GLENCORE

ANNUAL REPORT 2015

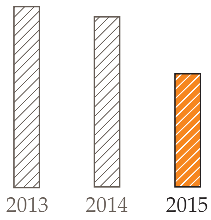
We are a leading integrated producer and marketer of commodities operating around the world. Our commodities comprise metals and minerals, energy products and agricultural products.

Further details on our sustainability approach and performance can be found in our annual sustainability report and on our website www.glencore.com/sustainability

Highlights

Adjusted EBITDA
US$ million

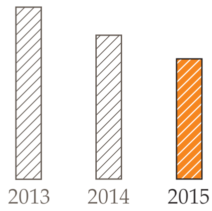
8,694



13,071 2013 12,764 2014 8,694 2015

Lost time injury frequency rate
per million hours worked

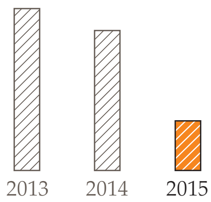
1.32



1.88 2013 1.58 2014 1.32 2015

Adjusted EBIT
US$ million

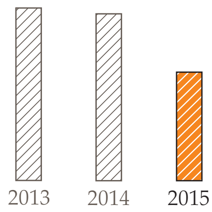
2,172



7,434 2013 6,706 2014 2,172 2015

Funds from operations
US$ million

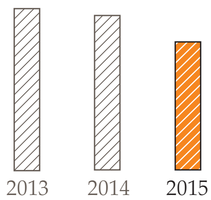
6,615



10,375 2013 10,169 2014 6,615 2015

Net funding
US$ million

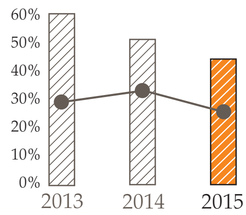
41,245



52,216 2013 49,758 2014 41,245 2015

Net debt/FFO to net debt
US$ million

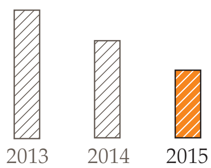
25,889



● FFO to net debt 35,798 2013 30,532 2014 25,889 2015

Capital expenditure*
US$ million

5,957



11,316 2013 8,566 2014 5,957 2015

*Excluding Las Bambas (disposed in 2014).

Strategic report

"Our diversified asset portfolio combined with our highly resilient marketing business, underpins Glencore's ability to continue to be comfortably cash generative, despite the current environment for commodities."

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How we create value

Our business model **10.**

Our strategy in action

Our strategy **14.**

Adjusted EBITDA
$8,694m

Financial review **36.**

Chief Executive Officer's review

Ivan Glasenberg, Chief Executive Officer

Summary:

- Financial market sentiment weakened during 2015 and the focus in our sector quickly switched from cash distribution to cash preservation
- Our investors were concerned about the Company's level of financial leverage. We rapidly put in place a strategy to address these concerns, culminating in the $13 billion debt reduction plan
- Our diversified portfolio, based around a core of Tier 1 assets, coupled with the counter-cyclical nature of our marketing business, underpins Glencore's ability to continue to be cash generative despite the current environment for commodities

Background

Financial market sentiment weakened considerably during the course of 2015, amid concerns over slowing economic growth. The commodity sector was particularly adversely affected by a succession of disappointing China macro-economic data, declining oil prices, and the strong US dollar and, as a result, sector focus quickly switched from cash distribution to balance sheet concerns and cash preservation. This led to further industry-wide cost and capex reductions, project closures and curtailments, asset sales, dividend cuts and equity issuance.

Robust performance despite difficult environment

The financial performance in 2015 reflects our industrial activities' exposure to lower commodity prices. Adjusted EBITDA declined 32% to $8.7 billion, compared to 2014.

Marketing delivered Adjusted EBIT of $2.5 billion in 2015 despite the commodity headwinds noted above, 12% down on 2014. The business' enhanced cyclical resilience and defensiveness helped to offset the impact of lower commodity prices, whereby earnings are underpinned by logistics activities/services, economies of scale and business diversification; 2016 EBIT guidance range confirmed at $2.4 to $2.7 billion, adjusted somewhat below the long-term range, reflecting the lower net working capital levels.

Industrial assets Adjusted EBITDA declined 38% to $6.0 billion, compared to 2014, reflecting the impact of lower commodity prices, offset by currency benefits and cost and productivity improvements.

The unique flexibility of our capital structure enabled a working capital release of more than $6.6 billion, reflecting lower commodity prices, but also proactive working capital management. Net funding reduced by $8.5 billion during 2015 to $41.2 billion, while net debt at period end was $25.9 billion.

Re-positioning the balance sheet

During H2 2015, it became apparent that financial markets were concerned about the Group's level of financial leverage. We rapidly put in place a plan to address these concerns, culminating in the $10.2 billion debt reduction plan announced in September. Further measures were communicated in December. In total, the initiatives announced are expected to support our end 2016 Net funding and Net debt targets of $32 – 33 billion and $17 – 18 billion respectively, which remain on track.

We remain focused on preserving our investment grade credit rating status. The steps that we have announced and taken so far have contributed to our current stable credit ratings from both major credit ratings' agencies.

Corporate governance/ Sustainability

It is with sadness to report that we have not achieved our goal of zero fatalities during 2015, whereby ten people lost their lives at our operations. Any loss of life is unacceptable and we continue to strengthen our efforts in this regard. In last year's report, we highlighted steps being taken to address the safety performance at our "focus assets", historically responsible for the majority of our safety incidents. These assets are located in challenging geographies, without a culture of safety prior to our involvement. We are pleased to report the delivery of positive results, with three of the five focus assets fatality-free throughout 2015.

Improving health and safety performance has substantially progressed, achieving, one year ahead of schedule, our targeted 50% reduction in lost time injury rate (against 2010 baseline), with further reductions being targeted.

Looking forward

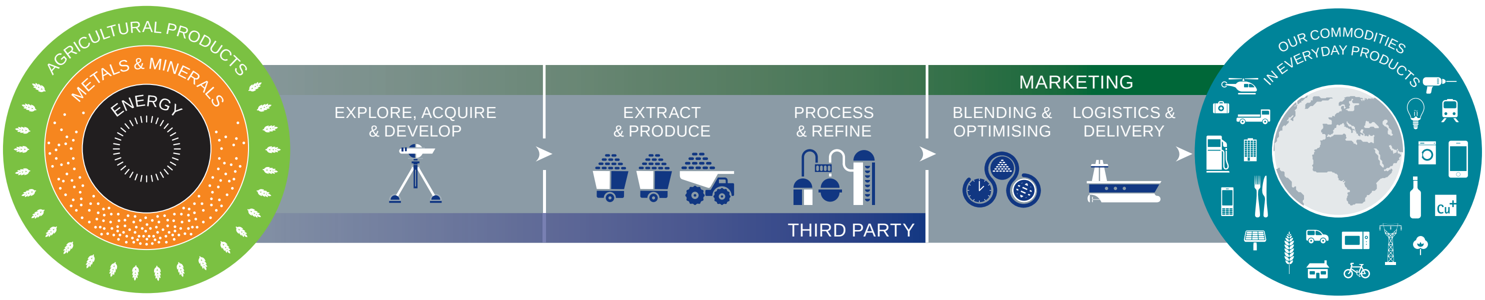
Our diversified asset portfolio, based around a core of Tier 1 assets, combined with our highly resilient marketing business, underpins Glencore's ability to continue to be comfortably cash generative, despite the current environment for commodities.

Furthermore, our continued proactive balance sheet initiatives will lead to a significant reduction in our net funding and net debt levels and ensure a high degree of flexibility regardless of future market conditions.

Ivan Glasenberg
Chief Executive Officer

Who we are

We are one of the world's largest diversified and vertically integrated producers, processors and marketers of commodities. We market and distribute physical commodities sourced from our own production and from third party producers to a highly diversified customer base that includes consumers from the industrial, automotive, steel, power generation, oil and food processing industries.



Our business

We are a major, global, diversified natural resource company, producing and marketing more than 90 commodities. We are uniquely diversified in respect of commodity, geography and activity. We benefit, together with our consumers and suppliers, from our scale and diversity at every stage of the commodity chain – from extraction through to delivery. As both a commodity producer and marketer, we exploit the full range of value-added margin and arbitrage opportunities that are present throughout the commodity supply chain and are well-placed to endure short-term volatility.

We have over 40 years of experience in marketing commodities. This has allowed us to develop and build expertise in the commodities which we market and to cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions. Our marketing business tends to be less correlated to commodity prices than our industrial business, which generally makes our earnings less volatile than pure commodity producers.

Our portfolio of industrial assets comprises around 150 mining and metallurgical facilities, oil production facilities and agricultural facilities. These mainly high-quality, low-cost assets generate cash even during periods in which a particular commodity, industry, customer or geographic region may be experiencing some weakness. Our industrial asset base enhances the quality and scale of our marketing activities, creating increased choice for our customers.

In addition to focusing on minimising costs and maximising operational efficiencies at our industrial assets, our marketing business focuses on maximising returns from the entire supply chain. We create value from our extensive global third party supply base, our logistics, risk management and working capital financing capabilities, our extensive market insight, business optionality, extensive customer base, strong market position and penetration in the commodities that we operate and our economies of scale.

Our strong entrepreneurial culture has been central to our success. This culture is underpinned by management and employee ownership of around one-third of the Company's shares. This degree of alignment with external shareholders' interests is unique amongst major resource companies.

Highly diversified:

90
commodities

150
sites

Global footprint:

90
offices in over

50
countries

Active at every stage of the commodity chain to maximise value

Unique market insight: over 40 years of experience

Strong entrepreneurial culture: employees empowered to make decisions

A global diversified natural resources company

We have three distinct business segments, aligned with management's oversight and accountability to ensure value is extracted at every point of the operating chain:

Metals & minerals

Copper, zinc/lead, nickel, ferroalloys, alumina/aluminium and iron ore production and marketing.
We have interests in industrial assets that include mining, smelting, refining and warehousing operations.

Copper

1	Argentina	Alumbrera
2	Australia	Cobar, Ernest Henry, Mount Isa, Townswille
3	Canada	CCR, Horne
4	Chile	Altonorte, Collahuasi, Lomas Bayas, Punitaqui
5	DRC	Katanga, Mutanda
6	Peru	Antamina, Antapaccay
7	Philippines	Pasar
8	Zambia	Mopani, Sable

Zinc

9	Argentina	AR Zinc
10	Australia	Mount Isa, McArthur River
11	Bolivia	Sinchi Wayra
12	Burkina Faso	Perkoa
13	Canada	CEZ Refinery, Matagami, Kidd
14	Europe	Portovesme, San Juan de Nieva, Nordenham, Northfleet
15	Kazakhstan	Kazzinc
16	Namibia	Rosh Pinah
17	Peru	Los Quenuales

For more information, see page 42

Nickel

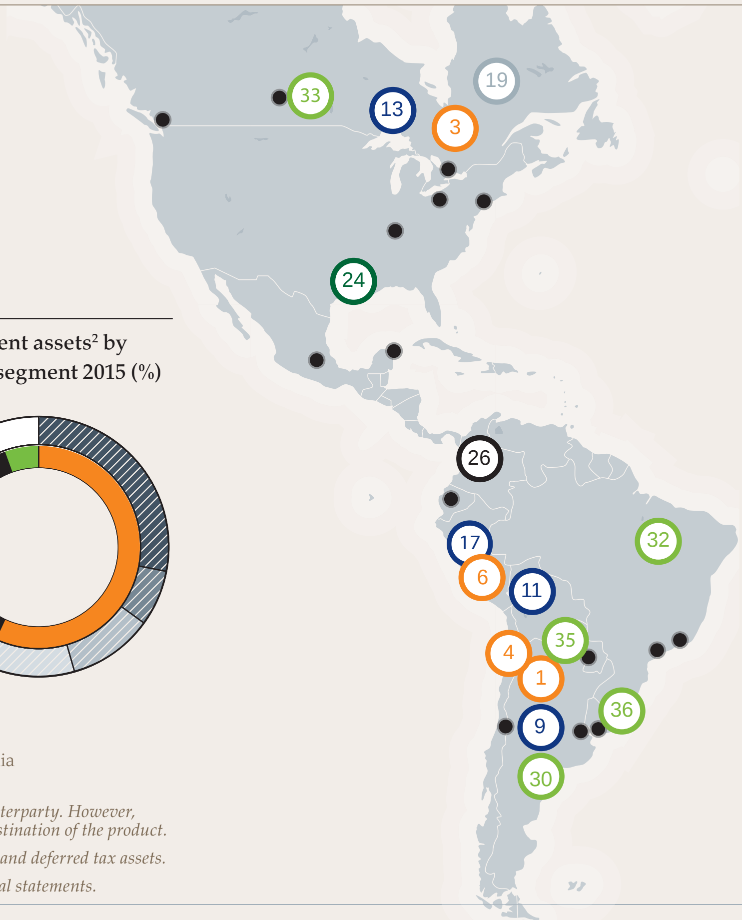
18	Australia	Murrin Murrin
19	Canada	Raglan, Sudbury
20	Europe	Nikkelverk
21	New Caledonia	Koniambo

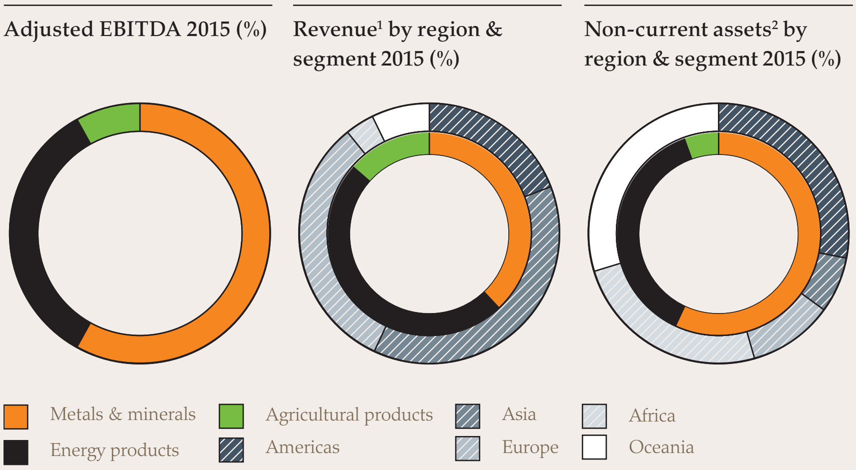
Ferroalloys

22	Europe	Glencore Manganese Group
23	South Africa	Chrome and Vanadium

Aluminium

24	USA	Sherwin Alumina





1 *Revenue by geographic destination is based on the country of incorporation of the sales counterparty. However, this may not necessarily be the country of the counterparty's ultimate parent and/or final destination of the product.*

2 *Non-current assets are non-current assets excluding other investments, advances and loans and deferred tax assets.*

The percentage contributions are derived from the information included in note 2 of the financial statements.

Diversity by geography:

Our operations around the world span a global network of more than 90 offices located in over 50 countries, and employ around 160,000 people, including contractors.

Diversity by product and activity:

We produce and market over 90 commodities; including those from around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

Energy products

Coal and oil industrial and marketing. Our Energy products businesses include coal mining and oil production operations and investments in strategic handling, storage and freight equipment and facilities.

