some processing bottlenecks remain. Production forecast for 2011 is expected to be in the order of 43,000 tonnes of copper concentrate.

Alumina/Aluminium

Sherwin Alumina (Glencore share: 100%)

Production for H1 2011 was 751,000 tonnes, up 13% from H1 2010. The restart of the 5th digestor unit at the beginning of 2011 was a key driver, while efficiency levels were also better on all fronts. Sherwin continues to benefit from low US natural gas prices and the relatively strong LME aluminium prices. Current production forecast for the full year is approximately 1,520,000 tonnes, an increase of 21% from 2010. While forecast unit production cost for 2011 is expected to be lower than 2010, we anticipate an increase in production costs in H2 2011, driven by higher input costs linked to LME prices, higher bauxite freight costs, as well as increased maintenance spend. In the medium term, the objective is to capitalise on Sherwin's recent strong operating performance to increase plant production to nameplate capacity of 1,600,000 tonnes.

Ferroalloys/Nickel/Cobalt

Murrin Murrin (Glencore share: 83.3%)

Production at Murrin Murrin for the six months to 30 June 2011 was 14,625 tonnes of nickel packaged and 945 tonnes of cobalt packaged, compared to 14,512 tonnes and 1,008 tonnes during H1 2010. Production in H1 2011 was impacted by various issues, including a series of electrical storms, heavy rains and flooding events, disrupting production. Failure of an acid plant heat exchanger in June saw production continue at reduced rates before tie-in of a new unit in July. The Murrin Murrin production guidance for 2011 was consequently amended to 29,000 to 32,000 tonnes of nickel, with the production profile set to improve in the second half, reflecting increased plant availability and increased processed ore-grade following the ramp-up to full production from the Murrin Murrin East orebody.

Profitability during the first half of 2011 was impacted by the strengthening Australian Dollar and higher maintenance costs, partially offset by the receipt of an interim insurance payment of AUD 19 million arising from the Train 1 HPAL autoclave pipeline failure in May 2010.

Capital expenditure for Murrin Murrin during H1 2011 included the development of the Murrin Murrin East mine, commissioning of the high-density slurry (HDS) project and work on a sixth reduction autoclave unit in the refinery's nickel circuit. For further details please visit www.minara.com.au.

Energy Products

US $ million	Marketing activities	Industrial activities	H1 2011	Marketing activities	Industrial activities	H1 2010
Revenue	57 053	1 005	58 058	42 575	744	43 319
Adjusted EBITDA	568	305	873	191	203	394
Adjusted EBIT	552	211	763	184	156	340
Adjusted EBITDA margin (%)	1.0	30.3	–	0.4	27.3	–

MARKET CONDITIONS

Select average commodity prices

	H1 2011	H1 2010	Change
S&P GSCI Energy Index	341	263	30%
API2 ($/t)	122	83	47%
API4 ($/t)	120	86	40%
Prodeco realised price ($/t) [1]	97	83	17%
South African Coal realised export price ($/t)	97	87	11%
South African Coal realised domestic price ($/t)	44	33	33%
Oil price – Brent ($/bbl)	111	78	42%

[1] As of 30 June 2011, 28 million tonnes had been sold forward at an average price of $ 93 per tonne.

The underlying fundamentals of global energy markets generally improved during H1 2011, particularly in comparison to the corresponding period in 2010. Accordingly, average prices were broadly higher during H1 2011 than H1 2010. The GSCI Energy Index increased by 30% from June 2010 to June 2011. The GSCI Energy Index decreased by 7% from April to June 2011, consistent with movements witnessed across the broader commodity spectrum.

Coal

Coal spot benchmarks saw significant price increases over H1 2011 compared with the corresponding period of 2010, up between 28% and 47%. Average prices in Q2 2011 were flat versus those in Q1 2011, despite some market headwinds brought on by the uncertain economic outlook and Japanese Tsunami. Strong Chinese and Indian demand for Pacific and South African coal supported the higher price levels. The weakness in the Atlantic market in 2010 was due in a large part to European utilities holding near record high coal stocks and the fact that US utilities were generally sourcing more gas as opposed to coal given the relative weakness of US gas prices. European utilities have since worked through these high stock levels and imports have markedly increased. Stocks in ARA (Amsterdam/Rotterdam/Antwerp) reduced from 8.3 million tonnes in March 2010 to 5.7 million tonnes in June 2011 on the back of increased consumption, mainly in the German market.

The safety and environmental concerns surrounding nuclear power generation in the aftermath of Japan's nuclear event has had an impact on the rate of coal burn in various markets during H1 2011, which increased. This was most noticeable in Germany where it was announced that 8.8 GW of nuclear power generation would be taken off-line for safety checks. It was subsequently confirmed these plants would not come back on line. While other nuclear users appear to be following a less extreme path it looks highly likely that nuclear life spans will be curtailed and that new projects will be subject to increased delays.

Oil

In oil markets, Brent prices started the half year at $ 95/bbl and ended at $ 111/bbl with a range in the period of $ 93/bbl to $ 127/ bbl. This compares with a range of $ 70/bbl to $ 89/bbl during H1 2010. Increased volatility typically supports marketing opportunities in the division. The period of increased prices seen in H1 2011 was punctuated by seismic price shifts caused by events such as the unrest in the Middle East and North Africa, the Japanese Tsunami and nuclear disaster, European debt concerns and the IEA's decision to release strategic reserves in June.

Another key characteristic of global oil markets in H1 2011 was the dislocation of Brent to WTI due to the latter's captive delivery location. Brent-WTI started the year at $ 2.38/bbl differential and was $ 17.83/bbl at the end of June 2011. The market also progressed towards a slight Brent backwardation from mid March, and other products also occasionally flattened out on the forward pricing curve.

MARKETING

Highlights

H1 2011 saw a strong performance improvement from energy marketing. In particular, the oil business, in the earlier months of the period, was able to seize favourable geographic and product arbitrage opportunities, employing Glencore's global supply chain capabilities and long held industry relationships.

Adjusted Marketing EBITDA and EBIT for H1 2011 was $ 568 million and $ 552 million respectively, compared to $ 191 million and $ 184 million in H1 2010, an increase of 197% and 200% respectively. This performance improvement was principally driven by strong profit growth in oil. Within the half, Q2 2011 Adjusted EBIT was $ 212 million, compared to $ 338 million in Q1 2011, mainly due to lower relative oil results in Q2 2011.

Financial information

US $ million	H1 2011	H1 2010	Change
Revenue	57 053	42 575	34%
Adjusted EBITDA	568	191	197%
Adjusted EBIT	552	184	200%

Select marketing volumes sold

million MT	H1 2011	H1 2010	Change
Thermal coal	44.6	45.6	– 2%
Metallurgical coal	1.8	4.2	– 57%
Coke	0.2	0.3	– 33%
Crude oil	22.1	27.0	– 18%
Oil products	34.2	32.8	4%

Coal

H1 2011 total coal volumes were 46.6 million tonnes versus 50.1 million tonnes in H1 2010, a small reduction primarily due to the impacts of the Australian floods and Japanese Tsunami earlier in the year. Overall profits in H1 2011 were lower than in the prior year period, largely reflecting the reduced volatility resulting in fewer arbitrage opportunities, particularly in the higher margin metallurgical and coke business, as well as the more difficult freight environment in 2011. The absolute level of profitability, however, remained solid. Q2 2011 was stronger than Q1 2011 driven by continuous demand in China which we expect to carry over into H2 2011.

The freight market has seen vessel supply outstripping seaborne cargo trade growth which has kept markets under pressure. As well as depressing freight rates, this tends to lead to lower volatility and flatter forward pricing, which in turn, tends to limit the number of arbitrage opportunities in coal and freight. Although key elements of the freight market appear to have stabilised, we do not anticipate any material improvement during the remainder of 2011.

Glencore remains cautiously optimistic with regards to the coal pricing outlook for the balance of 2011 and into 2012, noting strong Chinese import demand, concerns surrounding nuclear power generation, continuing strong forward dark spread power margins in Europe and the expected re-building of the Japanese East Coast.

Our growth strategy in coal continues to focus on sustainable long term profitability by strengthening our global strategic partnerships beyond our equity investments. In this regard, we have recently finalised exclusive marketing agreements with Arutmin in the key Indonesian market and Store Norske in Norway. These will further enhance our multi-origin supply sources and related arbitrage and freight opportunities.

Oil

On an overall barrels per day basis, volumes decreased by 4% to 2.37 million bbls per day in H1 2011 from 2.46 million bbls per day in H1 2010. Despite the modest overall decline in volumes, our oil business enjoyed a strong H1 2011, with profits materially ahead of the prior year period.

Market conditions during Q2 2011 were, however, more challenging than Q1 2011 with weaker developed market economic growth expectations, poor refining margins and weak freight rates, which resulted in fewer arbitrage opportunities. Q2 2011, therefore, saw a more moderate performance compared to Q1 2011, primarily due to the latters' higher volatility and more favourable physical supply/demand conditions. The freight market, having seen a general improvement in March and April, saw challenging conditions return thereafter, evidenced by market oversupply, particularly of larger vessels as well as higher bunker fuel prices.