Coal

25	Australia	Bulga complex, Mangoola, Mount Owen, Ravensworth, Ulan, Clermont, Newlands, Rolleston, Oaky Creek, West Wallsend, Tahmoor
26	Colombia	Cerrejon, Prodeco
27	South Africa	Goedgevonden, iMpunzi, Shanduka Coal, Tweefontein

Oil

28	Chad	Badila, Mangara
29	Equatorial Guinea	Block O and Block I

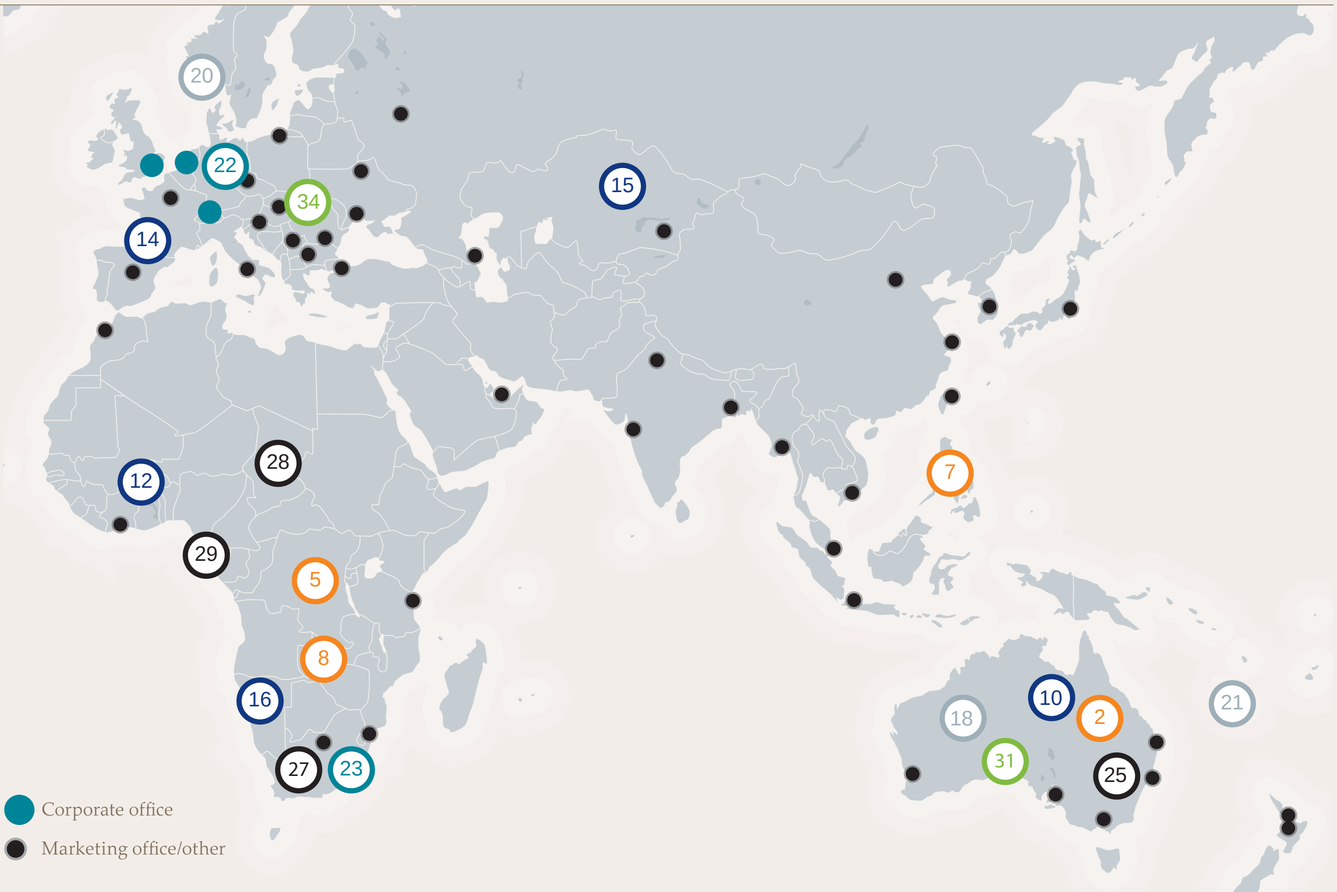
For more information, see page 56

Agricultural products

Focused on grains, oils/oilseeds, cotton and sugar. Our Agricultural products group is supported by both controlled and non-controlled storage, handling and processing facilities in strategic locations.

30	Argentina	Grain/rice storage, rice milling, soyabean/sunflower crush, biodiesel plants
31	Australia	Storage, farming, port operations
32	Brazil	Wheat milling operations, sugarcane (Rio Vermelho), storage
33	Canada	Storage facilities/elevators/ports (Viterra)
34	Europe	Farms, biofuel plants, storage and port facilities
35	Paraguay	Farms, storage
36	Uruguay	Milling facilities, storage, rice plant

For more information, see page 64



Our business model

Strategic imperatives:

Integration of sustainability throughout the business

Maintain robust and flexible balance sheet

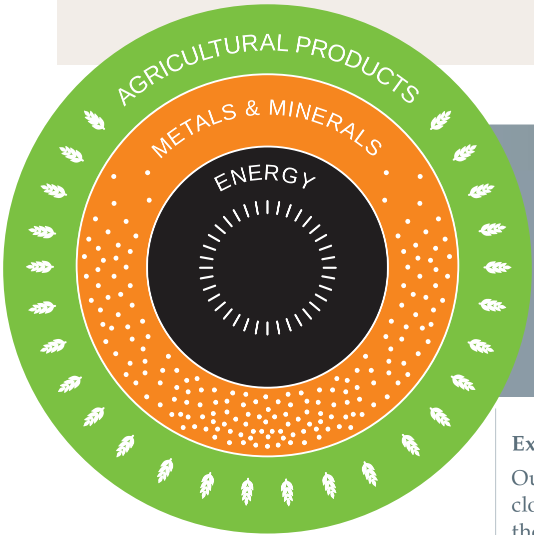
Inputs:

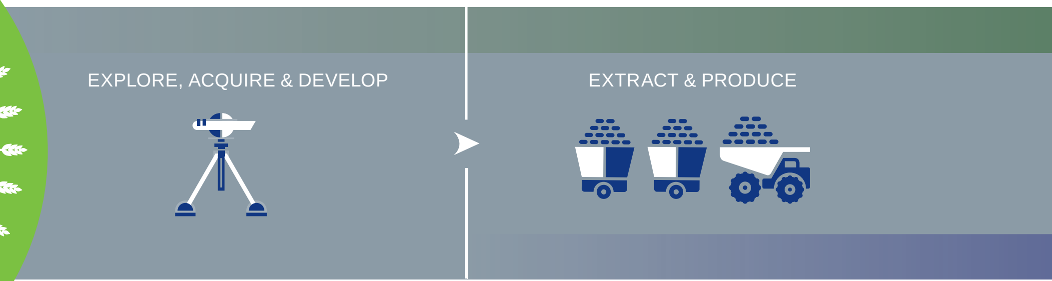
Assets and natural resources

- We wholly own or have a significant ownership in our assets, in which we make long-term investments. We prioritise being a competitive, low-cost producer.
- Our resources and reserves are high quality and long life, enhancing the scale and quality of our marketing business. See page 192.
- We are a disciplined producer and align supply to demand.

Our people and partners

- Over many years, we have cultivated and established long-term relationships with a broad range of suppliers and customers across diverse industries and geographies.
- Our highly skilled and professional workforce of around 160,000 employees and contractors is located on six continents.
- We interact with many diverse stakeholders around the world. We are committed to building transparent and constructive relationships with our partners to deliver sustainable, long-term benefits to all of our stakeholders.





Explore, acquire & develop

Our exploration activities take place close to our existing assets, supporting the development of brownfield sites. We believe that this approach lowers our risk profile and lets us use existing infrastructure, realise synergies and control costs. Each industrial investment opportunity is evaluated on a standalone basis and on its potential to strengthen our marketing activities or existing industrial assets. Our approach allows us to build on our economies of scale, our familiarity with a political and cultural landscape and our understanding of commodity dynamics.

Extract & produce

We mine and beneficiate minerals across a broad range of commodities, mining techniques and countries, for processing and/or refining at our own facilities or for sale to third parties.

Extraction and production of commodities involves a long-term commitment as well as exposure to risks relating to commodity prices, project development, changes in sovereign legislation and community acceptance.

An integral part of developing and maintaining our assets is earning our social licence to operate from the host governments and the communities around our operations.

Outputs:

Sustainable business

See our sustainability section on page 18

Safe and healthy workplace | Long-term value for communities | Socio-economic contributions | Skilled workforce

Principal risks and uncertainties:

KPIs:

Total recordable injury frequency rate (TRIFR) | Water withdrawn | Greenhouse gas emissions
Community investment spend

Focus on cost control and operating efficiencies

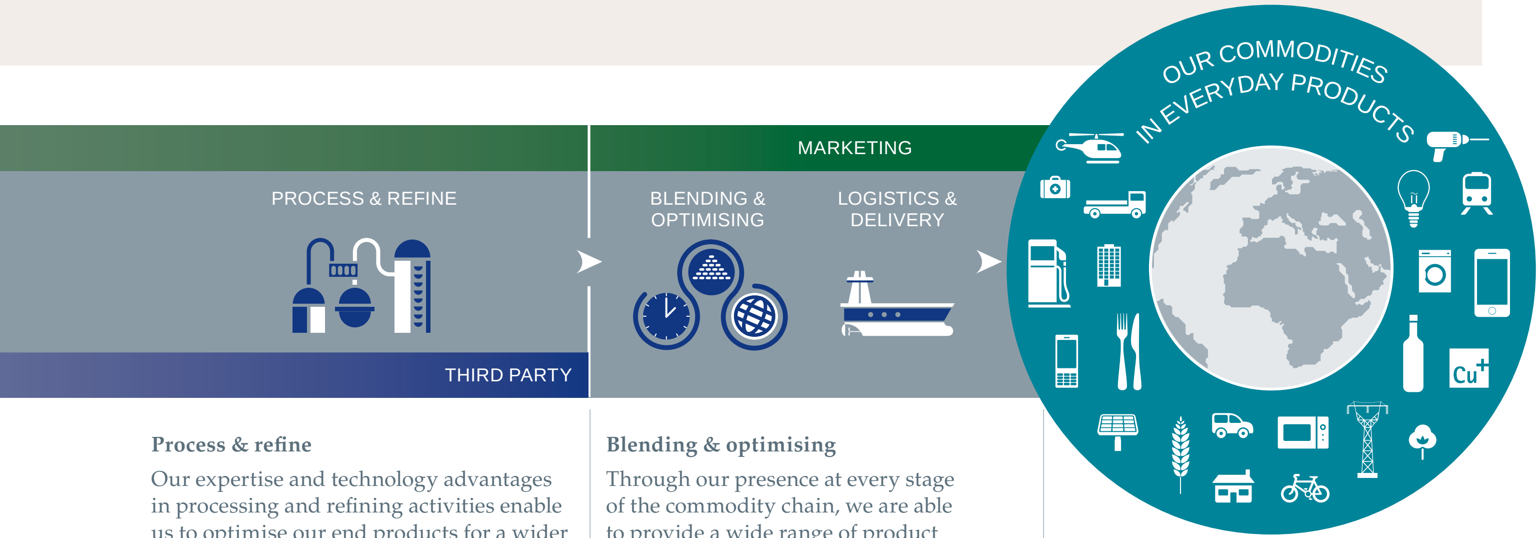
See page 14 for more information on our strategy

Financial discipline

- We deploy capital in a disciplined manner, which creates value for all of our stakeholders. We have a long track record of value creation across economic cycles.
- Our hedging strategies protect us against price risks and ensure that our marketing profitability is primarily determined by volume driven activities and value-added services rather than absolute price.

Unique market knowledge

- Our scale and global reach give us valuable insight into market flows and access to real-time information.
- Our long experience has allowed us to build extensive market knowledge and insight, as well as full logistics capabilities.
- As a commodity producer and marketer, we are uniquely positioned to generate value at every stage of the commodity chain.



Process & refine

Our expertise and technology advantages in processing and refining activities enable us to optimise our end products for a wider customer base.

Our smelting and refining facilities provide volumes that are utilised by our marketing teams.

Our ownership of processing and refining assets increases our flexibility and optionality and provides security of supply as well as enabling us to gain valuable market knowledge.

We purchase and process additional products as required from smaller operators that do not enjoy the same economies of scale.

Blending & optimising

Through our presence at every stage of the commodity chain, we are able to provide a wide range of product specifications resulting in a superior service for our customers.

Our ability to blend and optimise products, through using both our own and third party volumes, means we are better placed to meet the exact requirements of our customers.

Working with third party suppliers provides a fuller oversight of supply. This allows us to gain valuable market and local knowledge and to better understand the balance between supply and demand.

Logistics & delivery

Our logistics assets allow us to handle large volumes of commodities, to fulfil our marketing obligations and to take advantage of demand and supply imbalances. We have global storage and logistics assets in key strategic locations, including metal warehouses accredited by the LME and numerous oil and grain storage facilities worldwide. The broad range of value-added services we offer fulfils the needs of customers that do not have the equivalent internal capability and make us a preferred counterparty as well as strengthening our long-term relationships.

Financial performance

See our financial review on page 36

Returns to shareholders | Value for our stakeholders

See page 28 for more information on risks and uncertainties

Adjusted EBIT/EBITDA | Funds from operations (FFO) | Net funding | Net debt/FFO to Net debt | Net income

Our marketing business

We are an established marketer of commodities and have, over 40 years, built a strong market reputation as a reliable supplier of quality product on a timely basis. Our presence on the ground gives us extensive and unique market knowledge and insight, as well as trusted relationships with our partners and customers. In addition, we have developed the full logistics capabilities required to generate value-added margins and we are well positioned to seek arbitrage opportunities throughout the physical commodity supply chain.

Our marketing activities involve the physical movement of commodities. We deliver commodities – both those we extract as part of our industrial business, as well as from third party suppliers – to where they are most in demand. Marketing earnings are generated from a fee-like income that is earned from the handling of physical assets as well as arbitrage and blending and optimisation opportunities.

Our market insight, extensive logistics network and storage facilities differentiate us from other pure commodity producers. In addition to focusing on minimising costs and maximising operational efficiencies at our producing assets, we are also able to focus on maximising the fee-like returns from the entire marketing process.

By working side-by-side, our integrated marketing and industrial businesses give us a presence across the entire supply chain, delivering a unique knowledge of market dynamics and helping us to fully understand the needs of our customers.

Our marketing business is counter-cyclical from a cashflow perspective as its funding requirements are highly linked to commodity prices, requiring less working capital during periods of falling prices and helping to mitigate the generally negative effects of a lower price environment on our industrial assets.

Virtually all our marketed volumes are hedged or pre-sold to minimise price exposure. Earnings from our marketing activities are largely based on margins generated throughout the value chain.

Our use of hedging instruments results in marketing profitability being overwhelmingly determined by volume activity and associated value-added supply chain margins and other marketing conditions rather than by the absolute flat price itself.

Many of the physical commodity markets in which we operate are fragmented or periodically volatile. This can result in arbitrage, price discrepancies between the prices that the same commodities can be bought or sold in different geographic locations or time periods. Other factors that lead to arbitrage include freight and product quality. Through taking advantage of arbitrage opportunities we can generate additional value by sourcing, transporting, blending, storing or otherwise processing the relevant commodities.