INDUSTRIAL ACTIVITIES

Highlights

The energy industrial segment delivered a substantially improved performance during H1 2011 on the back of production increases at our coal operations in Colombia.

Industrial revenues in H1 2011 were $ 1,005 million versus $ 744 million the previous year, an increase of 35%. Adjusted EBITDA and EBIT for H1 2011 was $ 305 million and $ 211 million respectively, up 50% and 35% compared to $ 203 million and $ 156 million in H1 2010.

Although Prodeco is anticipating some delays in the delivery of mining equipment ordered from Japan, we remain optimistic on production performance for the remainder of the year. In addition, our E&P portfolio is expecting first production by late 2011, ahead of the original budgeted timeline.

Financial information

US $ million	H1 2011	H1 2010	Change
Revenue			
Prodeco	641	474	35%
South African Coal	151	143	6%
Coal	**792**	**617**	**28%**
Oil	**213**	**127**	**68%**
Total	**1 005**	**744**	**35%**
Adjusted EBITDA			
Prodeco	232	150	55%
South African Coal	39	27	44%
Coal	**271**	**177**	**53%**
Oil	**7**	**4**	**75%**
Share of income from associates and dividends	27	22	23%
Total	**305**	**203**	**50%**
Adjusted EBITDA margin (%)	**30.3**	**27.3**	**–**
Adjusted EBIT			
Prodeco	164	124	32%
South African Coal	22	11	100%
Coal	**186**	**135**	**38%**
Oil	**– 2**	**– 1**	**100%**
Share of income from associates and dividends	27	22	23%
Total	**211**	**156**	**35%**
Capex			
Prodeco	274	85	–
South African Coal	6	16	–
Coal	**280**	**101**	**–**
Oil	**162**	**219**	**–**
Total	**442**	**320**	**–**

Production data

thousand MT	Own	Buy-in Coal	H1 2011 Total	Own	Buy-in Coal	H1 2010 Total	Own production change
Thermal Coal							
Prodeco	7 093	94	7 187	5 385	165	5 550	32%
South African Coal (Export)	521	0	521	473	0	473	10%
South African Coal (Domestic)	3 526	0	3 526	4 060	394	4 454	– 13%
Total	**11 140**	**94**	**11 234**	**9 918**	**559**	**10 477**	**12%**

OPERATIONS

Prodeco (Glencore share: 100%)

Total own coal production for H1 2011 was 7.1 million tonnes compared to H1 2010 production of 5.4 million tonnes, an increase of 32%. This substantial expansion is largely attributable to the new Sector A that has been opened at Calenturitas (Sector A contains the majority of the mine's reserves).

Forecast production for full year 2011 is 14.8 million tonnes, compared to 2010's total of 10.0 million tonnes. This has reduced from earlier forecasts due to the anticipated delays in the delivery of mining equipment from Japan in the aftermath of the Tsunami, as previously communicated. The forecast assumes that the remainder of Japanese manufactured equipment (not directly impacted by the Tsunami) will be delivered according to the revised delivery schedules.

The largest project currently under way is the construction of the new direct loading port (Puerto Nuevo in Cienaga), which will provide Prodeco with higher annual throughput capacity and a lower cost of operation compared to our current port (Puerto Zuñiga). The project is broadly running on budget and on time, with expected commissioning in the first half of 2013. The remainder of Prodeco's capital projects relate to mine-based infrastructure, which are all substantially complete, with final commissioning taking place during the next 3–5 months.

Cost per tonne for the period was 4.8% above the first half of 2010, driven largely by higher fuel and explosive prices and a stronger Colombian peso vs. the dollar. The average peso rate was 1,837 in H1 2011 compared to 1,946 in H1 2010, which represents a strengthening of 5.6%. This has a substantial effect on costs, particularly labour and some royalties. Despite country inflation remaining relatively low (2.5% in H1 2011), mining inflation is running at a higher rate, driven largely by the US Dollar cost of tyres, diesel, explosives and labour.

South African Coal (Glencore share: 70%)

Shanduka Coal is currently conducting mining operations at Graspan, Middelburg Townlands and Springlake Collieries. Total own coal production for H1 2011 was 4.0 million tonnes compared to 4.5 million tonnes in H1 2010 representing a decrease of 11% from the comparative period. This is a result of the Kendal operations being placed on care and maintenance in late 2010, although higher margin export production increased by 10%.

Mining costs per run-of-mine tonne for H1 2011 increased by 7% compared to the comparative period. This increase is largely attributable to the higher fuel and explosives prices as well as increased labour costs. The strengthening South African Rand vs. US Dollar average exchange rate by 8.5% also had a negative impact on the cost of export sales during the period.

Exploration drilling at the Springboklaagte deposit located near Delmas, South Africa, in which the Company has a 50% interest, is progressing well and all feasibility studies relating to this project are ongoing and progressing well.

Oil (Glencore share: Block I 23.75% / Block O 25%)

First production from the Aseng Field (Block I – Equatorial Guinea) is now ahead of schedule, with first oil production anticipated by the end of 2011. Based on a target production of 50,000 bbls per day, Glencore's net entitlement share after royalties will be 10,627 bbls per day. The field development continues on schedule and within budget ($ 1.33 billion on a gross 100% basis). Glencore's share of capex H1 2011 was $ 49 million compared with $ 57 million in H1 2010. All development wells are ready for production or injection, with the operations to lay the infield subsea infrastructure, including flowlines and umbilicals as well as hook up work, continuing on schedule. The floating production, storage and offloading unit (FPSO) construction in Singapore remains on schedule with an expected sail-away at the end of August.

Field development at the Alen field (Block O – Equatorial Guinea) continues on schedule and within budget (estimated at $ 1.37 billion on a gross 100% basis). The new subsea development drilling and completions are expected to commence in October, with the arrival of the Atwood Hunter semi-submersible drilling rig from Ghana. The Alen shallow water wellhead platform is expected to be shipped to the field from Louisiana departing in August. Platform drilling is expected to commence in November using the Atwood Aurora, with first condensate production on the field planned for late 2013. Target production is expected to be 37,500 bbls per day.

Elsewhere in oil, H1 2011 exploration spend totalled $ 30 million (excluding Aseng & Alen) in respect of the following activities: Firstly, Cameroon, where H1 2011 activities focused on preparations for drilling three exploration/appraisal commitment wells on Glencore's operated blocks (Matanda & Bolongo). Drilling is expected to commence on Matanda in December, followed in 2012 by a second Matanda well and a single Bolongo well. All wells are to be drilled using the Maersk Endurer rig. Secondly, in Equatorial Guinea, following the success of the initial appraisal well on Diega (where a column of both gas and oil was encountered), drilling has been completed on a sidetrack to help define the resource size. Diega is expected to be developed as a satellite to the Aseng and Alen fields.

Agricultural Products

US $ million	Marketing activities	Industrial activities	H1 2011	Marketing activities	Industrial activities	H1 2010
Revenue	7 249	1 591	8 840	3 706	721	4 427
Adjusted EBITDA	92	13	105	119	28	147
Adjusted EBIT	92	– 17	75	119	6	125
Adjusted EBITDA margin (%)	1.3	0.8	–	3.2	3.9	–

MARKET CONDITIONS

Select average commodity prices

	H1 2011	H1 2010	Change
S&P GSCI Agriculture Index	522	313	67%
CBOT corn no.2 price (US¢/bu)	702	363	93%
ICE cotton price (US¢/lb)	174	79	120%
CBOT soya beans (US¢/bu)	1 342	949	41%
NYMEX sugar # 11 price (US¢/lb)	24	17	41%
CBOT wheat price (US¢/bu)	778	486	60%

Grain and oil seeds prices were substantially higher in H1 2011 compared to H1 2010. The GSCI Agriculture Index was on average 67% higher in H1 2011 compared to H1 2010. The bulk of this increase took place during H2 2010. The percentage differences between the highs and lows for wheat, corn and soybeans (generic future contract) were 33%, 24% and 8% respectively.

The supply/demand situation for the major grains and oil seeds remained broadly tight. The Russian drought of summer 2010 significantly reduced wheat supplies and, in the face of rising wheat prices, consumers switched to other feed grains, in turn tightening those supply/demand dynamics. Wheat production in 2011 has recovered substantially but strong demand for feed grains and oil seeds, coupled with early US production concerns, have kept supply/demand finely balanced.

In H1 2011 grain exports were restricted in a number of countries, notably in Russia, in an attempt to contain domestic prices in those countries. When the Russian and Ukrainian export restrictions were lifted towards the end of June 2011, wheat prices lost ground to the other grains. With good crops and assuming no export restrictions, Russia and Ukraine can supply close to 25% of seaborne wheat trade.

Cotton experienced an unprecedented period of volatility during H1 2011 with the price peaking in March 2011 at $ 2.14/lb before falling back to $ 1.60/lb at period end (low of $ 1.15/lb reached on 13 May 2011). Panic buying from spinning mills in late 2010 was followed by a collapse in demand for physical cotton in mid H1 2011 and, for a period, futures prices became divorced from physical markets.