Unique market knowledge: global office network and logistics/ storage infrastructure

Fee-like income from handling of physical commodities and arbitrage opportunities

Established third party supply and global customer base

Price exposure minimised: marketed volumes hedged or pre-sold

The arbitrage strategies we implement to generate additional price margins may vary from commodity to commodity.

The main opportunities are:

Geographic arbitrage

Disparity

Pricing differences for the same product in different geographic regions, taking into account transportation or transaction costs.

Execution

Leverage global relationships and production, processing and logistical capabilities to source product in one location and deliver in another.

Product arbitrage

Disparity

Pricing differences between blends, grades or types of commodity, taking into account processing or substitution costs.

Execution

Ensure optionality with commodity supply contracts, and look to lock-in profitable price differentials through blending, processing or end product substitution.

Time arbitrage

Disparity

Pricing differences on a commodity between delivery immediately, or at a future date, taking into account storage and financing costs until future date.

Execution

Book "carry trades" benefiting from competitive sources of storage, insurance and financing.

During our 40 years of marketing commodities, we have established a comprehensive risk management system, supported by robust procedures, to monitor all our marketing activities.

The credit risks associated with our marketing activities, including those present in agreements with suppliers and customers, are mitigated through the extensive application of measures including credit insurance, letters of credit, security arrangements and/or bank and corporate guarantees.

In addition, our network of global offices allows us to maintain and develop our relationships with our customers and suppliers, as well as observe on-the-ground movements in the commodities' environment.

Our marketing teams manage Glencore's market exposure via the reduction of price risks arising from timing differences between the purchase and sale of commodities to acceptably low levels.

Our extensive internal compliance policies and procedures and use of third party screening ensure we are compliant with sanctions, applicable laws and regulations.

Our marketing business, supported by robust risk management and working capital financing capabilities, creates value through utilising extensive market insight, business optionality, broad customer base, extensive third party supply base, strong market position and penetration in most commodities and economies of scale.

Our strategy

Our objective is to grow total shareholder returns while maintaining a strong investment grade rating and acting as a responsible operator. To achieve this ambition, we focus on three strategic imperatives: to fully integrate sustainability throughout our business; to maintain a robust and flexible balance sheet; and to focus on cost controls and operational efficiencies throughout our entire business.

Our ongoing activities to integrate sustainability throughout our business are in line with our commitment to operating transparently and responsibly, and to meet or exceed applicable laws or external requirements. Our Values and Code of Conduct define the principles by which we operate and we expect all of our employees to understand and implement these in their working practices. Safety is paramount and is prioritised over all business activities. We encourage our employees to take responsibility for their safety and that of their colleagues.

We recognise that a robust and sufficiently flexible balance sheet delivers shareholder returns and ensures that Glencore is well placed to withstand the cyclical nature of the natural resource industry. We aim to increase returns on capital and cash flows while reducing net funding/debt. Capital is only deployed when strict and clearly defined financial criteria, relating to returns and payback, can be met. We take a disciplined approach towards all of our assets and will divest when another operator places greater value on them, or curtail production in response to falling demand.

Our major industrial assets are mainly long life and low cost, reflecting the substantial investment into existing assets as well as our appetite, capabilities and belief in commodities and geographies where our peers are exiting or not present. Our industrial activities focus on controlling costs and generating sustainable operating and capital efficiencies. Our industrial assets provide a source of volumes for our marketing operations, which are supplemented by third party production. Our marketing business supports the creation of incremental value through critical mass, blending, storage and geographical arbitrage. Our marketing activities' priorities are to maximise the returns and cash flows from the pool of allocated capital, which, in turn, supports the strengthening of our balance sheet.

These strategic imperatives are supported by a highly entrepreneurial culture that supports an opportunistic approach within clearly defined financial criteria. From an operational level through to our senior management team, our employees are empowered to evaluate opportunities and make decisions while taking responsibility for their actions. This approach allows our managers to be flexible and rapid in their response to changing situations while risk is mitigated by a comprehensive framework of controls. Our entrepreneurial culture is underpinned by a high level of ownership by management and employees, which is unique amongst the major resource companies.

Strategic priority

Integration of sustainability throughout the business

Strategic priority

Maintain robust and flexible balance sheet

Strategic priority

Focus on cost control and operating efficiencies

Strategic priority

Integration of sustainability throughout the business

Strategic objectives:

- We take an approach of continuous improvement with regards to our sustainability actions and performance. We believe that by being a better operator with a reputation for doing things the right way, we will be regarded as a partner of choice by the governments of our host nations and the communities living near our operations
- A key part of our commitment to operating responsibly is to develop, maintain and strengthen our relationships with all of our stakeholders. We engage in a transparent and open manner and recognise that constructive relationships are essential for our social licence to operate

Key performance indicators: see page 27

- Safety
- Water
- Greenhouse gas emissions
- Community investment spend

Principal risks and uncertainties:

- Sustainable development risks (pages 34 to 35)

Key highlights in 2015

- Progress continued towards zero fatalities (10 in 2015; 16 in 2014, 26 in 2013)
- A 50% reduction in our lost time injury frequency rate (against a 2010 baseline) achieved one year ahead of schedule
- All our assets are implementing SafeWork, a risk-based approach to safety
- A health strategy was developed that will be rolled out Group-wide in 2016
- The strategic water management framework was completed and high risk sites identified
- Catastrophic risks have been identified Group-wide and a hazard register created
- Relationships have been formalised with public security forces in locations with the highest risk of human rights abuses by signing Memoranda of Understanding and reviewing and strengthening training on human rights
- $94 million spent on community investments

Priorities going forward

- Continue to implement SafeWork, build a strong culture of safety and target zero fatalities across the Group
- Progress our targeted 50% reduction of LTIFR and TRIFR by 2020 based on a 2015 baseline and 2014 baseline respectively
- Roll-out the revised health strategy and supporting materials to all assets during 2016
- Implement the water management framework Group-wide and assess operations that have been identified as being high-risk sites related to water
- Undertake a feasibility study to develop a meaningful target for carbon, continue to strengthen our position in the debate on climate change and the role of fossil fuels in the future global energy mix
- Continue to strengthen our relationships with our communities and other stakeholders to maintain our social licence to operate
- Developing a strategic framework to enhance our contribution to socio-economic development and roll-out relevant metrics to all operations

Our strategy

Strategic priority

Maintain robust and flexible balance sheet

Strategic objectives:

- We are committed to maintaining and strengthening our balance sheet to ensure it is capable of supporting growth and shareholder returns regardless of the commodity price environment
- Preserving a robust capital structure and business mix in line with our commitment to strong BBB/Baa investment grade rating status
- Continuously evaluating opportunities for acquisition, development and disposal, particularly when assets no longer support core business

Key performance indicators:
see page 26

- Adjusted EBIT/EBITDA
- Funds from operations
- FFO to net debt

Principal risks and uncertainties:

- External risks (pages 30 to 31)
- Business risks (pages 32 to 33)

Key highlights in 2015

- Issued bonds totaling some $4.9 billion
- Renewed the multi-tranche committed revolving credit bank facilities totaling $15.3 billion in May 2015 and in February 2016 signed commitments of $7.7 billion to refinance and replace the existing $8.45 billion one-year committed facility
- Credit rating affirmed at Baa3 (stable) by Moody's (December 2015) and BBB- (stable) by Standard & Poor's (February 2016)
- Significant progress made on the delivery of our debt reduction plans. Net debt was $25.9 billion at year end
- Equity issuance of $2.5 billion
- Committed available liquidity of $15.2 billion as at year end
- Disposed various non-core projects during the year, including Tampakan, an early-stage copper-gold project, and the Falcondo, Sipilou and Cosmos nickel projects
- Raised $1.4 billion from sales of silver and gold streams ($900 million in 2015 and $500 million in February 2016)

Priorities going forward

- Continue to deliver on the capital preservation and debt reduction measures initially outlined in September 2015
- Ensure strong liquidity position is maintained through continued access to funding markets and manageable debt maturity profile
- Extend and renew Group bank facilities on competitive terms, as appropriate
- Reposition our balance sheet to strong BBB/Baa investment grade credit rating
- Ongoing review of project portfolio

Strategic priority

Focus on cost control and operating efficiencies

Strategic objectives:

- Continuously seek to increase the net present value of our business by improving the competitiveness of our assets through an ongoing focus on cost management and logistical capabilities, including operating safely and efficiently
- Relentlessly leverage the scale and capabilities of our marketing activities to extract additional margin throughout our entire business model and provide a superior service to customers and a reliable supply of quality product
- Disciplined approach to supply in response to market conditions

Key performance indicators: see page 26

- Adjusted EBIT/EBITDA
- Funds from operations
- FFO to net debt
- Net income

Principal risks and uncertainties:

- External risks (pages 30 to 31)
- Business risks (pages 32 to 33)

Key highlights in 2015

- $2.5 billion marketing Adjusted EBIT achieved; despite a challenging market environment
- Competitive cost positions maintained/improved through cost efficiencies and favourable currency movements
- Reflecting the low commodity price environment and our disciplined approach to supply, our Katanga and Mopani operations have been suspended and/or curtailed, pending delivery of the capital improvement projects underway, which are expected to secure their future restart and long-term competitiveness
- Mined zinc production reduced by 500kt in response to low zinc prices
- Australian coal production reduced by 15 million tonnes, compared to plan, in response to market oversupply

Priorities going forward

- Continue to leverage our capability to realise value at each stage of the commodity supply chain
- Focus on sourcing competitively priced physical commodities from reliable third party suppliers
- Constant evaluation of commodities' flows and market changes to maximise product and geographical arbitrages
- Ongoing focus on improving the quality of assets through year on year cost reductions, mine life extensions and productivity and safety improvements
- Continued evaluation of existing operations, processes and new opportunities in an effort to achieve industry-leading returns on capital
- Minimal capital expenditure in response to the current environment for commodities

Sustainable development

Our activities and presence deliver lasting benefits to our stakeholders and to society, creating value both locally and globally. The commodities that we produce and market have an essential role in everyday life and support the development of emerging economies. Working with our host communities, we support their socio-economic development through our investment in infrastructure, procurement and health and education projects.

Our Values and Code of Conduct set out our commitment to operating in a transparent and responsible manner. We expect all our employees, contractors and suppliers to integrate this commitment into their working practices.

We strive to adopt safe and sustainable business practices, and to contribute to the socio-economic growth of the communities in which we operate. Our policies and procedures help our people to uphold good business practices; we expect our operations to meet or exceed any applicable laws and to apply other relevant external requirements.

Our corporate responsibility management system, Glencore Corporate Practice (GCP), provides a framework for the integration of our sustainability principles, guidance and policies throughout our business. GCP provides clear guidance on the standards we expect of our operations. Through the reporting function within GCP, our Board receives regular updates and has detailed oversight of how our business is performing across all our internally defined sustainability-related areas.

Our robust risk management framework allows us to identify and manage risks. The framework identifies material matters and supports our ongoing assessment of what matters most to our business and to our stakeholders.

We are in the process of further developing our systematic management system for catastrophic hazards in line with the International Council on Mining and Metals guidelines. Each of our commodity departments has identified the catastrophic hazards relevant to its operations and created a hazard register, as well as reviewing the relevant critical controls. The Board HSEC Committee has set requirements and will continue to review progress on critical control management and performance.

Our public sustainability reporting provides an annual update on our progress against our sustainability ambitions, in accordance with the requirements of the Global Reporting Initiative (GRI). Each report gives considerable detail of our approach and performance across our material sustainability topics. Our sustainability reports are available at: www.glencore.com/sustainability.

HSEC strategic framework

During 2015, we formalised a HSEC strategic framework, which:

- addresses the topics identified as material by internal and external stakeholders;
- defines strategic objectives, priorities, targets and responsibilities; and
- supports the continued integration of GCP into our business strategy.

The framework has four pillars (Health, Safety, Environment and Community & Human Rights), which are underpinned by governance systems that include communication, reporting, catastrophic hazards and assurance.

Assurance

Our assurance programme focuses on HSEC-related catastrophic hazards that have been identified via our catastrophic hazard management process. Our annual assurance plan is reviewed and approved by the Board. Assurance involves assessments against pre-defined criteria that have been aligned to international best practice. These assessments are carried out by subject matter experts, who are mainly internal but independent from the asset and department under review. Progress is regularly reported to the Board. When appropriate, corrective actions are tracked and followed up.

Performance during 2015

Key performance indicators	2015	2014	2013
Fatalities at managed operations	**10**	16	26
Lost time injury frequency rate (LTIFR) (per million hours worked)*	**1.32**	1.58	1.88
Total recordable injury frequency rate (TRIFR) (per million hours worked)	**5.06**	5.82	n/a**
CO_2e Scope 1 (million tonnes)	**23.4**	22.3	23.2
CO_2 Scope 2 (million tonnes)	**13.7**	13.6	13.9
Total energy use (petajoules)	**242**	242 †	238
Water withdrawn (million m^3)	**952**	996 †	965
Community investment spend ($ million)	**94**	114	168
Number of employees and contractors	**156,468**	181,349	203,637
Proportion of female employees (%)	**16**	16	17

* Prior to 2014, the combined figure for Glencore and Xstrata LTIs is not based on a consistent definition. From 2014, LTIs are recorded for lost days beginning on the first rostered day that the worker is absent after the day of the injury. The day of the injury is not included.

**TRIFR baseline set in 2014, definitions aligned post-merger with Xstrata.

† Restated primarily due to improved estimation methods for water withdrawn at 3 sites and change in unit of measurement for energy at one site.

Our priorities going forward

- Continue to implement SafeWork, build a strong culture of safety and eliminate fatalities across the Group
- Progress our targeted 50% reduction of LTIFR and TRIFR by 2020, based on our 2015 and 2014 baselines respectively
- Roll out the revised health strategy and supporting materials to assets during 2016
- Implement the water management framework across the Group and assess operations that have been identified as being high-risk sites related to water
- Undertake a feasibility study to develop a meaningful target for carbon, continue to develop our position in the debate on climate change and the role of fossil fuels in the future global energy mix
- Continue to strengthen relationships with our communities and other stakeholders to maintain our licence to operate
- Develop a strategic framework to enhance our contribution to socio-economic development and roll out associated metrics to all operations

Progress against our key priorities

2015 priorities	Progress
Eliminate fatalities, paying particular attention to our ‘focus assets’ (as detailed on following page) and underground operations where the majority of fatalities have historically occurred.	A continued reduction in fatalities: ten fatalities (from seven fatal incidents) in 2015 (2014: 16 fatalities from 15 fatal incidents).
Continued focus on reducing our lost time injury frequency rate (LTIFR) to our 2016 target, and reducing our total recordable injury frequency rate (TRIFR) by 50% by 2020.	We have achieved our LTIFR target (to reduce the rate by 50% against our 2010 baseline) one year early and established a new target to reduce LTIFR by 50% compared to 2015 figures by 2020. Our 2015 LTIFR is 1.32, exceeding the 2015 target of a 15% improvement over our 2014 LTIFR (1.58). In total, we have reduced our LTIFR by 52% since 2010. Our TRIFR for 2015 is 5.06, which is a 13% reduction on 5.82 achieved in 2014. Our current TRIFR is ahead of the progressive improvement required to meet the 2020 target of a 50% TRIFR reduction against our 2014 baseline.
Complete our occupational disease prevention framework in the first half of the year and roll it out across all our assets by the end of 2015.	We have developed a health strategy, which has been agreed by all departments. A working group of internal specialists is defining leading practices, developing tools and establishing indicators to be shared across the business as part of the ongoing roll-out strategy. The working group will establish broad milestones for implementation during 2016.
Continue to improve engagement activities with all stakeholders and identify further opportunities for interaction.	Significant progress achieved in our engagement with all our stakeholders, including NGOs and civil society groups.
Continued development and strengthening of our employees’ skills.	Our ongoing approach continues to provide individual development and training; we also continue to work on a standardised approach.
Review the societal strategies at our operations and, where necessary, revise to optimise our contribution to local socio-economic development.	We have drawn on internal and external expertise to develop performance metrics for measuring our socio-economic contribution. These metrics have been piloted in several locations, for roll-out across all operations in 2016.
Complete our water management framework by the end of 2015. This framework includes consistent definitions and metrics, the introduction of a water accounting tool and a consistent water balance, water management requirements and reporting systems.	We have completed the strategic water management framework, defining Glencore’s strategic objectives, priority areas and the associated timelines. We have harmonised and aligned our water metrics to the Water Accounting Framework of the Minerals Council of Australia. We have identified our high-risk sites, which will be assessed to identify and implement improvements.
Review training on the Voluntary Principles on Security & Human Rights to ensure a consistent approach across all our assets.	We have formalised our relationships with public security forces in regions with the highest risk of human rights abuses. This includes signing memoranda of understanding and reviewing and strengthening human rights training at operations.