MARKETING

Highlights

H1 2011 grain, oilseeds and freight volumes were some 15-30% higher than in H1 2010, which was an important factor in the improved results of these departments.

Adjusted marketing EBITDA and EBIT for H1 2011 was $ 92 million, compared to $ 119 million in H1 2010. This performance was driven by stronger profits in grains and oil seeds, offset by weaker results in cotton. Within the half, Q2 2011 EBIT was $ 2 million, compared to $ 90 million in Q1 2011.

During H1 2011, there were increased geographic arbitrage opportunities available in wheat and edible oils. The lifting of the Russian and Ukrainian export bans and duties finally allowed us to ship wheat and barley stocks out of these countries. Our network of country elevators and ownership of ports facilitated the rapid exports of these goods. Soya bean meal was also a solid contributor and our physical meal volumes continue to increase.

As noted above, cotton experienced an unprecedented period of volatility during H1 2011, initially surging in Q1 2011 and then falling back sharply by period end, to ultimately and more appropriately reflect the fundamentals of the physical market. The period of high prices resulted in an industry-wide environment of elevated contract performance risk and Glencore, along with many other merchants, incurred 'opportunity costs/losses' associated with various suppliers not meeting their delivery commitments. The structure and disconnect between the futures and physical markets, experienced during H1 2011, has abated and marketing activities within the industry have now largely returned to normal.

Financial information

US $ million	H1 2011	H1 2010	Change
Revenue	7 249	3 706	96%
Adjusted EBITDA/EBIT	92	119	– 23%

Select marketing volumes sold

million MT	H1 2011	H1 2010	Change
Grains	12.9	9.8	32%
Oil/oilseeds	5.1	4.4	16%
Cotton	0.2	0.1	100%
Sugar	0.2	0.3	– 33%

INDUSTRIAL ACTIVITIES

Highlights

Although higher production was achieved across the asset portfolio, as we discuss below, the portfolio is currently in a phase of substantial targeted expansion and development, which is expected to translate into enhanced scale and profitability going forward. During H1 2011, margins on farming and related agricultural activities in South America were generally good, however Biodiesel production margins in Europe (where significant overcapacity still exists) were poor, which largely explains the year-on-year drop in earnings. In addition, Brazilian sugar cane processing ordinarily starts in April and runs until early December, which has the effect of introducing some seasonality into earnings which favours the second half.

Financial information

US $ million	H1 2011	H1 2010	Change
Revenue	1 591	721	121%
Adjusted EBITDA [1]	13	28	– 54%
Adjusted EBIT [1]	– 17	6	– 383%
Adjusted EBITDA margin (%)	0.8	3.9	–
CAPEX	83	26	–

[1] Includes share of income from associates and dividends of $ 5 million (H1 2010: $ 4 million).

Production data

thousand MT	H1 2011	H1 2010	Change
Farming	191	93	105%
Oilseed crushing	911	840	8%
Oilseed crushing long term toll agreement	445	241	85%
Biodiesel	273	104	163%
Rice Milling	113	87	30%
Wheat Milling	178	175	2%
Sugarcane Processing	320	0	n.m.
Total	**2 431**	**1 540**	**58%**

OPERATIONS

Total production and processing of agricultural commodities in H1 2011 increased by 58% to 2.4 million tonnes compared to H1 2010. This included 191,000 tonnes of South American farmed grain and oilseeds and 2.2 million tonnes of processed agri-products, including 320,000 tonnes of sugar cane. Our oilseed crushing activities for the first six months totalled 1.4 million tonnes, compared to 1.1 million tonnes in the same period in 2010. Most of the increased production relates to our long term soya bean tollcrush project in San Lorenzo Argentina. Biodiesel production increased substantially from 104,000 tonnes to 273,000 tonnes due to increased capacity utilisation at Biopetrol Industries since it was acquired in Q2 2010, and also due to increased tolling production at our partly owned facility in San Lorenzo. Sugarcane crush at our recently acquired Rio Vermelho plant commenced in April 2011 and totalled 300,000 tonnes, producing 24,502 cubic metres of Hydrous Ethanol. Rio Vermelho farmed 85% of its sugar cane use, while the remainder was supplied by third parties.

Wheat milling in H1 2011 was in line with the comparative period of 2010, whilst rice milling increased by 30% to 113,500 tonnes mainly due to larger crops. Production volumes for the full financial year are expected to increase in comparison to 2010 due to increased volumes from soya bean and sugar cane crushing, increased farming production on added acreage, and also improved yields and higher capacity utilisation at Biopetrol.

Looking forward to the following two years, we anticipate a substantial increase in our soya bean and soft seed crushing activities driven by the commissioning of our Hungarian multiseed plant (500,000 tonnes per annum) in Q1 2012, and the large joint venture soya bean plant in Timbues, Argentina in Q2 2012 (2 million tonnes per annum Glencore share). The multiseed plant is located on the River Danube, 100 km south of Budapest, and is scheduled to commence hot commissioning in Q1 2012 at an expected total cost of $ 160 million. The Timbues soya bean crushing plant and port facility is a large scale (20,000 tonnes per day) soya bean crushing facility that was 53% complete at the end of H1 2011. Development remains on time and within budget, and start up is forecast for Q2 2012. Glencore owns 33% of the equity and has access to 40% of the capacity of this plant as part of the shareholding agreement. Total construction cost is expected to be $ 415 million with Glencore's share of the investment totalling $ 81 million. We also anticipate increased production of sugarcane and increased crush and production of ethanol, sugar and electricity due to planned expansion of our Rio Vermelho operation in Brazil. This major capex project will add 21,000 hectares of own sugar cane plantations and leased land, increased crush capacity from 1 million to 2.6 million tonnes, a VHP sugar plant with a capacity of 260,000 tonnes, the addition of anhydrous ethanol capability up to 80,000 cubic metres, and the construction of a cogeneration plant capable of supplying 200,000 MW hours of electricity to the grid. Total capex of this combined project amounts to approximately $ 322 million over the next five years, of which $ 77 million is expected to be incurred in 2011. We are also engaged in the development of a multiseed crushing plant in the Ukraine with a capacity of 600,000 tonnes of sunseeds. We are progressing with site selection, with the next step being the tendering phase.

Glossary

AVAILABLE COMMITTED LIQUIDITY

US $ million	30.06.2011	31.12.2010
Cash and cash equivalents and marketable securities	1 615	1 529
Headline committed syndicated revolving credit facilities	11 905	10 260
Amount drawn under syndicated revolving credit facilities	– 3 079	– 7 259
Amount drawn under US commercial paper program	– 86	– 310
Total	10 355	4 220

ADJUSTED CURRENT RATIO

Current assets over current liabilities, both adjusted to exclude other financial liabilities.

ADJUSTED EBIT/EBITDA

US $ million	H1 2011	H1 2010
Revenue	92 120	70 007
Cost of goods sold	– 89 411	– 68 138
Selling and administrative expenses	– 457	– 476
Share of income from associates and jointly controlled entities	1 040	797
Dividend income	11	7
Adjusted EBIT	3 303	2 197
Depreciation and amortisation	542	428
Adjusted EBITDA	3 845	2 625

CURRENT CAPITAL EMPLOYED

Current capital employed is current assets, presented before assets held for sale, less accounts payable, other financial liabilities and income tax payable.

GEARING RATIO

Net debt (see page 10) to Net debt plus Glencore shareholders' funds.

GLENCORE INCOME

Income before attribution less attribution to non controlling interests.

GLENCORE SHAREHOLDERS' FUNDS

Total net assets attributable to profit participation shareholders, non controlling interests and equity holders less non controlling interests.

READILY MARKETABLE INVENTORIES

Readily marketable inventories are readily convertible into cash due to their very liquid nature, widely available markets and the fact that the price risk is covered either by a physical sale transaction or hedge transaction on a commodity exchange or with a highly rated counterparty.

ROLLING 12 MONTHS ADJUSTED EBITDA AND FFO

US $ million	Total
Adjusted EBITDA – year ended 31 December 2010 [1]	6 201
Less: Adjusted EBITDA – 6 months period ended 30 June 2010 [2]	2 625
Adjusted EBITDA – 6 months period ended 31 December 2010	**3 576**
Adjusted EBITDA – 6 months period ended 30 June 2011 [2]	3 845
Adjusted EBITDA – rolling last 12 months	**7 421**
FFO – year ended 31 December 2010 [3]	3 333
Less: FFO – 6 months period ended 30 June 2010 [4]	1 372
FFO – 6 months period ended 31 December 2010	**1 961**
FFO – 6 months period ended 30 June 2011 [4]	2 145
FFO – rolling last 12 months	**4 106**

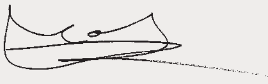
[1] Refer to note 2 of the 2010 Annual Report.
[2] Refer to note 3 of the interim condensed financial statements.
[3] Refer to page 14 of the 2010 Annual Report.
[4] Refer to page 11.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with IAS 34 "Interim Financial Reporting";
- the interim report includes a fair review of the information required by DTR 4.2.7 (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the interim report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the interim report includes a fair review of the information required by DTR 4.2.8 (being disclosure of related party transactions and changes therein).