Sustainable development

Materiality

As part of the preparation for compiling our annual sustainability report, we undertake a Group-wide review of the material topics that have affected and continue to affect our business, globally and locally, and our actions to address them. This process focuses our reporting on the sustainability topics of most interest to our key stakeholders, which include national and regional governments, community members, our workforce, business partners, union representatives and civil society.

Our process reflects the GRI's guidance on materiality and completeness. This guidance requires reporting to cover topics and indicators that "reflect the organisation's significant economic, environmental and social impacts" and/or that "substantively influence the assessments and decisions of stakeholders."

The process involves: identifying the topics raised during engagement activities with a broad range of stakeholders, both internal and external; considering the issues that affect our peers and the extractive sector as a whole; assessing media coverage of Glencore; and considering feedback from local communities and civil society groups.

A matter is considered to be material if, in the view of senior management, the Board and key stakeholder groups, it is of such importance that it will, or potentially could, in the short, medium or long term:

- have a significant influence on, or is of particular interest to, our stakeholders; or
- substantively impact our ability to meet our strategic objectives.

Once identified, each material issue is given a priority level based on the level of concern shown by stakeholders, as well as its actual and/or potential impact on the business. Issues that are of interest globally, that will have an impact on more than one region, and that are assessed to be of medium to high importance, are reported in detail in our sustainability report and summarised in this report. Topics that have a more local focus are covered in regional and local reports.

The issues identified as being material are, in no order of priority:

- The safety of our people
- Promotion of health and wellbeing in our workforce and local communities
- Developing and supporting our workforce
- Respecting fundamental human rights
- Working in partnership with local communities
- Addressing the impact of climate change
- Management of our water footprint
- Responsible waste management
- Minimising air emissions
- Managing the closure of operations
- Engaging with all of our stakeholders

The Board HSEC Committee has reviewed and approved the results of the materiality assessment.

The safety of our people

Our number one priority is the health and safety of our people. We are committed to achieving strong health and safety performances at all of our assets through resolving local challenges and transforming behaviour at all levels of our organisation.

Strategy and approach

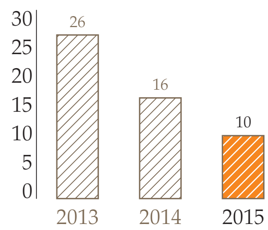
We take a proactive, preventative approach towards health and safety. Our aim is to establish a safety culture in which our employees and contractors feel empowered to stop work if they consider a workplace or situation unsafe. We believe that all occupational fatalities, diseases and injuries are preventable. We are working towards achieving this ambition through SafeWork, a Group-wide initiative. SafeWork focuses on eliminating fatalities and serious injuries through encouraging life-saving behaviours and developing a better understanding of the consequences of unsafe actions.

An important tool in improving safety at our operations has been the recording of high potential risk incidents (HPRIs). Reporting on HPRIs trends and making corrective actions immediately is helping us to systematically eliminate the cause of fatalities.

Fatalities

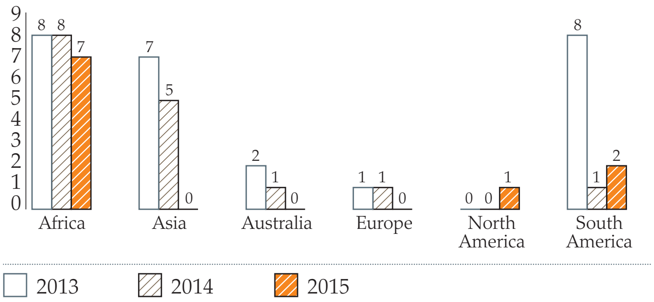
It is with deep regret that we report we have not met our goal of zero fatalities. During 2015, ten people lost their lives at our operations, compared to 16 during 2014. All ten fatalities occurred in underground working situations. All loss of life is unacceptable and we are determined to eliminate fatalities across our Group.

Fatalities at managed operations
number



Target: 0 fatalities

Fatalities per region (2013 – 2015)



The 2016 HSEC assurance schedule includes an internal audit programme that will continue over the next three to four years, covering all underground operations. The audit will assess major catastrophic and fatal hazards: strata failure, shafts and winders, fire, explosion, and inrush.

All our assets are implementing our SafeWork programme. In 2014, we identified a small number of our operations as 'focus assets'. These assets are located in challenging geographies and have legacy issues that have historically resulted in them having a lower safety performance than the rest of the business.

Each focus asset has completed a gap analysis against our fatal hazard protocols requirements. This included identifying and implementing critical controls, and producing detailed action plans to close out any identified gaps. SafeWork also requires training in hazard awareness, risk assessment, life-saving behaviours and safety leadership.

We are beginning to realise positive results at these assets. At the end of 2015, our Kazzinc complex in Kazakhstan achieved 15 months without a fatality, our agricultural products assets in the former Soviet Union region achieved 13 months, and the Katanga and Mutanda copper mines in the Democratic Republic of Congo achieved 14 months and 39 months respectively without a fatality. In 2015, Mopani Copper Mines in Zambia experienced three fatal incidents resulting in six fatalities, while the Sinchi Wayra zinc mine in Bolivia had one fatality. Although, we have seen a reduction in fatalities at our focus assets, we recognise that more work needs to be done to strengthen each asset's capabilities around sustaining the prevention of fatalities.

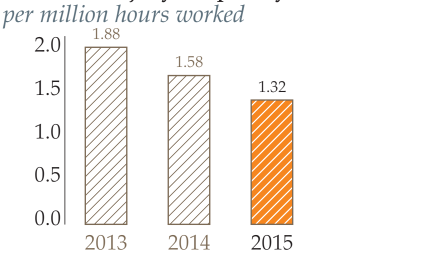
Reducing injury frequency rates

Our long-term goal of reducing employee and contractor injuries continues to deliver year-on-year reductions in our lost time injury frequency rate (LTIFR). Our LTIFR reflects the total number of LTIs per million hours worked and does not include restricted work injuries or fatalities.

In 2015, our LTIFR was 1.32 per million hours worked, a 16% improvement against 2014. Our LTIFR has improved by 52% since 2010, exceeding our long-term goal of a 50% reduction against our 2010 baseline of 2.74 by 2016.

Lost time injury frequency rate (LTIFR)

per million hours worked



Target: LTIFR reduction by 50% by 2020 using 2015 as the baseline

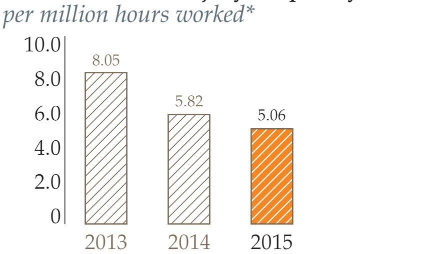
Lost time incidents are recorded when an employee or contractor is unable to work following an incident; days recorded begin on the first rostered shift that the worker is absent after the day of the injury.

The total recordable injury frequency rate (TRIFR) is the sum of fatalities, lost time injuries, restricted work injuries and medical treatment injuries per million hours worked. The metric represents all injuries that require medical treatment beyond first aid.

During 2015, we set a long-term goal of achieving a 50% reduction in TRIFR by the end of 2020, using our 2014 TRIFR of 5.82 as the baseline. Following the merger with Xstrata in 2013, 2014 was the first year all our assets had harmonised their TRIFR reporting definitions. Our 2015 TRIFR of 5.06 is a 13% improvement against the 2014 TRIFR of 5.82. Our current TRIFR is ahead of the progressive improvement required to meet our long-term goal.

Total recordable injury frequency rate

*per million hours worked**



*No harmonised data available for time before 2014.

A high potential risk incident (HPRI) is an incident that could have caused a catastrophic or major incident. During 2015, 338 HPRIs were reported, compared to 278 for 2014. HPRI reporting represents a positive part of our strategy to reduce fatalities and, as such, we do not target a reduction in this metric. We are encouraging our workforce to recognise the need to record HPRIs through the promotion of a risk-based safety culture.

Sustainable development

Promotion of health and wellbeing in our workforce and local communities

We believe that all occupational diseases can be prevented. We are working to address risks to the health of our people, both from exposure to hazards in the workplace, and from broader lifestyle challenges. The most common health hazards in our workplaces continue to be heavy loads, noise, silica, lead, diesel exhaust particles, acid mist and particulate matter (dust) containing heavy metals.

The challenges of eliminating occupational diseases vary with each site's operational processes and procedures. We have developed three key objectives to meet our strategic intent in occupational disease management:

- Healthy workplaces: controlling exposures to hazards at the source
- Fit for work: ensuring the capabilities of employees are appropriate for the tasks being undertaken
- Fit for life: delivering wellbeing initiatives that reflect the health needs of individuals in the workplace and those of the local community

We have finalised the framework and key objectives for our health strategy. A working group of internal specialists is now consolidating our leading practices, developing tools to support implementation of the strategy and establishing indicators to measure performance. These resources will be shared throughout Glencore during 2016.

The regions in which we operate have a diverse range of community health problems, including HIV/AIDS and malaria in Africa, malnutrition in South America, and diabetes and obesity in Canada and Australia. We work to tackle these problems, both to help our people and to encourage community development.

Reducing occupational disease

In 2015, 94% of our sites reported no new cases of occupational disease, compared to 91% of sites in 2014.

Developing and supporting our workforce

Our people are fundamental to our success, underpinning our ability to succeed and grow. We aim to provide clear, attractive career paths and safe, healthy workplaces, free from discrimination and harassment.

Our success relies strongly on our ability to attract, develop and retain the best talent at every level. We choose the best people for each position and reward them competitively, in line with market conditions and their contribution to our overall business success. We provide our people with the opportunity to develop and increase their skills, expertise and experience and the confidence to improve their careers.

Over the last year, the impact of slowing economic growth was enhanced in commodity producing and consuming countries, such as China, Brazil and Russia, has resulted in a dramatic fall in commodity prices. In turn, this has led to a number of assets no longer operating profitably. In response to such operating conditions, we placed a number of our assets on care and maintenance or significantly reduced production levels in 2015. At these sites, we have engaged extensively with our employees, unions, government representatives and local community members to ensure all our stakeholders are fully aware of the actions being taken. Employees being made redundant receive packages significantly in excess of local requirements and we will continue to support ongoing community initiatives.

Regardless of the economic backdrop, we remain committed to operating in a manner that fully incorporates our sustainability standards, programmes and initiatives and to delivering benefits to our stakeholders. Integrating sustainability across all our business processes remains a core strategic priority.

Diversity

We believe that a diverse workforce is essential to a successful business and seek to ensure that our workforce reflects the diversity of the communities in which we operate. We value diversity and treat employees and contractors fairly, providing equal opportunities throughout the organisation. During 2015, our workforce was made up of 16,382 (16%) female employees compared to 17,093 (16%) in 2014.

Protecting labour rights

We are committed to upholding the International Labour Organization's (ILO) Declaration of Fundamental Principles and Rights at Work and their Core Labour Standards. We prohibit any form of child, forced or bonded labour at any of our operations and do not tolerate discrimination or harassment. We endeavour to have a positive and constructive relationship with the unions in the locations where we operate.

Industrial relations

Around 70% of our employees are represented by an independent trade union or covered by a collective bargaining agreement. We uphold the rights of our employees to freedom of association, to unionise and to collective representation, regardless of their location or function. We are committed to working honestly and transparently with labour unions and we undertake negotiations in good faith.

Respecting fundamental human rights

Our operations have many contacts with the communities in which we work. It is vital that we respect the human rights of our people and our local communities, including vulnerable people such as women, indigenous people and victims of conflict. This is particularly relevant in regions where our assets require additional security.

Our approach to respecting fundamental human rights is aligned with the UN Guiding Principles on Business and the Human Rights Protect, Respect and Remedy Framework, as well as the ILO Core Conventions. Each of our operations is required to identify human rights risks as part of the risk assessment processes undertaken at key lifecycle phases.

All our operations are required to have grievance mechanisms that are accessible, accountable and fair, and that enable our stakeholders to raise concerns without fear of recrimination.

In March 2015, we were successful in our application to join the Voluntary Principles Initiative. We are now working with the Initiative's member governments, companies and NGOs to further develop our approach towards security and human rights.

Working in partnership with local communities

The communities surrounding our operations are our neighbours, employees, business partners and future workforce. Through our commitment to fully engage with our local communities we aim to secure a broad base of support for our activities.

We foster sustainable growth where we operate. We contribute to society throughout our value chain, via employment, procurement, enterprise development, infrastructure and social investment programmes.

During the year, we continued to target contributions to initiatives that benefit our host communities. In 2015, this contribution totalled $94 million, meeting our target of at least 1% of PBT. Our community development projects address three focus areas: capacity building (including education, enterprise development and economic diversification); health; and environment.

Local employment

Our most significant impact on our host regions is through employment, both directly and via contractors. Local employment is particularly significant in developing countries, where our local employees can support as many as nine people each. Improving the prosperity of our workforce also funds a general uplift in local economies, resulting in further job creation.

Local procurement

We use local suppliers wherever possible, as this is cost-effective and helps communities to reduce their reliance on our operations for direct employment. It is also an important building block for the development of local economies; in some countries, national development objectives determine procurement requirements for each region.

Local infrastructure

Our operations are often in remote areas in need of development, where it is helpful to share infrastructure such as roads, water and electricity with our host communities. This infrastructure will last long after our activities in those regions end, not only boosting current economic growth but contributing to a sustainable future.

Environment

Our operations have direct and indirect impact on the environment in regions where we operate. We work to minimise and mitigate any negative impact from our activities and are always looking for ways to improve our performance. We are committed to reducing our environmental impact, including our use of resources, such as energy and water, wherever possible.

We are committed to eliminating material environmental incidents and incurring zero fines, penalties or prosecutions. Any material environmental incidents are reported to the Board HSEC committee and, in particularly severe cases, presentations are made by operational management teams. During 2015, our operations did not record any environmental incidents that were classed as major or catastrophic.