By order of the Board,



Steven Kalmin
Chief Financial Officer

25 August 2011

Deloitte LLP
2 New Street Square
London EC4A 3BZ
United Kingdom

Tel: +44 20 7936 3000
Fax: +44 20 7583 1198
www.deloitte.co.uk

INDEPENDENT REVIEW REPORT TO GLENCORE INTERNATIONAL PLC

We have been engaged by the company to review the condensed consolidated set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 which comprises the statements of financial position, income, comprehensive income, cash flows and changes in equity and related notes 1 to 21. We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

This report is made solely to the company in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board. Our work has been undertaken so that we might state to the company those matters we are required to state to it in an independent review report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our review work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The half-yearly financial report is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the half-yearly financial report in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 2, the annual financial statements of the company are prepared in accordance with International Financial Reporting Standards as adopted by the European Union and International Financial Reporting Standards. The condensed set of financial statements included in this half-yearly financial report has been prepared in accordance with International Accounting Standard 34, "Interim Financial Reporting," as adopted by the European Union.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2011 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

Deloitte LLP

Deloitte LLP
Chartered Accountants and Statutory Auditor
London, United Kingdom
25 August 2011

Deloitte LLP is a limited liability partnership registered in England and Wales with registered number OC303675 and its registered office at 2 New Street Square, London EC4A 3BZ, United Kingdom.

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Member of Deloitte Touche Tohmatsu

CONDENSED CONSOLIDATED STATEMENT OF INCOME FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US $ million	Notes	2011	2010
Revenue		92 120	70 007
Cost of goods sold		– 89 411	– 68 138
Selling and administrative expenses		– 457	– 476
Share of income from associates and jointly controlled entities		1 040	797
Other (expense)/income – net	4	– 366	54
Dividend income		11	7
Interest income		160	166
Interest expense		– 626	– 569
Income before income taxes and attribution		**2 471**	**1 848**
Income tax credit/(expense)	5	201	– 153
Income before attribution		**2 672**	**1 695**
Attribution to hybrid profit participation shareholders		0	– 60
Attribution to ordinary profit participation shareholders		0	– 330
Income for the period		**2 672**	**1 305**
Attributable to:			
Non controlling interests		198	225
Equity holders		2 474	1 080
Earnings per share			
Basic (US $)	13	0.57	0.29
Diluted (US $)	13	0.53	0.29

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US $ million	Notes	2011	2010
Income for the period		2 672	1 305
Exchange gain/(loss) on translation of foreign operations		20	– 10
Loss on cash flow hedges		– 56	– 206
Loss on available for sale financial instruments	8	– 224	– 821
Share of comprehensive income/(loss) from associates and jointly controlled entities		11	– 125
Income tax relating to components of other comprehensive income		– 24	– 2
Net loss recognised directly in equity		**– 273**	**– 1 164**
Cash flow hedges transferred to the statement of income, net of tax		0	– 31
Other comprehensive loss		**– 273**	**– 1 195**
Total comprehensive income		**2 399**	**110**
Attributable to:			
Non controlling interests		202	225
Equity holders		2 197	– 115

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2011 AND 31 DECEMBER 2010

US $ million	Notes	2011 (unaudited)	2010 (audited)
Assets			
Non current assets			
Property, plant and equipment	6	12 660	12 088
Intangible assets	7	155	0
Investments in associates and jointly controlled entities	8	17 733	16 766
Other investments	8	2 606	2 438
Advances and loans		3 842	3 830
Deferred tax assets		619	369
		37 615	**35 491**
Current assets			
Inventories	9	17 794	17 393
Accounts receivable	10	18 960	18 994
Other financial assets		5 176	5 982
Prepaid expenses and other assets		203	118
Marketable securities		39	66
Cash and cash equivalents		1 576	1 463
		43 748	**44 016**
Assets held for sale	11	0	280
		43 748	**44 296**
Total assets		**81 363**	**79 787**
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital	12	69	37
Reserves and retained earnings		28 987	5 387
		29 056	**5 424**
Non controlling interests		3 079	2 894
		32 135	**8 318**
Hybrid profit participation shareholders	12	0	1 823
Ordinary profit participation shareholders	12	0	12 366
Total net assets attributable to profit participation shareholders, non controlling interests and equity holders		**32 135**	**22 507**
Other non current liabilities			
Borrowings	15	17 542	18 251
Deferred income		149	164
Deferred tax liabilities		1 074	1 308
Provisions		755	719
		19 520	**20 442**
Current liabilities			
Borrowings	15	6 445	11 881
Commodities sold with agreements to repurchase		101	484
Accounts payable		17 445	16 145
Other financial liabilities		5 517	8 066
Income tax payable		200	217
		29 708	**36 793**
Liabilities held for sale	11	0	45
		29 708	**36 838**
Total equity and liabilities		**81 363**	**79 787**

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE (UNAUDITED)

US $ million	Notes	2011	2010
Operating activities			
Income before income taxes and attribution		2 471	1 848
Adjustments for:			
Depreciation and amortisation		542	542
Share of income from associates and jointly controlled entities		– 1 040	– 797
Increase/(decrease) in non current provisions		20	– 6
Gain on sale of investments – net		– 3	– 8
Unrealised mark to market movements on other investments		– 6	10
Impairments and other non cash items – net		22	– 183
Interest expense – net		466	403
Cash generated by operating activities before working capital changes		2 472	1 809
Working capital changes			
Decrease/(increase) in marketable securities		29	– 53
Decrease/(increase) in accounts receivable [1]		764	182
(Increase)/decrease in inventories		– 448	3 592
Decrease in accounts payable [2]		– 852	– 1 647
Total working capital changes		– 507	2 074
Income tax paid		– 311	– 162
Interest received		63	100
Interest paid		– 606	– 485
Net cash generated by operating activities		**1 111**	**3 336**
Investing activities			
Payments of non current advances and loans		– 64	– 247
Acquisition of subsidiaries		0	– 364
Purchase of investments		– 417	– 92
Exercise of Prodeco call option		0	– 2 000
Proceeds from sale of investments		8	56
Purchase of property, plant and equipment		– 1 113	– 745
Proceeds from sale of property, plant and equipment		74	187
Dividends received from associates		230	110
Net cash (used by) investing activities		**– 1 282**	**– 3 095**
Financing activities			
Share issuance	12	7 674	0
Proceeds from issuance of Swiss Franc and Euro bonds		237	1 699
Repurchase of Perpetual bonds		– 292	0
Proceeds from Convertible bonds		0	283
Proceeds from Xstrata secured bank loans		384	0
Proceeds/(repayment) of other non current borrowings		26	– 122
Repayment of current borrowings		– 7 235	– 946
Acquisition of additional interest in subsidiaries		– 25	0
Payment of profit participation certificates		– 468	– 484
Dividend to non controlling interests		– 17	0
Dividend		0	– 1
Net cash generated by financing activities		**284**	**429**
Increase in cash and cash equivalents		113	670
Cash and cash equivalents, beginning of period		1 463	860
Cash and cash equivalents, end of period		**1 576**	**1 530**

[1] Includes movements in other financial assets and prepaid expenses and other assets.
[2] Includes movements in other financial liabilities.

CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED (UNAUDITED)

US $ million	Retained earnings	Share premium[1]	Other reserves[1]	Total reserves and retained earnings	Share capital	Total equity attributable to equity holders	Non con-trolling interests	Total equity
At 1 January 2010	**4 413**	**0**	**– 18**	**4 395**	**46**	**4 441**	**1 258**	**5 699**
Class B shares redeemed pursuant to the Restructuring[1]	0	0	0	0	– 46	– 46	0	– 46
Ordinary shares issued pursuant to the Restructuring[1]	0	0	9	9	37	46	0	46
At 1 January 2010 (restated)	**4 413**	**0**	**– 9**	**4 404**	**37**	**4 441**	**1 258**	**5 699**
Income for the period	1 080	0	0	1 080	0	1 080	225	1 305
Other comprehensive loss	– 125	0	– 1 070	– 1 195	0	– 1 195	0	– 1 195
Dividend	– 1	0	0	– 1	0	– 1	0	– 1
Change in ownership interest in subsidiaries	0	0	– 99	– 99	0	– 99	126	27
Acquisition of subsidiaries	0	0	0	0	0	0	1 152	1 152
Equity portion of Convertible bonds	0	0	12	12	0	12	0	12
At 30 June 2010 (restated)	**5 367**	**0**	**– 1 166**	**4 201**	**37**	**4 238**	**2 761**	**6 999**
Income for the period	211	0	0	211	0	211	130	341
Other comprehensive income	82	0	929	1 011	0	1 011	18	1 029
Dividend	– 1	0	0	– 1	0	– 1	0	– 1
Return of capital to non controlling interests	0	0	0	0	0	0	– 28	– 28
Change in ownership interest in subsidiaries	0	0	– 35	– 35	0	– 35	– 67	– 102
Acquisition of subsidiaries	0	0	0	0	0	0	80	80
At 31 December 2010 (restated)	**5 659**	**0**	**– 272**	**5 387**	**37**	**5 424**	**2 894**	**8 318**
At 1 January 2011	**5 659**	**0**	**– 272**	**5 387**	**37**	**5 424**	**2 894**	**8 318**
Income for the period	2 474	0	0	2 474	0	2 474	198	2 672
Other comprehensive loss	11	0	– 288	– 277	0	– 277	4	– 273
Conversion of HPPS and PPS profit partici-pation plans	0	13 821	0	13 821	16	13 837	0	13 837
Conversion of LTS and LTPPS profit partici-pation plans	– 5 701	5 694	0	– 7	7	0	0	0
Issue of share capital	0	7 607	0	7 607	9	7 616	0	7 616
Change in ownership interest in subsidiaries	0	0	– 25	– 25	0	– 25	0	– 25
Equity settled share-based payments	7	0	0	7	0	7	0	7
Dividend to non controlling interest	0	0	0	0	0	0	– 17	– 17
At 30 June 2011	**2 450**	**27 122**	**– 585**	**28 987**	**69**	**29 056**	**3 079**	**32 135**

[1] See note 12.

Notes to the unaudited condensed interim consolidated financial statements

1. GENERAL INFORMATION

On 24 May 2011, Glencore International plc (the "Company") was admitted to the Official List of the UK Listing Authority and commenced trading on the London Stock Exchange's premium listed market and on the Hong Kong Stock Exchange on 25 May 2011 via a secondary listing (the "Listing"). The Company is incorporated in Jersey, domiciled in Switzerland and is the new ultimate parent company of the Glencore Group (Glencore) and owner of 100% of the issued share capital of Glencore International AG, following a restructuring of the ownership interests in Glencore International AG immediately prior to admission (the "Restructuring") (see note 12).

Although this consolidated financial information has been released in the name of the parent, Glencore International plc, it represents in-substance continuation of the existing Group, headed by Glencore International AG and the following accounting treatment has been applied to account for the Restructuring:

- the consolidated assets and liabilities of the subsidiary Glencore International AG were recognised and measured at the pre-Restructuring carrying amounts, without restatement to fair value;

- the retained earnings and other equity balances recognised in the consolidated financial position reflect the consolidated retained earnings and other equity balances of Glencore International AG immediately prior to the Restructuring, and the results of the period from 1 January 2011 to the date of the Restructuring are those of Glencore International AG as the Company was not active prior to the Restructuring. Subsequent to the Restructuring, the equity structure reflects the applicable movements in equity of Glencore International plc, including the equity instruments issued to effect the Restructuring and the Listing; and

- comparative numbers presented in the condensed interim consolidated financial statements are those reported in the consolidated financial statements of Glencore International AG, for the six months ended 30 June 2010 and the year ended 31 December 2010, except for the presentation of the share capital and other reserves, which have been restated to reflect the change in the nominal value of the ordinary shares resulting from the Restructuring as if Glencore International plc had been the parent company during such periods.

These unaudited condensed interim consolidated financial statements for the six months ending 30 June 2011 were authorised for issue in accordance with a resolution of the directors on 25 August 2011.

2. ACCOUNTING POLICIES

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting' issued by the International Financial Reporting Standards Board (IASB) and interpretations of the International Financial Reporting Interpretations Committee (IFRIC), IAS 34 'Interim Financial Reporting' as adopted by the European Union ('EU'), and the Disclosure and Transparency Rules of the Financial Services Authority effective for Glencore's reporting for the period ended 30 June 2011. These unaudited condensed interim consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the audited 2010 Annual Report of Glencore International AG and subsidiaries ("2010 Annual Report") available at www.glencore.com. These financial statements for the six months ended 30 June 2011 and 2010, and financial information for the year ended 31 December 2010 do not constitute statutory accounts. Certain financial information that is included in the audited annual financial statements but is not required for interim reporting purposes has been condensed or omitted. The interim financial report for the six months ended 30 June 2011 has been prepared on a going concern basis as the directors believe there are no material uncertainties that lead to significant doubt that the Group can continue as a going concern in the foreseeable future. Further information is included on pages 11 and 12 of the Financial Review.

The impact of seasonality or cyclicality on operations is not regarded as significant to the unaudited condensed interim consolidated financial statements.

Significant accounting policies

These unaudited condensed interim consolidated financial statements are prepared using the same accounting policies as applied in the audited 2010 Annual Report with the exception of the adoption of IFRS 2 Share-based Payment which details the accounting and disclosure requirements with respect to the phantom equity award plan (see note 17) established concurrent with the Listing and IAS 38 Intangible Assets with respect to the acquisition of the Pacorini Group and the recognition and accounting for goodwill and other intangible assets (see notes 7 and 16). The following amendments to the existing standards and interpretations were adopted as of 1 January 2011:

- IAS 24 Related Party disclosures;
- IFRIC 14 Prepayments of a minimum funding requirement (amendment);
- IFRIC 19 Extinguishing financial liabilities with equity instruments.

The adoption of these amendments had no material impact on Glencore's unaudited condensed interim consolidated financial statements.

3. SEGMENT INFORMATION

Glencore is organised and operates on a worldwide basis in three core business segments – metals and minerals, energy products and agricultural products, with each business segment responsible for the marketing, sourcing, hedging, logistics and industrial investment activities of their respective products and reflecting the structure used by Glencore's management to assess the performance of Glencore.

The business segments' contributions to Glencore are primarily derived from the net margin or premium earned from physical marketing activities (net sale and purchase of physical commodities), provision of marketing and related value-add services and the margin earned from industrial asset activities (net resulting from the sale of physical commodities over the cost of production and/or cost of sales) and comprise the following underlying key commodities:

- Metals and minerals: Zinc, copper, lead, alumina, aluminium, ferro alloys, nickel, cobalt and iron ore, including mining, smelting, refining, processing and storage related operations of the relevant commodities;

- Energy products: Crude oil, oil products, steam coal and metallurgical coal supported by investments in coal mining and oil production operations, ports, vessels and storage facilities;

- Agriculture products: Wheat, corn, barley, rice, oil seeds, meals, edible oils, biofuels, cotton and sugar supported by investments in farming, storage, handling, processing and port facilities.

Corporate and other: statement of income amounts represent Glencore's share of income related to Xstrata and other unallocated Group related expenses (mainly variable pool bonus accrual). Balance sheet amounts represent Group related balances.

The financial performance of the segments is principally evaluated with reference to Adjusted EBIT/EBITDA which is the net result of revenue less cost of goods sold and selling and administrative expenses plus share of income from associates and jointly controlled entities and dividends as disclosed on the face of the consolidated statement of income. Furthermore, given that funding costs in relation to working capital employed in the marketing activities are sought to be "recovered" via transactional terms, the performance of marketing activities is also assessed at a net income level.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Glencore accounts for inter-segment sales and transfers where applicable as if the sales or transfers were to third parties, i.e. at current market prices.

Six months ended 30 June 2011 US $ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Revenue from third parties	**25 222**	**58 058**	**8 840**	**0**	**92 120**
Marketing activities					
Adjusted EBIT	633	552	92	– 26	1 251
Depreciation and amortisation	2	16	0	5	23
Adjusted EBITDA	**635**	**568**	**92**	**– 21**	**1 274**
Industrial activities					
Adjusted EBIT	950	211	– 17	908	2 052
Depreciation and amortisation	395	94	30	0	519
Adjusted EBITDA	**1 345**	**305**	**13**	**908**	**2 571**
Total Adjusted EBITDA	**1 980**	**873**	**105**	**887**	**3 845**
Depreciation and amortisation excluded above	– 397	– 110	– 30	– 5	– 542
Total Adjusted EBIT	**1 583**	**763**	**75**	**882**	**3 303**
Interest expense – net					– 466
Other (expense)/income – net					– 366
Income tax credit/(expense)					201
Income before attribution					**2 672**
Total assets (30 June 2011)	**33 751**	**19 956**	**5 837**	**21 819**	**81 363**

Six months ended 30 June 2010 US $ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Revenue from third parties	**22 261**	**43 319**	**4 427**	**0**	**70 007**
Marketing activities					
Adjusted EBIT	635	184	119	– 73	865
Depreciation and amortisation	0	7	0	5	12
Adjusted EBITDA	**635**	**191**	**119**	**– 68**	**877**
Industrial activities					
Adjusted EBIT	477	156	6	693	1 332
Depreciation and amortisation	347	47	22	0	416
Adjusted EBITDA	**824**	**203**	**28**	**693**	**1 748**
Total Adjusted EBITDA	**1 459**	**394**	**147**	**625**	**2 625**
Depreciation and amortisation excluded above	– 347	– 54	– 22	– 5	– 428
Total Adjusted EBIT	**1 112**	**340**	**125**	**620**	**2 197**
Interest expense – net					– 403
Other (expense)/income – net					54
Income tax credit/(expense)					– 153
Income before attribution					**1 695**
Total assets (30 June 2010)	**24 686**	**19 177**	**2 720**	**19 869**	**66 452**
Total assets (31 December 2010)	**29 708**	**22 188**	**6 967**	**20 924**	**79 787**

4. OTHER (EXPENSE)/INCOME – NET

US $ million	Notes	H1 2011	H1 2010
Changes in mark to market valuation – net		6	10
Changes in mark to market valuation of forward contracts		– 161	– 131
Listing related expenses	12	– 258	0
Net property, plant and equipment impairment reversal/(charge)		16	– 24
Foreign exchange gain/(loss)		26	– 59
Prodeco transaction and related expenses		0	– 209
Revaluation of previously held interest in newly acquired businesses		0	462
Other		5	5
Total		**– 366**	**54**

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

Changes in mark to market valuation – net

Primarily relates to movements on interests in other investments classified as held for trading and carried at fair value, with Glencore's stake in Volcan Compania Minera S.A.A., Nyrstar N.V. and Polymet Mining Corp. accounting for the majority of the movement in 2011 and 2010.