Addressing the impact of climate change

The need for secure, affordable energy is universal; it is a pivotal factor for nations to achieve their socio-economic goals. In the developing world, access to energy is essential for improving living conditions, education, healthcare provisions and economic development.

We are aware of the increasing regulatory pressure and societal demand for a low-emission economy to address the global climate change situation. We play an active role in engaging with governments and other interested stakeholders to develop strategies for reducing the impact of climate change. We actively support the development of low emission technologies and renewable energy sources.

We are working to mitigate the physical impacts of climate change where we can and take resource efficiency into account when making operational decisions. Wherever we operate, we seek to optimise our energy and carbon footprint.

We divide CO_2 emissions reporting into three different scopes, in line with the Greenhouse Gas Protocol Corporate Standard (2004). We monitor and report on both the direct

Sustainable development

(scope 1 in tCO_2e) and indirect (scope 2 in tCO_2) emissions generated by the operational activities, entities and facilities in which we have a controlling stake. Scope 3 emissions are all indirect emissions (not included in scope 2) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

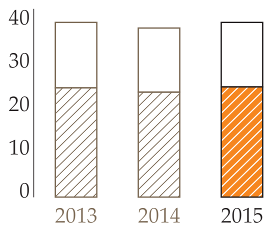
During 2015, we emitted 23.4 million tonnes of Scope 1 CO_2e emissions, mainly from the fuel we used. This figure includes emissions from reductants used in our metallurgical smelters and from the incineration of biomass. It also includes methane emissions from our operations, which make up more than 30% of our Scope 1 emissions.

CO_2 emissions arising from our use of purchased electricity, steam or heat, Scope 2 emissions, totalled 13.7 million tonnes. Our Scope 3 emissions include emissions from sources, including shipping, land transportation by third parties and the use of our energy products.

For our business, reporting a normalised CO_2 emissions figure or reporting ratios of CO_2 to production, financial results or employee headcount does not meaningfully contribute to any understanding of our performance. This is due to the diversity of our business. The scope and range of our products make it impossible to calculate a single production figure and our financial results are affected by commodity prices and foreign exchange rates, which are outside our control. As a result of the nature of the exploration, development and production cycle, our CO_2 emissions do not necessarily correlate to our employee headcount.

We publicly report to CDP's Carbon Disclosure Programme. Our 2015 score was 99C and our submission is available on the CDP website: www.cdp.net

Greenhouse gas emissions
*million tonnes CO_2**



*Scope 1 emissions are measured in CO_2e

Management of our water footprint

Water is an essential input for our business activities, while more than half of our operations are located in water-stressed areas. We are committed to managing our impact on water resources responsibly. We are implementing new technologies to help minimise or eliminate water discharge.

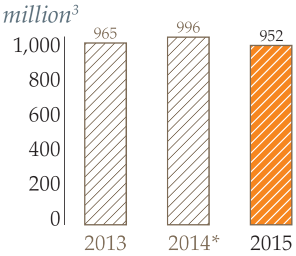
Wherever we can, we prioritise efficient water use, water reuse/recycling, responsible waste water disposal and maintenance of any equipment that might pose a hazard to water quality. We engage with local water users to avoid material adverse impacts on the quality and quantity of local water sources or compromising their access to water.

During 2015, we completed a strategic water management framework, which defines Glencore's strategic objectives, priority areas and associated timelines for the realisation of our defined goals

The metrics we use to measure our water performance have been harmonised and aligned with the Water Accounting Framework (WAF) of the Minerals Council of Australia. Going forward, operations that have been identified as high-risk sites will be assessed to identify areas for improvement.

In 2015, we withdrew 952 million m^3 of water, compared with 996 million m^3 in 2014.

Water withdrawn
million^3



*Restated primarily due to improved estimation methods at three sites.

We publicly report to the CDP's water disclosure programme.

Responsible waste management

Most of the waste that we generate from our extraction and processing operations is mineral; this includes tailings, slag and rock. Our operations have rigorous waste management systems to dispose of waste while preventing environmental contamination. We reuse as much waste as possible, including using waste rock to backfill our mines.

Our metal and coal assets generate tailings, which are stored in purpose-built tailings storage facilities. The tailings are placed in specially designed ponds filled with tailings and water; over time, the water evaporates while the tailings settle, eventually filling the dam. At this point, the dam is capped, sealed and rehabilitated. Our tailings facilities are monitored continuously to ensure integrity and structural stability. Flooding and seismic activity are the main natural phenomena that may affect them.

We operate a number of tailings dams and waste-containing compounds across the world. These facilities are at different lifecycle stages: under construction, operational and post-rehabilitation.

In 2014, we conducted a survey of all Group tailings dams, supervised by the Board's HSEC Committee. The key findings were presented to the HSEC Committee. As a result of the survey, the HSEC Committee required all surface tailings facilities to have an independent inspection report that is no more than three years old.

Following the devastating tailings dam failure in Brazil during 2015, we re-examined our most recent review of our tailings dams. During 2016, a special review will be undertaken for the dams identified as being the most at risk.

During 2015, our hazardous and non-hazardous mineral waste totalled 2,084 million tonnes, a slight decrease on 2014.

Minimising air emissions

Wherever we operate, we comply with relevant regulatory limits and international standards for air emissions. Our open cut operations emit dust from excavation and movement of material. We monitor dust levels at affected communities and minimise dust in a number of ways. Our SO_2 emissions in 2015 totalled 366,000 tonnes, compared to 431,000 in 2014. The decrease is primarily due to operational changes at Mopani and Mount Isa Mines.

Managing the closure of operations

We require each operation to continuously maintain a closure plan throughout its lifecycle, including appropriate financial provisions. As some of our operations enter suspension or closure, we are aware of the importance of managing our environmental impacts throughout. We work closely with our host communities to manage the transition and identify opportunities for delivering positive, lasting change.

Further information on our approach towards sustainability is available in our annual sustainability report and on our website: www.glencore.com/sustainability

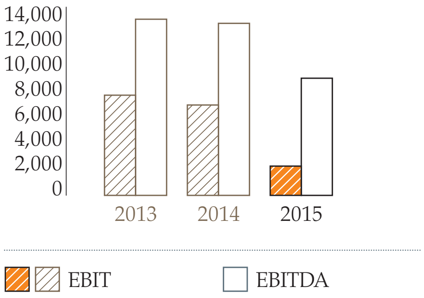
Key performance indicators

Our financial and non-financial key performance indicators (KPIs) provide a measure of our performance against the key drivers of our strategy. All 2013 financial KPIs are presented on a pro forma basis.

Financial key performance indicators

Adjusted EBIT/EBITDA

US$ million



Definition

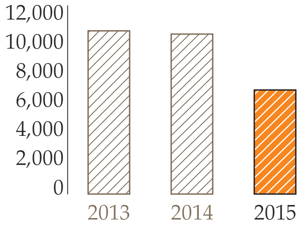
Adjusted EBIT/EBITDA, as defined in note 2 to the financial statements, provide insight into our overall business performance (a combination of cost management, seizing market opportunities and growth), and are the corresponding flow drivers towards achieving an industry-leading return on equity. Adjusted EBIT is revenue less cost of goods sold and selling and administrative expenses, plus share of income from associates and dividend income as disclosed on the face of the consolidated statement of income, excluding significant items. Adjusted EBITDA consists of Adjusted EBIT plus depreciation and amortisation.

2015 performance

2015 Adjusted EBITDA was $8.7 billion, down 32% compared to 2014, while Adjusted EBIT was $2.2 billion, down 68% compared to 2014, predominantly due to significantly lower average commodity prices, net of producer country currency depreciation; in addition, for Adjusted EBIT, due to the relatively fixed non-cash depreciation charge. Against such backdrop, significant operating cost savings were achieved through a relentless focus on all areas of the business.

Funds from operations (FFO)

US$ million



Definition

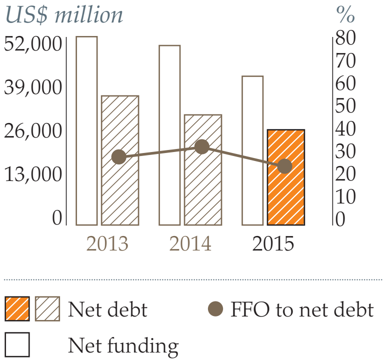
Funds from operations (FFO) is a measure that reflects our ability to generate cash for investment, debt servicing and distributions to shareholders. FFO comprises cash provided by operating activities before working capital changes, less tax and net interest payments plus dividends received.

2015 performance

2015 FFO was $6.6 billion, down 35% compared to 2014, reflective of the year over year decrease in Adjusted EBITDA owing to the impact of the weaker commodity price environment.

Net funding/Net debt and FFO to net debt

US$ million



Definition

Net debt demonstrates how our debt is being managed and is an important factor in ensuring we maintain an investment grade rating status and an attractive cost of capital. In addition, the relationship of FFO to net debt is an indication of our financial flexibility and strength.

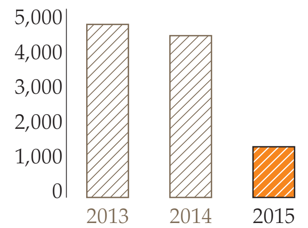
Net debt is defined as total current and non-current borrowings less cash and cash equivalents, marketable securities and readily marketable inventories.

2015 performance

As at 31 December 2015, net funding and net debt were $41.2 billion and $25.9 billion, respectively, down significantly, reflecting the relentless focus on capital efficiency (reduced capital expenditure and working capital levels), the $2.5 billion equity placing and our asset disposal programme, including the sale of a silver stream.

Net income

US$ million



Definition

Net income is income that is attributable to equity shareholders pre-significant items.

2015 performance

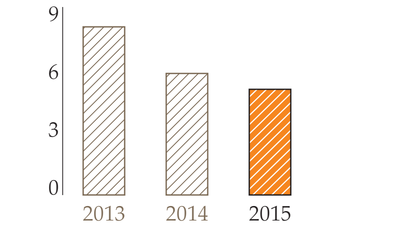
2015 net income was $1.3 billion, down 69% compared to 2014, reflecting the 68% reduction in EBIT, as a result of weaker commodity prices.

Non-financial key performance indicators

Safety

Total recordable injury frequency rate (TRIFR)

number



Definition

We believe that every work-related incident, illness and injury is preventable and we are committed to providing a safe workplace.

The total recordable injury frequency rate (TRIFR) is the sum of fatalities, lost time injuries, restricted work injuries and medical treatment injuries per million hours worked. The metric represents all injuries that require medical treatment beyond first aid.

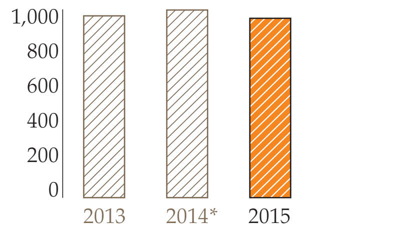
2015 performance

It is with regret that during 2015, ten people lost their lives at our operations (2014: 16 fatalities).

Our 2015 TRIFR of 5.06 is a 13% improvement over the 2014 TRIFR of 5.82. Our long-term goal for TRIFR is to achieve a 50% reduction by 2020, using our 2014 TRIFR of 5.82 as the baseline. Our 2015 TRIFR is ahead of the progressive improvement required to meet this long-term goal.

Water withdrawn

Million m^3



*Restated primarily due to improved estimation methods at three sites.

Definition

Water withdrawal is a measure of our operational resource efficiency.

Our operations have an ongoing responsibility to increase the reuse of processed and use of recycled wastewater in order to reduce our impact on local water supplies. Recycled water is predominantly used in place of fresh water for processes such as dust suppression.

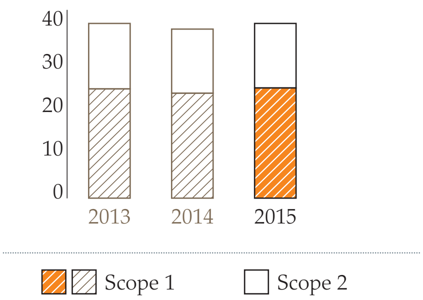
2015 performance

In 2015, we used 952 million m^3 of water, a decrease on 2014 (996 million m^3), primarily due to production cuts.

During 2015, we completed a strategic water management framework, which defines Glencore's strategic objectives, priority areas and associated timelines for achieving its defined goals.

Greenhouse gas emissions

*million tonnes CO_2**



*Scope 1 emissions are measured in CO_2e

Definition

Our CO_2 emissions reporting is separated into Scope 1 and Scope 2 emissions. Scope 1 includes emissions from combustion in owned or controlled boilers, furnaces and vehicles/vessels, coal seam emissions and rice cultivation. Scope 2 consists of emissions arising from our use of purchased electricity, steam or heat.

We monitor and report both the direct and indirect emissions generated by the operational activities, entities and facilities in which we have a controlling stake.

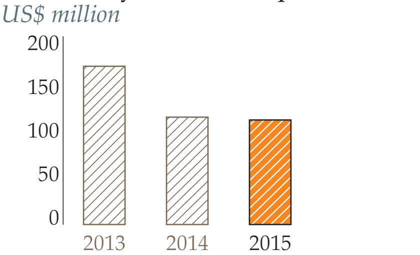
2015 performance

We divide CO_2 emissions reporting into three different scopes, in line with the Greenhouse Gas Protocol.

During 2015, we emitted 23.4 million tonnes of Scope 1 (direct) CO_2e emissions mainly from fuel usage. Our Scope 2 (indirect) CO_2 emissions, totalled 13.7 million tonnes. Our Scope 3 emissions include emissions from a broad range of sources, including shipping, land transportation by third parties and the use of our energy products.

Community investment spend

US$ million



Definition

Community investments are our contributions to, and financial support of, the broader communities in the regions where we operate.

Funds are set aside to support initiatives that benefit communities and local sustainable development. We also make in-kind contributions, such as equipment and management. We support programmes for community development, enterprise and job creation, health, education and the environment.

2015 performance

In 2015, the funds we made available for community investments were $94 million, a decrease on the amount invested in 2014 ($114 million).

Principal risks and uncertainties

Risk management is one of the key responsibilities of the Board and its Audit and HSEC Committees. Our principal risks and uncertainties – whether under our control or not – are highly dynamic and our assessment and our responses to them are critical to our future business and prospects.

Our risk management framework identifies and manages risk in a way that is supportive of our strategic priorities of opportunistically deploying capital, while protecting our future financial security and flexibility. Our approach towards risk management is framed by the ongoing challenge of our understanding of the risks that we are exposed to, our risk appetite and how these risks change over time.

The Board assesses and approves our overall risk appetite, monitors our risk exposure and sets the Group-wide limits, which are reviewed on an ongoing basis. This process is supported by the Audit and HSEC Committees, whose roles include evaluating and monitoring the risks inherent in their respective areas as described on pages 85 to 88. Our current assessment of our risks, according to exposure and impact, is detailed on the following pages. In compiling this assessment we have indicated the impact of these risks in comparison with a year ago in the table below.

The commentary on the risks in this section should be read in conjunction with a commentary under *Understanding the information on risks* which is set out on the next page.

To the extent that any of these risks are realised, they may affect, among other matters: our current and future business and prospects, financial position, liquidity, asset values, growth potential, sustainable development (whether as to adverse health, safety, environmental, community effects or otherwise) and reputation.