Changes in mark to market valuation of forward contracts

Represents movements in fair value of certain fixed price forward coal sales contracts relating to Prodeco's future production into which it plans to physically deliver. Following the legal reacquisition of Prodeco in March 2010, from an accounting perspective, these forward sales contracts could not technically be classified as "own use" or as cashflow hedges, which would have deferred the income statement effect until performance of the underlying future sale transactions. As at period end, approximately 14.1 million tonnes of such coal had been sold forward at a fixed price in respect of quarterly periods to the end of 2013.

Listing related expenses

Expenses incurred in connection with the Listing that relate to obtaining the listing for ordinary shares, the Restructuring and/or change in the employee shareholder profit attribution model, rather than the costs incurred solely in relation to the issuance of the new (primary) equity, and comprise $ 91 million of stamp duty costs, $ 36 million of professional advisor's costs and $ 131 million of compensation related costs.

Prodeco transaction and related expenses

In March 2009, Xstrata acquired Glencore's Colombian Coal Group (Prodeco) for $ 2 billion and concurrently granted Glencore an option to repurchase Prodeco within 12 months for $ 2.25 billion plus notional profits accrued during the option period and the net balance of any cash invested. Given the fixed price repurchase option, the conditions for derecognition/disposal of Prodeco were not met under IFRS and as a consequence, Prodeco's operations remained in the consolidated financial statements, while the "proceeds" were deferred and recognised as a liability. In March 2010, the option was exercised. Following the exercise of the option, in addition to the option repurchase expenses (including the option premium and profit entitlement) incurred during the period, $ 114 million of additional depreciation expense was recognised to reflect the depreciation that would have been charged if the related assets had not previously been classified as held for sale during the option period.

Revaluation of previously held interest in newly acquired businesses

In February 2010, Kazzinc purchased the remaining 60% of Vasilkovskoje Gold. At the date of acquisition, the previously owned 40% interest was revalued to its fair value and as a result, a net gain of $ 462 million was recognised.

5. INCOME TAXES

Income taxes consist of the following:

US $ million	H1 2011	H1 2010
Current income tax expense	– 302	– 170
Deferred income tax credit [1]	503	17
Total credit/(expense)	**201**	**– 153**

The effective Group tax rate is different from the statutory Swiss income tax rate applicable to the Company for the following reasons:

US $ million	H1 2011	H1 2010
Income before income taxes and attribution	**2 471**	**1 848**
Less: share of income from associates and jointly controlled entities	– 1 040	– 797
Parent company's and subsidiaries' income before income tax and attribution	**1 431**	**1 051**
Income tax expense calculated at the Swiss income tax rate	– 227	– 167
Effect of different tax rates of subsidiaries operating in other jurisdictions	– 107	– 112
Tax exempt income, net of non-deductible expenses and other permanent differences	39	142
Recognition of tax deductions/losses triggered upon Listing [1]	427	0
Recognition/(derecognition) of tax losses and other deferred tax assets	69	– 16
Total credit/(expense)	**201**	**– 153**

[1] As part of the Restructuring (see note 12), the potential amounts owing to the shareholder employees under the various active profit participation plans were settled and crystallised Swiss income tax deductions/losses that can be carried forward and applied against future taxable income.

6. PROPERTY, PLANT AND EQUIPMENT

During the period ended 30 June 2011 Glencore added property, plant and equipment with a cost of $ 1,113 million (2010: $ 745 million) and disposed of property, plant and equipment with a net book value of $ 72 million (2010: $ 219 million).

7. INTANGIBLE ASSETS

US $ million	Notes	Goodwill	Future warehousing fees	Total
Cost:				
1 January 2011		**0**	**0**	**0**
Reclassified from held for sale	11,16	125	32	157
30 June 2011		**125**	**32**	**157**
Accumulated amortisation and impairment:				
1 January 2011		0	0	0
Amortisation expense[1]		0	2	2
30 June 2011		**0**	**2**	**2**
Net carrying amount		**125**	**30**	**155**

[1] Recognised in cost of goods sold.

Goodwill and future warehousing fees have been recognised as part of the acquisition of the Pacorini metals warehousing business, see note 16. The future warehousing fees represent the expected income receivable once the metal in the warehouses which existed as at the date of acquisition physically flows out, based on historical analysis of holding periods, expected to be over 5 years. The goodwill is attributable to synergies expected to arise in conjunction with the metals marketing division's expected increased activities. In assessing whether goodwill has been impaired, the carrying amount of the cash generating unit was compared with its recoverable amount. The recoverable amount was determined by reference to the value in use which looks at pre-tax future cash flow projections based on the approved financial budgets, discounted to present value using a rate of 8%.

8. INVESTMENTS IN ASSOCIATES AND OTHER INVESTMENTS

US $ million	as at 30.06.2011	as at 31.12.2010
Listed Associates	16 345	15 511
Non listed Associates	1 388	1 255
Investments in Associates	**17 733**	**16 766**
Other investments	2 606	2 438
Total	**20 339**	**19 204**

The list of principal subsidiaries, joint ventures and associates as at 30 June 2011 is consistent with that disclosed in the 2010 Annual Report.

Other investments

Other investments primarily include a 8.8% interest in United Company Rusal ("UCR") ($ 1,824 million; 2010: $ 2,048 million) which is carried at fair value, as an available for sale financial asset, with associated movements recognised within a related equity reserve (see note 12), a 7.8% interest in Nyrstar N.V. ($ 192 million; 2010: $ 117 million), a 6.3% interest in Volcan Compania Minera S.A.A. ($ 282 million; 2010: $ 187 million) and a notional 9% economic interest in Century Aluminum Company, held via cash-settled total return swaps ($ 143 million; 2010: $ 73 million), the latter three investments carried at fair value with associated movements recognised in the statement of income (see note 4). As at 30 June 2011, $ 101 million (2010: $ 113 million) of Glencore's investment in UCR was pledged as a guarantee against certain borrowings of UCR.

9. INVENTORIES

US $ million	as at 30.06.2011	as at 31.12.2010
Production inventories	3 424	2 805
Marketing inventories	14 370	14 588
Total	**17 794**	**17 393**

Glencore has a number of dedicated financing facilities, which finance a portion of its marketing inventories. In each case, the inventory has not been derecognised as the Group retains the principal risks and rewards of ownership. The proceeds received are recognised as either current borrowings, commodities sold with agreements to repurchase or trade advances from buyers, depending upon their funding nature. As at 30 June 2011, the total amount of inventory securitised under such facilities was $ 1,104 million (2010: $ 2,426 million). The proceeds received and recognised as current borrowings (see note 15) were $ 856 million (2010: $ 1,338 million), as commodities sold with agreements to repurchase $ 101 million (2010: $ 484 million) and as trade advances from buyers $ 18 million (2010: $ 67 million).

10. ACCOUNTS RECEIVABLE

US $ million	as at 30.06.2011	as at 31.12.2010
Trade receivables	13 525	12 663
Trade advances and deposits	3 395	4 297
Associated companies	320	494
Other receivables	1 720	1 540
Total	**18 960**	**18 994**

Glencore has a number of dedicated financing facilities, which finance a portion of its receivables. In each case, the receivables have not been derecognised, as the Group retains the principal risks and rewards of ownership. The proceeds received are recognised as current borrowings (see note 15). As at 30 June 2011, the total amount of trade receivables securitised was $ 717 million (2010: $ 2,349 million) and proceeds received and classified as current borrowings amounted to $ 659 million (2010: $ 1,950 million).

11. ASSETS AND LIABILITIES HELD FOR SALE

In March 2011, the plan to merge the Pacorini metals warehousing business with a third party was abandoned and the net assets (assets of $ 280 million and liabilities of $ 45 million) previously classified as held for sale in 2010 were reclassified to the respective line items in the statement of financial position at depreciated cost (see notes 7 and 16).