The natural diversification of our portfolio of commodities, geographies, currencies, assets and liabilities is a source of mitigation for many of the risks we face. In addition, through our governance processes as noted previously and our proactive management approach we seek to mitigate, where possible, the impacts of certain risks should they materialise. In particular:

- our liquidity risk management policy requires us to maintain (via a $3 billion minimum prescribed level) sufficient cash and cash equivalents and other sources of committed funding available to meet anticipated and unanticipated funding needs;
- making use of credit enhancement products, such as letters of credit, insurance policies and bank guarantees and imposing limits on open accounts extended;
- our management of marketing risk, including daily analysis of Group value at risk (VaR); and
- adhering to the principles encapsulated in the Glencore Corporate Practice (GCP) programme.

2015 developments and overview of principal risks and uncertainties

↑	• Reductions in commodity prices • Fluctuations in supply of or demand for commodities • Fluctuations in currency exchange rates	←→	• Health, safety, environment, including potential catastrophes • Liquidity risk
↑	• Emissions and climate change • Counterparty credit and performance	←→	• Laws, enforcement, permits and licences to operate • Geopolitical risk • Community relations • Sourcing, freight, storage infrastructure and logistics • Development and operating risks and hazards • Cost control
		←→	• Employees

Key

Risk impact: Low, Medium, High

Risk exposure: ↑ Increase, ↓ Decrease, ←→ Static

2015 developments

The significant falls in commodity prices experienced during 2015 and the pessimistic medium-term outlook of many commodity market commentators make this the Group's foremost risk. The price declines in our commodities generally, and especially copper and coal, have been a severe drag on our financial performance and have led to concerns by external stakeholders as to the strength of the Group's balance sheet.

- The reductions in commodity prices reflect the actual, perceived or prospective increases in supply of commodities and/or reductions in demand.
- The general appreciation of the US dollar during 2015, particularly against the currencies of emerging and commodity producing countries, has contributed to commodity price fluctuations. Although the strength of the US dollar is generally beneficial to our operating costs, this gain is more than outweighed by disruption in the world economy and substantial falls in commodity prices.

In response to the above financial challenges, capital expenditure programmes were cut significantly, working capital is being managed down, certain loss-making operations were shut, some profitable production was suspended, non-core precious metal reserves were monetised, and a $2.5 billion equity placement was implemented. The Company is also seeking to take further initiatives than were announced in its September debt reduction programme in order to achieve higher credit ratings than it has currently.

The tailings dam collapses in Canada and Brazil and the Turkish coal mine disaster experienced in the last two years by other mining companies are reminders of major catastrophes that represent significant unquantifiable risks for resources companies and as a result this remains a leading topic subject to challenge and monitoring.

During 2015, the HSEC Committee sponsored the launch of a new sustainability risks assurance process. Its initial focus has been on the Group's catastrophic hazards.

Understanding the information on risks

There are many risks and uncertainties which have the potential to significantly impact our business, including competitive, economic, political, legal, regulatory, social, business and financial risk. The order in which these risks and uncertainties appear does not necessarily reflect the likelihood of their occurrence or the relative magnitude of their potential material adverse effect on our business.

We have sought to provide examples of specific risks. However, in every case these do not attempt to be an exhaustive list. These principal risks and uncertainties should be considered in connection with any forward looking statements in this document as explained on page 202.

Identifying, quantifying and managing risk is complex and challenging. Although it is our policy and practice to identify and, where appropriate and practical, actively manage such risks to support objectives in managing capital and future financial security and flexibility, our policies and procedures may not adequately identify, monitor and quantify all risks.

The comments below describe our attempts to manage, balance or offset risk. Risk is, however, by its very nature uncertain and inevitably events may lead to our policies and procedures not having a material mitigating effect on the negative impacts of the occurrence of a particular event. Since many risks are connected, our analysis should be read against all risks to which it may be relevant.

In this section, we have sought to update our explanations, reflecting our current outlook.

Mostly this entails emphasising certain risks more strongly than other risks rather than the elimination of, or creation of, risks. To understand the changes in outlook and for more detail on certain risks, our previous annual reports are on our website at: www.glencore.com/investors/reports-and-results/reports/

To provide for concise text:

- where we hold minority interests in certain businesses, although these entities are not generally subsidiaries, the interests are mostly taken as being referred to in analysing these risks, and "business" refers to these and any business of the Group;
- where we refer to natural hazards, events of nature or similar phraseology we are referring to matters such as earthquake, flood, severe weather and other natural phenomena;
- in each case our mitigation of risks will include the taking out of insurance where it is customary and economic to do so;
- "risks" include uncertainties;
- "laws" include regulations of any type;
- a reference to a note is a note to the 2015 financial statements; and
- we have referred to our 2015 Sustainability Report which will be published in April 2016.

Principal risks and uncertainties

Risk	Comments
External	
Reductions in commodity prices	↑
The revenue and earnings of substantial parts of our industrial activities and, to a lesser extent, our marketing activities, are dependent upon prevailing commodity prices. Commodity prices are influenced by a number of external factors, including the supply of and demand for commodities, speculative activities by market participants, global political and economic conditions, related industry cycles and production costs in major producing countries. A significant downturn in the price of commodities generally results in a decline in our profitability and could potentially result in impairment and balance sheet constraints. It is especially harmful to profitability in the industrial activities, which are more directly exposed to price risk due to the higher level of fixed costs, while our marketing activities are ordinarily substantially hedged in respect of price risk and principally operate a service-like margin-based model.	The significant falls in prices experienced during 2015 and the pessimistic medium-term outlook of many commodity market commentators make this the Group's foremost risk. The continued price declines in our commodities generally, and especially copper and coal, have been a severe drag on our financial performance and have led to material concerns as to the Group's indebtedness levels. The Group is implementing a significant programme of activities in response, as summarised on the previous page. See the Chief Executive Officer's review on page 4 and the financial review on pages 36 - 41. Details of the significant impairments recorded during the year are contained in note 5. The valuations used for this analysis remain sensitive to price and further deterioration in the price outlook may result in additional impairments. Against the backdrop of these fluctuations, as we would expect, there were no breaches during 2015 of our $100 million Group VaR limit pertaining to our marketing activities – see page 83.
Fluctuations in the supply of, or demand for, the commodities in which we operate	↑
We are dependent on the expected volumes of supply or demand for commodities in which we are active, which can vary for many reasons, such as competitor supply policies, changes in resource availability, government policies and regulation, costs of production, global and regional economic conditions and events of nature.	This risk is currently prevalent, with demand growth uncertainty in various commodities we produce and market, notably within steel, coal and oil markets. See the Chief Executive Officer's review on page 4.
Fluctuations in currency exchange rates	↑
The vast majority of our transactions are denominated in US dollars, while operating costs are spread across many different countries, the currencies of which fluctuate against the US dollar. A depreciation in the value of the US dollar against one or more of these currencies will result in an increase in the cost base of the relevant operations in US dollar terms. The main currency exchange rate exposure is through our industrial assets, as a large proportion of the costs incurred by these operations is denominated in the currency of the country in which each asset is located. The largest of these exposures is to the currencies listed on page 44.	This risk is currently prevalent in our industry. However, these fluctuations tend to move in symmetry with those in commodity prices and supply and demand fundamentals as noted above, such that decreases in commodity prices are generally associated with increases in the US dollar relative to local producer currencies and vice versa. Consequently, the current relative strength of the US dollar has been beneficial to us through lower equivalent US dollar operating costs at many of our operations. This positive, however, has been more than offset by the disruption to the world economy and the substantial falls in commodity prices described above.
Geopolitical risk	↔
We operate and own assets in a large number of geographic regions and countries, some of which are categorised as developing, complex or having unstable political or social climates. As a result, we are exposed to a wide range of political, economic, regulatory and tax environments. Policies or laws in these countries may change in a manner that may be adverse for us. Also, some countries with more stable political environments may nevertheless change policies and laws in a manner adverse to us. We have no control over changes to policies, laws and taxes. The geopolitical risks associated with operating in a large number of regions and countries, if realised, could affect our ability to manage or retain interests in our industrial activities.	During 2015, we were subject to significant changes in fiscal policy from countries in South America, Africa and Asia Pacific and we expect this trend to continue in 2016 as the global geopolitical climate continues to evolve, partly affected by falls in commodity prices. Risks can also arise from the announcement and/or implementation of reductions in workforces and temporary or permanent production stoppages. See map on pages 8 and 9 that sets out our global operational footprint.

Risk	Comments
Laws, enforcement, permits and licences to operate	
We are exposed to and subject to extensive laws including those relating to bribery and corruption, taxation, anti-trust, financial markets regulation, management of natural resources, licences over resources owned by various governments, exploration, production and post-closure reclamation. The terms attaching to any permit or licence to operate may also be onerous. Furthermore, in certain countries title to land and rights and permits in respect of resources are not always clear or may be challenged. The legal system and dispute resolution mechanisms in some countries may be uncertain so that we may be unable to enforce our understanding of our title, permits or other rights. Lawsuits may be brought, based upon damage resulting from past and current operations, and could lead to the imposition of substantial sanctions, the cessation of operations, compensation and remedial and/or preventative orders. Moreover, the costs associated with legal compliance, including regulatory permits, are substantial. Any changes to these laws or their more stringent enforcement or restrictive interpretation could cause additional material expenditure to be incurred (including in our marketing business) or impose suspensions of operations and delays in the development of industrial assets. Failure to obtain or renew a necessary permit could mean that we would be unable to proceed with the development or continued operation of an asset. A dispute relating to an industrial asset could disrupt or delay relevant extraction, processing or other projects and/or impede our ability to develop new industrial properties.	We are committed to complying with or exceeding the laws and external requirements applicable to our operations and products. Through this and monitoring of legislative requirements, engagement with government and regulators, and compliance with applicable permits and licences, we strive to ensure full compliance. We also seek to manage these risks through the Glencore Corporate Practice (GCP) programme. Its practical application across our business is detailed in our code of conduct (www.glencore.com/who-we-are/corporate-governance/policies/code-of-conduct/) and this framework is reflected in our Sustainability Reports. The Group's anti-corruption policy may also be found at: www.glencore.com/who-we-are/corporate-governance/policies/global-anti-corruption-policy/. The Group is currently evaluating the impact of proposed regulations to govern commodity market participants (principally MiFID 2) in Europe. New and proposed further changes to the rules of the London Metal Exchange ("LME") have contributed to significant reductions in premiums in LME aluminium prices and indirectly to a $119 million goodwill impairment of our Pacorini metals warehousing business - see page 134 and notes 5 and 9.
Liquidity risk	
Our failure to access funds (liquidity) would severely limit our ability to engage in desired activities. Liquidity risk is the risk that we are unable to meet our payment obligations when due, or are unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. While we adjust our minimum internal liquidity threshold from time to time in response to changes in market conditions, this minimum internal liquidity target may be breached due to circumstances we are unable to control, such as general market disruptions, sharp movements in commodity prices or an operational problem that affects our suppliers, customers or ourselves. A lack of liquidity may mean that we will not have funds available to maintain or increase marketing and industrial activities, both of which employ substantial amounts of capital. If we do not have funds available to sustain or develop our marketing and industrial activities then these activities will decrease.	Note 25 details our financial and capital risk management approach. During 2015, the Group had been subject to considerable market speculation as to its medium-term funding position. *Glencore Funding Factsheet*, a summary of the Group's financing arrangements is available at: www.glencore.com/assets/investors/doc/debt-investor/GLEN-2015-Glencore-plc-update-and-details-of-funding-structure-6Oct2015.pdf. As at 31 December 2015, the Group had available undrawn committed credit facilities and cash amounting to $15.2 billion (31 December 2014: $9.4 billion), comfortably ahead of our $3 billion minimum prescribed level. Standard & Poor's and Moody's have both reduced the Company's investment grade credit rating by one notch to BBB- (stable) and Baa3 (stable) respectively.

Principal risks and uncertainties

Risk	Comments
Business activities	
Counterparty credit and performance	
Financial assets consisting principally of marketable securities, receivables and advances, derivative instruments and long-term advances and loans can expose us to concentrations of credit risk. Furthermore, we are subject to non-performance risk by our suppliers, customers and hedging counterparties, in particular via our marketing activities. Non-performance by suppliers, customers and hedging counterparties may occur and cause losses in a range of situations, such as: • a significant increase in commodity prices resulting in suppliers being unwilling to honour their contractual commitments to sell commodities at pre-agreed prices; • a significant reduction in commodity prices resulting in customers being unwilling or unable to honour their contractual commitments to purchase commodities at pre-agreed prices; and • suppliers subject to prepayment or hedging counterparties may find themselves unable to honour their contractual obligations due to financial distress or other reasons.	We monitor the credit quality of our counterparties and seek to reduce the risk of customer non-performance by requiring credit support from creditworthy financial institutions including making extensive use of credit enhancement products, such as letters of credit, insurance policies and bank guarantees. Specific credit risk policy rules apply to open account risk with an established threshold for referral of credit positions by departments to central management. In addition, note 25 details our financial and capital risk management approach.
Sourcing, freight, storage, infrastructure and logistics	
Our marketing activities require access to significant amounts of third party supplies of commodities, freight, storage, infrastructure and logistics support and we are exposed to reduced accessibility and/or increased pressure in the costs of these. In addition, we often compete with other producers, purchasers or marketers of commodities or other products for limited storage and berthing facilities at ports and freight terminals, which can result in delays in loading or unloading of products and expose us to significant delivery interruptions. Increases in the costs of freight, storage, infrastructure and logistics support, or limitations or interruptions in the supply chain (including any disruptions, refusals or inabilities to supply), could adversely affect our business.	Our global network of infrastructure and logistics operations such as vessels, oil terminals and tank farms, metals and other warehouses and grain silos assists in mitigating risks related to disruptions to or limitations of sourcing, freight, storage, infrastructure and logistics. See map on pages 8 and 9 that sets out our global operational footprint.