12. SHARE CAPITAL AND RESERVES

Share capital

	Number of shares (thousand)	Share capital (US $ million)	Share premium (US $ million)
Authorised:			
30 June 2011 Ordinary shares with a par value of $ 0.01 each	50 000 000	–	–
Issued and fully paid up:			
1 January 2010 – Class B shares	**150**	**46**	**0**
Class B shares redeemed pursuant to the Restructuring	– 150	– 46	0
Ordinary shares issued pursuant to the Restructuring	3 716 495	37	0
1 January 2010 (restated) – Ordinary shares	**3 716 495**	**37**	**0**
31 December 2010 (restated) – Ordinary shares	**3 716 495**	**37**	**0**
Ordinary shares issued in exchange for HPPS and PPS profit participation obligations	1 617 268	16	13 821
Ordinary shares issued in exchange for LTS and LTPPS profit participation obligations	666 237	7	5 694
Ordinary shares issued at Listing ("primary issuance")	922 714	9	7 887
Share issue costs associated with the primary issuance	0	0	– 280
30 June 2011 – Ordinary shares	**6 922 714**	**69**	**27 122**

Restructuring

Immediately prior to the Listing, the Glencore Group implemented a Restructuring whereby potential amounts owing to the then shareholder employees under the various active profit participation plans (Hybrid Profit Participation Shareholders (HPPS), Ordinary Profit Participation Shareholders (PPS), Glencore L.T.E. Profit Participation Shareholders (LTS) and Long Term Profit Participation Shareholders (LTPPS); see the 2010 Annual Report for details) were settled in exchange for new ordinary shares and the ultimate ownership interests in Glencore International AG were assumed via Glencore International plc.

Settlement of the profit participation plans

The accounting for the settlement of the four profit participation plans was similar, whereby the outstanding balances under each plan prior to Listing were exchanged for an equivalent number of ordinary shares at the Listing price of 530 pence ($ 8.56) per share. The difference between the nominal and fair value of the new ordinary shares issued was recognised as a share premium.

Reorganisation of the ultimate parent company

Following the settlement of the profit participation plans described above, Glencore International plc replaced Glencore Holding AG as the ultimate parent company and Glencore International AG became a wholly owned subsidiary of Glencore International plc, the entity listed on the London and Hong Kong stock exchanges.

Listing

On 24 May 2011, Glencore International plc issued 922,713,511 ordinary shares which comprised 891,463,511 shares to institutional investors (the "International Offer") at a price of 530 pence ($ 8.56) per share on the London Stock Exchange, and 31,250,000 shares to professional and retail investors in Hong Kong (the "Hong Kong Offer") at a price of HK$ 66.53 ($ 8.56) per ordinary share. The gross proceeds raised were $ 7,896 million and total transaction (Restructuring and Listing) and related expenses incurred were $ 538 million. $ 280 million of the transaction costs were attributable to the issue of new (primary) equity and have been deducted against equity while $ 258 million were attributable to stamp duty and other expenses associated with the above noted Restructuring as well as an allocation of transaction costs that jointly related to the issuing of the new (primary) equity and the listing of the Company (see note 4). Joint transaction costs were allocated based on the ratio of new shares issued, in relation to total shares outstanding.

Other reserves

US $ million	Notes	Translation adjustment	Equity portion of Convertible bonds	Cash flow hedge reserve	Net unrealised gain/ (loss)	Net ownership changes in subsidiaries	Other reserves	Total
At 1 January 2010		– 7	77	– 89	0	0	1	– 18
Ordinary shares issued pursuant to the Restructuring		0	0	0	0	0	9	9
At 1 January 2010 (restated)		– 7	77	– 89	0	0	10	– 9
Exchange loss on translation of foreign operations		– 10	0	0	0	0	0	– 10
Loss on cash flow hedges, net of tax		0	0	– 208	0	0	0	– 208
Loss on available for sale financial instruments	8	0	0	0	– 821	0	0	– 821
Cash flow hedges transferred to the statement of income, net of tax		0	0	– 31	0	0	0	– 31
Change in ownership interest in subsidiaries		0	0	0	0	– 99	0	– 99
Equity portion of Convertible bonds		0	12	0	0	0	0	12
At 30 June 2010 (restated)		– 17	89	– 328	– 821	– 99	10	– 1 166
Exchange gain on translation of foreign operations		18	0	0	0	0	0	18
Gain on cash flow hedges, net of tax		0	0	28	0	0	0	28
Gain on available for sale financial instruments	8	0	0	0	846	0	0	846
Cash flow hedges transferred to the statement of income, net of tax		0	0	37	0	0	0	37
Change in ownership interest in subsidiaries		0	0	0	0	– 35	0	– 35
At 31 December 2010 (restated)		1	89	– 263	25	– 134	10	– 272
Exchange gain on translation of foreign operations		16	0	0	0	0	0	16
Loss on cash flow hedges, net of tax		0	0	– 80	0	0	0	– 80
Loss on available for sale financial instruments	8	0	0	0	– 224	0	0	– 224
Change in ownership interest in subsidiaries		0	0	0	0	– 25	0	– 25
At 30 June 2011		17	89	– 343	– 199	– 159	10	– 585

13. EARNINGS PER SHARE

US $ million	Notes	H1 2011	H1 2010
Profit attributable to equity holders for basic earnings per share		2 474	1 080
Interest in respect of Convertible bonds		67	63
Profit attributable to equity holders for diluted earnings per share		2 541	1 143
Weighted average number of shares for the purposes of basic earnings per share (thousand)		4 375 551	3 716 495
Effect of dilution:			
Equity settled share-based payments	17	24 025	0
Convertible bonds		403 435	226 210
Weighted average number of shares for the purposes of diluted earnings per share (thousand)		4 803 011	3 942 705
Basic earnings per share (US $)		**0.57**	**0.29**
Diluted earnings per share (US $)		**0.53**	**0.29**

14. DIVIDENDS

An interim dividend of $ 0.05 per share was declared by the board of directors on 22 August 2011 and is payable on 30 September 2011, based on a record date of 9 September 2011. This interim dividend, amounting to $ 346 million, has not been recognised as a liability in this interim financial information. It will be recognised in shareholders' equity in the year to 31 December 2011.

15. BORROWINGS

US $ million	Notes	as at 30.06.2011	as at 31.12.2010
Non current borrowings			
144A Notes		946	946
Xstrata secured bank loans		2 684	0
Convertible bonds		2 142	2 132
Eurobonds		4 035	3 725
Swiss Franc bonds		979	639
Sterling bonds		1 029	999
Perpetual notes		347	735
Ordinary profit participation certificates		1 001	1 059
Committed syndicated revolving credit facility		3 079	6 744
Other bank loans		1 300	1 272
Total non current borrowings		**17 542**	**18 251**
Current borrowings			
Committed syndicated revolving credit facility		0	515
Committed secured inventory/receivables facility	9/10	900	1 700
Committed secured receivables facilities	10	62	700
Bilateral uncommitted secured inventory facilities	9	553	888
U.S. commercial paper		86	310
Xstrata secured bank loans		0	2 292
Eurobonds		827	765
Perpetual notes		389	292
Ordinary profit participation certificates		674	796
Other bank loans		2 954	3 623
Total current borrowings		**6 445**	**11 881**

Xstrata secured bank loans

In June 2011, Glencore refinanced the $ 2.8 billion facilities ($ 2.3 billion drawn) with new 2 year $ 2.7 billion equivalent facilities. The facilities have been accounted for as secured bank loans which bear interest at a rate of U.S. $ LIBOR plus a margin. As at 30 June 2011, $ 5,494 million (2010: $ 4,199 million) of the value of Glencore's investment in Xstrata was pledged as security.

Swiss Franc bonds

In January 2011, Glencore issued CHF 225 million ($ 235 million) 3.625% interest bearing bonds due April 2016, as a tap to its existing CHF bond.

Perpetual notes

In February 2011, Glencore redeemed $ 300 million of the $ 700 million 8% perpetual notes at par. In August 2011, Glencore redeemed the remaining $ 400 million of these bonds, leaving a total of $ 350 million of 7.5% Perpetual bonds outstanding.

Committed syndicated revolving credit facility

In May 2011, Glencore replaced the previous 364 day $ 1,375 million and $ 515 million committed revolving credit facilities with two new 364 day committed revolving credit facilities for $ 2,925 million and $ 610 million respectively, both with a one year term extension option at the borrower's discretion. In addition, Glencore extended the final maturity of $ 8,340 million of the $ 8,370 million medium term revolver for a further year to May 2014. In aggregate, the new facilities represent an overall increase in committed available liquidity of $ 1,645 million.

16. ACQUISITION OF SUBSIDIARIES

2011

There were no significant acquisitions or disposals of subsidiaries.

2010

Pacorini

In September 2010, Glencore acquired the metals warehousing business of the Pacorini Group for $ 209 million in cash. As contemplated at the time of the acquisition, Glencore commenced a review of the strategic alternatives to strengthen Glencore's participation in the metals warehousing business, which was expected to result in a merger involving the acquired business and a third party. As a result, the assets and liabilities were classified as held for sale.

As described in note 11, in March 2011 the plan to merge the Pacorini business with a third party was abandoned and the net assets (assets of $ 280 million and liabilities of $ 45 million) previously classified as held for sale in 2010 were reclassified to the respective line items in the statement of financial position at depreciated cost.

The net cash used in the acquisition and preliminary assessment of the fair value of the assets acquired and liabilities assumed at the date of acquisition are detailed below:

US $ million	Total
Property, plant and equipment	3
Intangible assets	157
Accounts receivable	96
Cash and cash equivalents	21
Non current borrowings	– 1
Accounts payable	– 62
Current borrowings	– 5
Total fair value of net assets acquired	**209**
Less: cash and cash equivalents	21
Net cash used in acquisition of subsidiaries	**188**

Details of additional acquisitions completed in 2010 were disclosed in note 21 of the 2010 Annual Report. There have been no changes subsequent to the issuance of the 2010 Annual Report.

17. SHARE-BASED PAYMENTS

2011 Phantom Equity Awards

In April and May 2011, phantom equity awards were made to certain employees in lieu of interests in Glencore's existing equity ownership schemes. These equity awards will vest on or before 31 December 2013, subject to the continued employment of the award holder. Phantom equity awards may be satisfied in shares by the issue of new ordinary shares, by the transfer of ordinary shares held in treasury or by the transfer of ordinary shares purchased in the market (in each case with a market value equal to the value of the award at vesting, including dividends paid between Listing and vesting), or in cash. Glencore currently intends to settle these awards through the issuance of shares. Based on the IPO offer price, the aggregate number of ordinary shares underlying the awards is 24,024,765. The fair value of the awards at the issue date was $ 206 million determined by reference to the Listing price at the grant date. The total expense recognised in the period was $ 7 million (2010: $ nil million).

18. FUTURE COMMITMENTS

Capital expenditure for the acquisition of property, plant and equipment is generally funded through the cash flow generated by the respective industrial entities. As at 30 June 2011, $ 877 million (2010: $ 787 million), of which 86% (2010: 100%) relates to expenditure to be incurred over the next year, was contractually committed for the acquisition of property, plant and equipment.

Certain of Glencore's exploration tenements and licenses require it to spend a minimum amount per year on development activities, a significant portion of which would have been incurred in the ordinary course of operations. As at 30 June 2011, $ 415 million of such development expenditures are to be incurred, of which 37% are for commitments to be settled over the next year.

Glencore procures seagoing vessel/chartering services to meet its overall marketing objectives and commitments. As at 30 June 2011, Glencore has committed to future hire costs to meet future physical delivery and sale obligations and expectations of $ 2,414 million (2010: $ 2,608 million), 43% of which are for services to be received over the next 2 years.

As part of Glencore's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or b) the guarantor by way of issuing a bank guarantee accepting responsibility for Glencore's contractual obligations. As at 30 June 2011, $ 10,558 million (2010: $ 8,956 million) of such commitments have been issued on behalf of Glencore, which will generally be settled simultaneously with the payment for such commodity.

Future development and related commitments

Kazzinc

In April 2011, Glencore agreed to acquire additional stakes in Kazzinc. Upon closing, these purchases will increase Glencore's ownership from 50.7% to 93.0% for a total transaction consideration of $ 3.2 billion. Subject to the receipt of applicable regulatory approvals which is expected as early as September 2011, consideration for these purchases will be settled through the issuance of $ 1 billion of ordinary shares at the IPO price, equivalent to 116.8 million shares, such issuance expected to occur upon satisfaction of all applicable conditions precedent, and $2.2 billion in cash expected to be paid in tranches between October and December 2011.

Prodeco

Prodeco currently exports the majority of its coal through Puerto Zuniga which operates under a private concession awarded by the Colombian government. This concession expired March 2009; however the Colombian government has continued to grant Prodeco the right to use the port under annual lease agreements. To comply with new government regulations on loading methods, which become effective from July 2010, and to alleviate itself from the uncertainty of the annual concession renewal process associated with Puerto Zuniga, Prodeco has initiated construction of a new, wholly owned, port facility (Puerto Nuevo) which is estimated to cost $ 530 million and be commissioned over the first half of 2013. If the concession does not continue to be extended, Prodeco's export capability would be curtailed, which could significantly impact operations until Puerto Nuevo is operational. As at 30 June 2011, $ 134 million of the estimated cost has been incurred and $ 248 million has been contractually committed and is included in the capital expenditure commitments disclosure above.

Kansuki

In August 2010, Glencore acquired an ultimate 37.5% interest in the Kansuki concession, a 185 square kilometre copper and cobalt pre-development project which borders Glencore's partly owned Mutanda concession in the DRC. In exchange, Glencore has a) an obligation to finance the first $ 400 million of development related expenditures, if any, as and when such expenditure is incurred, b) the right to operate the assets and c) a life of mine off-take agreement for all copper and cobalt produced by Kansuki. In addition, one of the partners in Kansuki has the right to sell an additional 18.75% ultimate interest to Glencore at the then calculated equity value of the operation, at the earlier of the date the operation produces a minimum annual 70,000 metric tonnes of copper or August 2013. As at 30 June 2011, $ 43 million of the estimated development expenditures has been incurred. None of the remaining balance has been contractually committed nor included in the capital expenditure commitments disclosure above.

Perkoa

In November 2010, Glencore and Blackthorn Resources Limited completed a joint venture agreement to develop the Perkoa Zinc Project ("Perkoa") located in Burkina Faso, West Africa. Under the terms of the agreement, Glencore will obtain a 50.1% effective ownership in Perkoa in exchange for a) an obligation to finance the first $ 80 million of development related expenditures, if any, as and when such expenditure is incurred, b) the right to operate the operations and c) a life of mine off-take agreement for all zinc produced by Perkoa. As at 30 June 2011, $ 17 million of the estimated development expenditure has been incurred. None of the remaining balance has been contractually committed nor included in the capital expenditure commitments disclosure above.

19. CONTINGENT LIABILITIES

The amount of corporate guarantees in favour of associated and third parties as at 30 June 2011 was $ 61 million.

Litigation

Certain legal actions, other claims and unresolved disputes are pending against Glencore. Whilst Glencore cannot predict the results of any litigation, it believes that it has meritorious defences against those actions or claims. Glencore believes the likelihood of any liability arising from these claims to be remote and that the liability, if any, resulting from any litigation will not have a material adverse effect on its consolidated income, financial position or cashflows.

Environmental contingencies

Glencore's operations, predominantly those arising from the ownership in industrial investments, are subject to various environmental laws and regulations. Glencore is in material compliance with those laws and regulations. Glencore accrues for environmental contingencies when such contingencies are probable and reasonably estimable. Such accruals are adjusted as new information develops or circumstances change. Recoveries of environmental remediation costs from insurance companies and other parties are recorded as assets when the recoveries are virtually certain. At this time, Glencore is unaware of any material environmental incidents at its locations.

Bolivian constitution

In 2009, the Government of Bolivia enacted a new constitution. One of the principles of the constitution requires mining entities to form joint ventures with the government. Glencore, through its subsidiary Sinchi Wayra, has, in good faith, entered into negotiations with the Bolivian government regarding this requirement. Whilst progress has been made, the final outcome and the timing thereof cannot be determined at this stage.

20. RELATED PARTY TRANSACTIONS

In the normal course of business, Glencore enters into various arm's length transactions with related parties (primarily Xstrata), including fixed price commitments to sell and to purchase commodities, forward sale and purchase contracts, agency agreements and management service agreements. Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

All transactions between Glencore and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries and Associates. Glencore entered into the following transactions with its Associates:

US $ million	H1 2011
Sales	862
Purchases	– 5 055
Interest income	15
Agency income	38
Accounts receivable (30 June 2011)	320
Accounts payable (30 June 2011)	1 720

US $ million	H1 2010
Sales	495
Purchases	– 4 360
Interest income	8
Agency income	49
Agency expense	– 3
Accounts receivable (31 December 2010)	494
Accounts payable (31 December 2010)	1 788

Remuneration of key management personnel

Management remuneration was consistent with that disclosed in the 2010 Annual Report except for the settlement of the profit participation plans as outlined in the note 12.

21. SUBSEQUENT EVENTS

- In July 2011, Glencore conditionally agreed to acquire from CST Mining Group Limited a 70% interest in Marcobre S.A.C., the sole owner of the Marcona Copper Property and the Mina Justa Project in Peru, for a cash consideration of $ 475 million, subject to closing adjustments.
- In August 2011, Glencore announced its intention to make a cash takeover offer for all of the shares in Minara Resources Limited that it does not already own (approximately 27%) of A$ 0.87 per share, representing a total consideration of approximately US$ 285 million.

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This announcement may include statements that are, or may be deemed to be, "forward looking statements", beliefs or opinions, including statements with respect to the business, financial condition, results of operations, prospects, strategies and plans of Glencore. These forward looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore's control and all of which are based on the Glencore board of director's current beliefs and expectations about future events. These forward looking statements may be identified by the use of forward looking terminology, including the terms "believes", "estimates", "plans", "projects", "anticipates", "will", "could", or "should" or in each case, their negative or other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. Forward looking statements may and often do differ materially from actual results. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited), Glencore is not under any obligation and Glencore and its affiliates expressly disclaim any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Glencore. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. Forward looking statements speak only as of the date of this announcement.

The financial information contained in this results announcement has been prepared to comply with the terms of Glencore's listed debt and should not be relied on for any other purpose.

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

GLENCORE INTERNATIONAL PLC
Baarermattstrasse 3
P. O. Box 777
CH–6341 Baar
Switzerland