Risk	Comments
Development and operating risks and hazards	
Our industrial activities are subject to numerous risks and hazards normally associated with the initiation, development, operation and/or expansion of natural resource projects, many of which are beyond our control. These include unanticipated variations in grade and other geological problems (so that anticipated or stated reserves, resources or mineralised potential may not conform to expectations and in particular may not reflect the reserves and resources which the Group reports and as a result the anticipated volumes or grades may not be achieved). Other examples include seismic activity, natural hazards, processing problems, technical and IT malfunctions, unavailability of materials and equipment, unreliability and/or constraints of infrastructure, industrial accidents, labour force insufficiencies, disruptions and disputes, disasters, protests, *force majeure* factors, cost overruns, delays in permitting or other regulatory matters, vandalism and crime. Cyber crime can also have materially adverse consequences for our marketing and industrial businesses - see also page 34. The development and operating of assets may lead to future upward revisions in estimated costs, completion delays, cost overruns, suspension of current projects or other operational difficulties. Risks and hazards could result in damage to, or destruction of, properties or production facilities, may cause production to be reduced or to cease at those properties or production facilities, may result in a decrease in the quality of the products, personal injury or death, third party damage or loss, and may result in actual production differing from estimates of production. Natural hazards, sabotage or other interference in operations, could increase costs or delay supplies. In some locations poor quality infrastructure is endemic. The realisation of these development and operating risks and hazards could require significant and additional capital and operating expenditures to fund abatement, restoration or compensation to third parties for any loss and/or payment of fines or damages.	Development and operating risks and hazards are managed through our continuous development status evaluation and reporting processes and ongoing assessment, reporting and communication of the risks that affect our operations through the annual risk review processes and updates to the risk register. We publish quarterly our production results and annually our assessment of reserves and resources based on available drilling and other data sources. Production at Koniambo (Nickel) was partially suspended during 2015 following detection of a metal leak at the metallurgical plant. In 2015, the ongoing technical challenges of processing oxide concentrates at our Katanga operation led us to commission a whole ore leaching process, similar to that already operating successfully at Mutanda. Availability of continuous high-voltage power continues to be of critical importance to our copper operations in the Democratic Republic of Congo. We are continuing to invest in long-term power solutions via the Inga dam refurbishment. At both Katanga and Mopani, we have taken advantage of a lower-price copper environment to focus on the whole ore leaching project (Katanga) and the Synclinorium and Mopani Deeps projects (Mopani) via suspension or reduction of certain processing operations. During 2015, the Board received and discussed a presentation on cyber security from the Group Head of IT. See also page 34 for our assessment of and programmes to mitigate our health, safety and environmental risks and in particular catastrophic risks.
Cost control	
As commodity prices are outside of our control, the competitiveness and sustainable long-term profitability of our industrial asset portfolio depends significantly on our ability to closely manage costs and maintain a broad spectrum of low-cost, efficient operations. Costs associated with the operation of our industrial assets can be broadly categorised into labour costs and other operating and infrastructure costs. Overall production and operating costs are heavily influenced by the extent of ongoing development required, ore grades, mine planning, processing technology, logistics, energy and supply costs and the impact of exchange rate fluctuations. All of our industrial assets are, to varying degrees, affected by changes in costs for labour and fuel. Unit production costs are also significantly affected by production volumes and therefore production levels are frequently a key factor in determining the overall cost competitiveness of an industrial asset.	In the current challenging lower-margin environment, there is notably a greater emphasis on the need to reduce costs and/or curtail activities. Maintaining costs and, where possible, lowering them is supported by our reporting on these measures, coupled with the inclusion of certain cost control evaluation measures in assessing management performance.

Principal risks and uncertainties

Risk	Comments
Sustainable development	
Health, safety, environment, including potential catastrophes	
Our operations are subject to health, safety and environmental laws along with compliance with our corporate sustainability framework. The processes and chemicals used in extraction and production methods, as well as transport and storage, may impose environmental hazards. A serious failure in these areas could lead to an emergency or catastrophe at a site. Environmental hazards may affect not only our properties but also third parties. The storage of tailings at our industrial assets and the storage and transport of oil are material examples of these risks. Environmental (including those associated with particular environmental hazards) and health and safety laws may result in increased costs or, in the event of non-compliance or incidents causing injury or death or other damage at or to our facilities or surrounding areas may result in significant losses, including arising from (1) interruptions in production, litigation and imposition of penalties and sanctions and (2) having licences and permits withdrawn or suspended or being forced to undertake extensive remedial clean-up action or to pay for government-ordered remedial clean-up actions. In each case liability may arise where the hazards have been caused by any previous or subsequent owners or operators of the property, by any past or present owners of adjacent properties, or by third parties. Catastrophes can also arise due to cyber attacks, e.g. where there is malicious interference with operational software at industrial assets.	Our approach to sustainability and our expectations of our employees, our contractors and our business partners are outlined in our sustainability programme. This underpins our approach towards social, environmental, safety and compliance indicators, providing clear guidance on the standards we expect all our operations to achieve. Through the reporting function within the programme, our Board and senior management receive regular updates and have a detailed oversight on how our business is performing across all of the sustainability indicators. We monitor catastrophic risks, in particular across our portfolio, and operate emergency response programmes. Compliance with international and local regulations and standards are our top priorities. Our operating procedures and those of our partners in relation to owned tankers conform to industry best practice working under the guidelines of the International Maritime Organisation (IMO), relevant Flag States and top tier classification societies. We remain focused on the significant risks facing our industry arising from operational catastrophes such as the examples of tailings dam collapses in Canada and Brazil and the Turkish coal mine disaster experienced in the last two years. During 2015, the HSEC Committee sponsored the launch of a new sustainability risks assurance process. Its initial focus has been on the Group's catastrophic hazards and in 2015, it received 12 reports on these hazards across a wide range of the Group's industrial assets. In addition, ongoing investment continues in the Group's SafeWork health and safety programme. See also pages 18 to 25. Further details will also be published in our 2015 Sustainability Report.
Emissions and climate change	
Our global presence exposes us to a number of jurisdictions in which regulations or laws have been or are being considered to limit or reduce emissions. The likely effect of these changes will be to increase the cost for fossil fuels, impose levies for emissions in excess of certain permitted levels and increase administrative costs for monitoring and reporting. Third parties, including potential or actual investors, may also introduce policies adverse to the Company due to its activities in fossil fuels. Increasing regulation of greenhouse gas emissions, including the progressive introduction of carbon emissions trading mechanisms and tighter emission reduction targets is likely to raise costs and reduce demand growth.	Through our sustainability programme (operated under our GCP framework), we strive to ensure emissions and climate change issues are identified, understood and effectively managed and monitored in order to meet international best practice standards and ensure regulatory compliance. We seek to ensure that there is a balanced debate with regard to the ongoing use of fossil fuels. Our 2015 Sustainability Report will provide further details of the operation of our community engagement programme, including the international standards to which we voluntarily submit. In recent months, there have been announcements by some investment groups regarding the introduction of, or tightening of, policies concerning reduced investment in fossil fuel intensive companies. It should be noted that in 2015 around 5% and 26% of our revenue and EBITDA respectively were derived from coal and oil industrial activities.

Risk	Comments
Community relations	
The continued success of our existing operations and our future projects are in part dependent upon broad support and a healthy relationship with the respective local communities. A perception that we are not respecting or advancing the interests of the communities in which we operate, could have a negative impact on our "social licence to operate", our ability to secure access to new resources and our financial performance. The consequences of negative community reaction could also have a material adverse impact on the cost, profitability, ability to finance or even the viability of an operation and the safety and security of our workforce and assets. Such events could lead to disputes with governments, with local communities or any other stakeholders, and give rise to reputational damage. Even in cases where no adverse action is actually taken, the uncertainty associated with such instability could negatively impact the perceived value of our assets.	We believe that the best way to manage these vital relationships is to adhere to the principles of open dialogue and cooperation. In doing so, we engage with local communities to demonstrate our operations' contribution to socio-economic development and seek to ensure that appropriate measures are taken to prevent or mitigate possible adverse impacts on the communities, along with the regular reporting as outlined on our website at: www.glencore.com/sustainability/our-approach-to-sustainability/communities/engagement/.
Employees	
The maintenance of positive employee and union relations and the ability to attract and retain skilled workers, including senior management are key to our success. This can be challenging, especially in locations experiencing political or civil unrest, or in which they may be exposed to other hazardous conditions. Many employees are represented by labour unions under various collective labour agreements. Their employing company may not be able to satisfactorily renegotiate its collective labour agreements when they expire and may face tougher negotiations or higher wage demands than would be the case for non-unionised labour. In addition, existing labour agreements may not prevent a strike or work stoppage.	We understand that one of the key factors in our success is a good and trustworthy relationship with our people. This priority is reflected in the principles of our sustainability programme and related guidance, which require regular, open, fair and respectful communication, zero tolerance for human rights violations, fair remuneration and, above all, a safe working environment, as outlined on our website at: www.glencore.com/careers/our-people/.

Financial review

Highlights

US$ million	2015	2014	Change %
Key statement of income and cash flows highlights[1]:			
Adjusted EBITDA[2]	**8,694**	12,764	(32)
Adjusted EBIT[2]	**2,172**	6,706	(68)
Net income attributable to equity holders pre-significant items[3]	**1,342**	4,285	(69)
Earnings per share (pre-significant items) (Basic) (US$)	**0.10**	0.33	(70)
Net (loss)/income attributable to equity holders	**(4,964)**	2,308	n.m.
Funds from operations (FFO)[4,5]	**6,615**	10,169	(35)
Capital expenditure (excluding Las Bambas of $961 million in 2014)	**5,957**	8,566	(30)

US$ million	31.12.2015	31.12.2014	Change %
Key financial position highlights:			
Total assets	**128,485**	152,205	(16)
Current capital employed (CCE)[5]	**12,443**	21,277	(42)
Net funding[4]	**41,245**	49,758	(17)
Net debt[4]	**25,889**	30,532	(15)
Ratios:			
FFO to Net debt[4]	**25.6%**	33.3%	(23)
Net debt to Adjusted EBITDA	**2.98x**	2.39x	25
Adjusted EBITDA to net interest	**6.24x**	8.68x	(28)

1 *Refer to basis of preparation on page 37.*

2 *Refer to note 2 of the financial statements for definition and reconciliation of Adjusted EBIT/EBITDA.*

3 *Refer to significant items table on page 38.*

4 *Refer to page 40.*

5 *Refer to glossary for definition.*

Basis of presentation

The reported financial information has been prepared on the basis as outlined in note 1 of the financial statements with the exception of the accounting treatment applied to certain associates and joint ventures for which Glencore's attributable share of revenues and expenses are presented (see note 2) and is presented in the Financial Review section before significant items unless otherwise stated to provide an enhanced understanding and comparative basis of the underlying financial performance. Significant items (refer to page 38) 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.

Financial results

Adjusted EBITDA was $8,694 million and Adjusted EBIT was $2,172 million, decreases of 32% and 68% respectively compared to 2014, mainly due to sharply lower average commodity prices in 2015, net of producer country currency depreciation. Against such backdrop, significant operating cost savings were achieved through a relentless focus on all areas of the business, including supply chain, contractor management and employee productivity, while decisive action was also taken to reduce supply and associated capex/opex, notably within our coal, zinc, copper and oil portfolio.

Adjusted EBITDA/EBIT

Adjusted EBITDA by business segment is as follows:

US$ million	**Marketing activities**	**Industrial activities**	**2015 Adjusted EBITDA**	Marketing activities	Industrial activities	2014 Adjusted EBITDA	%
Metals and minerals	1,280	4,030	**5,310**	1,545	7,077	**8,622**	(38)
Energy products	826	2,269	**3,095**	565	2,841	**3,406**	(9)
Agricultural products	584	150	**734**	996	213	**1,209**	(39)
Corporate and other	(30)	(415)	**(445)**	(105)	(368)	**(473)**	n.m.
Total	**2,660**	**6,034**	**8,694**	**3,001**	**9,763**	**12,764**	**(32)**

Adjusted EBIT by business segment is as follows:

US$ million	**Marketing activities**	**Industrial activities**	**2015 Adjusted EBIT**	Marketing activities	Industrial activities	2014 Adjusted EBIT	%
Metals and minerals	1,255	148	**1,403**	1,515	3,674	**5,189**	(73)
Energy products	778	(88)	**690**	524	486	**1,010**	(32)
Agricultural products	461	63	**524**	856	136	**992**	(47)
Corporate and other	(30)	(415)	**(445)**	(105)	(380)	**(485)**	n.m.
Total	**2,464**	**(292)**	**2,172**	**2,790**	**3,916**	**6,706**	**(68)**

Marketing Adjusted EBITDA and EBIT decreased by 11% and 12% to $2,660 million and $2,464 million respectively:

- Metals and minerals Adjusted marketing EBIT, was down 17% over 2014, reflecting tough trading conditions in H1 (as noted in the 2015 Half-Year Report), particularly in aluminium and nickel, with headwinds respectively, from a collapse in physical premiums and subdued levels of global stainless steel production. The stronger H2 performance, on an annualised basis, came in 7% above 2014's result.
- Energy products Adjusted marketing EBIT was up 48% compared to 2014, as oil in particular was presented with and executed well within an attractive, opportunity rich market environment.
- The Agricultural products Adjusted marketing EBIT was down 46% compared to 2014, in large part due to the high comparable base (exceptionally strong Canadian harvest) and the immediate imposition of a punitive wheat export tax in Russia in Q1.

Financial review

Industrial Adjusted EBITDA decreased by 38% to $6,034 million (Adjusted EBIT was negative $292 million, due to the relatively fixed non-cash depreciation charge), owing primarily to weaker average year over year commodity prices including oil, nickel, coal, copper and zinc down 46%, 30%, ~20%, 20% and 11% respectively, partially mitigated by weaker producer currencies (notably the Kazakhstan Tenge, South African Rand and Australian and Canadian dollars, down relative to the US dollar, by 24%, 18%, 20% and 16% respectively). The delivery of significant operating cost reductions and productivity efficiencies were also positive drivers in 2015, offsetting the near-term volume impact of curtailing output across a number of operations to preserve resource value for the long term.

Earnings

A summary of the differences between reported Adjusted EBIT and income attributable to equity holders, including significant items, is set out in the following table:

US$ million	**2015**	2014
Adjusted EBIT[1]	2,172	6,706
Net finance and income tax expense in certain associates and joint ventures[1]	(159)	(329)
Net finance costs	(1,394)	(1,439)
Income tax benefit/(expense)[7]	362	(499)
Non-controlling interests	361	(154)
Income attributable to equity holders pre-significant items	**1,342**	**4,285**
Earnings per share (Basic) pre-significant items (US$)	0.10	0.33
Significant items impacting Adjusted EBITDA and Adjusted EBIT		
Share of Associates' exceptional items[2]	(88)	(74)
Unrealised intergroup loss/(profit) elimination and other[3]	445	(221)
	357	**(295)**
Other expense – net[4]	(7,998)	(1,073)
Write off of capitalised borrowing costs[5]	–	(32)
(Losses)/gains on disposals and investments[6]	(994)	715
Income tax expense[7]	(460)	(1,310)
Non-controlling interests' share of other income[8]	2,789	18
Total significant items	**(6,306)**	**(1,977)**
(Loss)/income attributable to equity holders	**(4,964)**	**2,308**
Earnings per share (Basic) (US$)	(0.37)	0.18

1 Refer to note 2 of the financial statements.
2 Recognised within share of income from associates and joint ventures, see note 2 of the financial statements.
3 Recognised within cost of goods sold, see note 2 of the financial statements.
4 Recognised within other expense – net, see notes 2 and 4 of the financial statements.
5 Recognised within interest expense.
6 See note 3 of the financial statements.
7 Refer to glossary for the allocation of the total income tax benefit/(expense) between pre-significant and significant items.
8 Recognised within non-controlling interests.

Significant items

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

In 2015, Glencore recognised a net $6,306 million of significant items, including $460 million of largely foreign exchange related income tax expense adjustments. The net expense comprises primarily impairments of $1,424 million ($3,989 million less $2,565 million attributable to non-controlling interests) related to Koniambo nickel and $1,031 million related to Chad oil and a $1,034 million loss (including $311 million of foreign currency translation losses previously recognised in equity) on cessation of control of Optimum Coal, placed into business rescue proceedings in August 2015, with subsequent sale agreed. See notes 3, 4 and 5 to the consolidated financial statements for further explanations.

In 2014, Glencore recognised $1,977 million of net other significant expenses, including $1,310 million of income tax expense. Due to the challenging platinum market and following the decisions to slow down iron ore development in Mauritania and Congo and limit further oil exploration activities at the Matanda block in Cameroon, impairment charges of $146 million, $489 million and $212 million were recognised respectively. These impairments were offset by a gain of $715 million (before related tax of $531 million) on the disposal of Las Bambas. Apart from the Las Bambas tax on disposal, a net $779 million of significant tax expense was recorded, primarily due to the currency translation effect of deferred tax balances, owing to the stronger US dollar, particularly against the Australian dollar.

Net finance costs

Net finance costs were $1,394 million in 2015 compared to $1,471 million ($1,439 million on a pre-exceptional basis) incurred during the comparable reporting period. Interest income in 2015 was $191 million, consistent with the prior year. On a pre-exceptional basis, interest expense in 2015 was $1,585 million, a 6% reduction from $1,692 million in 2014, reflecting the lower average debt levels.

Income taxes

An income tax expense of $98 million was recognised during 2015 compared to an income tax expense of $1,809 million in 2014. Based on our capital and business structure, income tax expense pre-significant items should approximate Adjusted EBIT for marketing and industrial assets less an allocated interest expense multiplied by an estimated tax rate of 10% and 25% respectively. This has been reflected in the table above. Refer to the glossary for a reconciliation of this calculation.

The 2015 reported income tax expense includes $307 million (2014: $779 million) of income tax expense due to foreign exchange fluctuations, primarily the currency translation effect on deferred tax balances, owing to the stronger US dollar, particularly against the Tenge and Australian dollar and adjustments to previously recognised deferred tax assets. The 2014 statutory income tax expense includes $531 million of taxes in respect of the sale of Las Bambas.

Assets, leverage and working capital

Total assets were $128,485 million as at 31 December 2015 compared to $152,205 million as at 31 December 2014, a period over which, current assets decreased from $53,219 million to $42,198 million, due to sizeable reductions in receivables and inventories, contributing to the overall reduction in current capital employed/net working capital. Non-current assets decreased from $98,986 million to $86,287 million, primarily due to the various impairments and disposals referred to above.

Financial review

Cash flow and net funding/debt

Net funding

US$ million	31.12.2015	31.12.2014
Gross debt	44,049	52,693
Associates and joint ventures net funding[1]	(58)	(80)
Cash and cash equivalents and marketable securities	(2,746)	(2,855)
Net funding	**41,245**	**49,758**

Cash and non-cash movements in net funding

US$ million	31.12.2015	31.12.2014
Cash generated by operating activities before working capital changes	7,454	10,978
Legal settlement and incremental metal leak costs (via statement of income)	264	–
Associates and joint ventures Adjusted EBITDA[2]	995	1,552
Net interest paid	(1,085)	(1,211)
Tax paid[1]	(1,072)	(1,257)
Dividends received from associates[1]	59	107
Funds from operations	**6,615**	**10,169**
Net working capital changes (excluding silver streaming proceeds)[1]	6,585	(540)
Silver streaming proceeds	900	–
Payments of non-current advances and loans[1]	101	(518)
Acquisition and disposal of subsidiaries	(106)	4,690
Purchase and sale of investments	(195)	(310)
Purchase and sale of property, plant and equipment (excl. Las Bambas)[1]	(5,688)	(8,360)
Purchase and sale of property, plant and equipment – Las Bambas	–	(961)
Net margin (call)/receipts in respect of financing related hedging activities	(618)	10
Acquisition and disposal of additional interests in subsidiaries	–	(101)
Share issuance	2,444	–
Distributions paid and purchase of own shares	(2,695)	(3,256)
Legal settlement and incremental metal leak costs (refer above)	(264)	–
Cash movement in net funding	**7,079**	**823**
Foreign currency revaluation of borrowings and other non-cash items	1,434	1,635
Total movement in net funding	**8,513**	**2,458**
Net funding, beginning of period	(49,758)	(52,215)
Net funding, end of period	**(41,245)**	**(49,758)**
Less: Readily marketable inventories[3]	15,356	19,226
Net debt, end of period	**(25,889)**	**(30,532)**

1 *Adjusted to include the impacts of proportionate consolidation of certain associates and joint ventures as outlined in the glossary.*
2 *See note 2 of the financial statements.*
3 *Refer to glossary for definition.*

The reconciliation in the table above is the method by which management reviews movements in net funding and net debt and comprises key movements in cash and any significant non-cash movements on net funding items.

Net funding as at 31 December 2015 decreased by $8,513 million to $41,245 million from $49,758 million as at 31 December 2014, aided by $6,585 million of working capital release (including $5,410 million of inventories), a 32% reduction in net capital expenditure (excluding Las Bambas) and the receipt of $900 million under a silver streaming arrangement. The net working capital reduction was primarily the result of lower commodity prices compared to 31 December 2014, however proactive management was overlaid to ensure effective and efficient deployment thereof.

Business and investment acquisitions and disposals

Net expenditure on business acquisitions and investments in 2015 was $301 million, due primarily to three agriculture initiatives namely in Germany (rapeseed crushing facility), in Brazil (a 50% interest in grain handling/port facilities) and in Canada (oil seed crushing plant), as this segment further enhances its global capabilities. The net inflow on acquisitions/disposals in 2014 was $4,690 million, due primarily to the sale of Las Bambas ($6.5 billion, net of tax), offset by the purchase of Caracal ($1.5 billion) and Zhairemsky zinc/lead ($291 million).

Liquidity and funding activities

In 2015, the following significant financing activities took place:

- In March, issued in two tranches EUR 2.0 billion of interest bearing notes as follows:
  - 6 year EUR 1,250 million, 1.250% fixed coupon bonds; and
  - 10 year EUR 750 million, 1.750% fixed coupon bonds.
- In April, issued in four tranches $2.25 billion of interest bearing notes as follows:
  - 3 year $500 million, 2.125% fixed coupon bonds;
  - 3 year $250 million, LIBOR plus 1.06% floating rate bond;
  - 5 year $1,000 million, 2.875% fixed coupon bonds; and
  - 10 year $500 million, 4.0% fixed coupon bonds.
- In May, signed new revolving credit facilities for a total amount of $15.25 billion, which extended and refinanced previous revolving credit facilities. The facilities comprise:
  - a $8.45 billion 12 month revolving credit facility with a 12 month term-out option and 12 month extension option; and
  - a $6.8 billion 5 year revolving credit facility with two 12 month extension options.
- In June 2015, Glencore issued 7 year JPY 40 billion of 1.075% fixed coupon bonds. In December 2015, Glencore converted JPY 30 billion of such bonds into new 7 year $250 million LIBOR plus 1.650% coupon bonds; the balance of JPY 10 billion of these bonds remains outstanding.
- In September, placed 1.3 billion new ordinary shares, raising gross proceeds of approximately $2.5 billion.
- In October, redeemed (1st call date) perpetual bonds with a nominal value of $350 million.
- In Q4 2015, repurchased bonds with a nominal value of $564 million, comprising primarily 2016 and 2017 maturities.

In February 2016, Glencore announced that it has signed a new revolving credit facility, which will ultimately refinance and replace the existing $8.45 billion facility. In pre-syndication, $7.7 billion of commitments from 37 banks were signed into and in Q2 2016 the refinancing will be broadened via launch of general syndication to some 30 additional banks. Consistent with the current facility, this new facility remains unsecured, containing a 12 month extension option and 12 month borrower's term-out option, thereby extending the final maturity to May 2018.

As at 31 December 2015, Glencore had available committed undrawn credit facilities and cash amounting to $15.2 billion.

Credit ratings

In light of the Group's extensive funding activities, maintaining an investment grade credit rating status is a financial priority/target. The Group's credit ratings are currently Baa3 (stable) from Moody's and BBB- (stable) from Standard & Poor's.

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 recognising 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 some 0.2% of equity, which was not exceeded during the year. 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 2015 was $35 million, representing less than 0.1% of equity. Average equivalent VaR during 2014 was $36 million.

Metals and minerals

Highlights

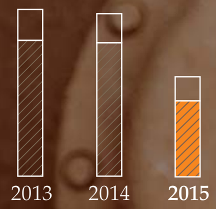
Metals and minerals total Adjusted EBITDA was $5,310 million, down 38% compared to 2014.

The key driver was clearly commodity prices which reduced significantly in most key markets, reflecting widespread fears as to China's decelerating rate of growth, the strong US dollar, lower oil prices and other general deflationary cost drivers. The weaker economic conditions and bearish sentiment surrounding China pressurised commodity prices throughout the year. In addition, from H2 2014, prompted by the dramatic fall in oil prices, investors accelerated their liquidation of existing commodity long positions accumulated through indices and commodity basket ETFs. On the supply side, there remains too much "sticky" higher cost supply, which delays the eventual rebalancing of markets to more sustainable levels. In response, however, Glencore has acted decisively in curtailing a sizeable amount of its copper and zinc production, with the aim of supporting prices near term and preserving scarce resources and value for the future.

In contrast with these severe challenges, Marketing performed solidly, delivering EBITDA of $1,280 million. While this was down 17% on 2014, the reduction occurred in the first half, on account of the collapse in aluminium physical premiums and weakness in the global stainless steel industry, impacting our nickel and ferroalloys businesses. The stronger H2 performance, on an annualised basis, came in 7% above 2014, reflecting the underlying strength and consistency of this business. Industrial EBITDA declined from $7,077 million to $4,030 million reflecting lower metals' prices (net of foreign currency benefits, proactive efficiency and cost reduction drives and the passive lowering of other input costs e.g. oil) and the associated incremental costs associated with the decisions to curtail copper production at Katanga and Mopani and zinc production at Mount Isa and McArthur River.

Adjusted EBITDA
US$ million

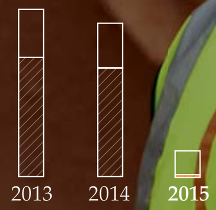
5,310



	2013	2014	2015
Marketing activities	1,643	1,545	**1,280**
Industrial activities	7,203	7,077	**4,030**

Adjusted EBIT
US$ million

1,403



	2013	2014	2015
Marketing activities	1,622	1,515	**1,255**
Industrial activities	4,036	3,674	**148**

Metals and minerals

US$ million	Marketing activities	Industrial activities	2015	Marketing activities	Industrial activities	2014
Revenue	41,151	24,782	65,933	35,025	31,025	66,050
Adjusted EBITDA	1,280	4,030	5,310	1,545	7,077	8,622
Adjusted EBIT	1,255	148	1,403	1,515	3,674	5,189
Adjusted EBITDA margin	3.1%	16.3%	8.1%	4.4%	22.8%	13.1%

Market conditions

Selected average commodity prices

	2015	2014	Change %
S&P GSCI Industrial Metals Index	291	349	(17)
LME (cash) copper price ($/t)	5,503	6,866	(20)
LME (cash) zinc price ($/t)	1,928	2,164	(11)
LME (cash) lead price ($/t)	1,785	2,096	(15)
LME (cash) nickel price ($/t)	11,835	16,892	(30)
Gold price ($/oz)	1,160	1,266	(8)
Silver price ($/oz)	16	19	(16)
Metal Bulletin cobalt price 99.3% ($/lb)	13	14	(7)
LME (cash) aluminium price ($/t)	1,662	1,869	(11)
Metal Bulletin alumina price ($/t)	300	331	(9)
Metal Bulletin ferrochrome 6-8% C basis 60% Cr, max 1.5% Si (¢/lb)	94	105	(10)
Platinum price ($/oz)	1,054	1,385	(24)
Iron ore (Platts 62% CFR North China) price ($/DMT)	56	97	(42)

Currency table

	Average 2015	Spot 31 Dec 2015	Average 2014	Spot 31 Dec 2014	Change in average %
AUD : USD	0.75	0.73	0.90	0.82	(17)
USD : CAD	1.28	1.38	1.10	1.16	16
USD : COP	2,749	3,175	2,002	2,377	37
EUR : USD	1.11	1.09	1.33	1.21	(17)
GBP : USD	1.54	1.47	1.65	1.56	(7)
USD : CHF	0.96	1.00	0.92	0.99	4
USD : KZT	223	341	179	182	25
USD : ZAR	12.78	15.47	10.85	11.57	18

Marketing

Highlights

Adjusted EBIT was $1,255 million, down 17% from $1,515 million, reflecting tough trading conditions in H1, particularly in aluminium and nickel, with headwinds respectively, from a collapse in physical premiums and subdued levels of global stainless steel production. The stronger H2 performance, on an annualised basis, came in 7% above 2014's result.

Financial information

US$ million	**2015**	2014	Change %
Revenue	41,151	35,025	17
Adjusted EBITDA	1,280	1,545	(17)
Adjusted EBIT	1,255	1,515	(17)

Selected marketing volumes sold

	Units	**2015**	2014	Change %
Copper metal and concentrates[1]	mt	3.1	2.8	11
Zinc metal and concentrates[1]	mt	3.1	3.4	(9)
Lead metal and concentrates[1]	mt	1.1	0.8	38
Gold	moz	1.9	1.5	27
Silver	moz	89.3	66.2	35
Nickel	kt	231	203	14
Ferroalloys (incl. agency)	mt	5.0	4.2	19
Alumina/aluminium	mt	13.6	11.7	16
Iron ore	mt	41.2	66.0	(38)

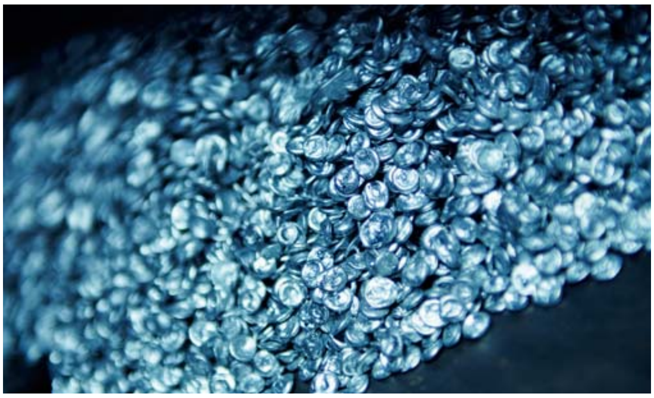
1 Estimated metal unit contained.

Metals and minerals

Copper

As detailed in the Highlights section, ongoing bearish sentiment and liquidation by investors of commodity long positions contributed to the copper market recording its fifth consecutive year of declining prices, with average prices falling 20% to $5,503/t compared to $6,866/t in 2014.

2015 saw demand growth in the major consuming regions, including China at ~5%. However, Chinese demand growth was lower than earlier market consensus, under pressure from weakness in the construction sector and some residual impact from the anti-corruption investigations on infrastructure spending. Copper supply growth also contracted due to slower than expected mine ramp-ups and, in this price environment, mine cutbacks and scrap shortages.



Zinc

A reasonable supply of concentrates during the first three quarters of the year resulted in strong zinc metal production from both Chinese and rest of the world smelters, including India. This combined with lower than expected demand growth, from emerging markets in particular, put pressure on metal prices and premiums worldwide.

Q4 mine closures and cutbacks then impacted metal production. China's lower domestic output (accounting for 40-45% of global zinc consumption) left it requiring zinc metal imports and/or exchange inventory drawdowns. Net metal imports into China were up 4.7% in 2015 at 433kt, with 225kt in Q4 alone.

We expect this trend to continue in 2016. Mine production has seen curtailments of some 1.2 million tonnes (~9% of 2015 global production) and the concentrate tightness should continue to be felt in the zinc metal market.

Nickel

The nickel market in 2015 was disappointing as global output failed to adjust sufficiently to weaker demand growth and high inventory levels, despite most of the industry operating at a loss.

In 2015, nickel consumption increased only moderately as demand for nickel in stainless steel was largely flat and growth in non-stainless applications was limited, despite notable strength in the aerospace and battery sectors. While global nickel supply did contract (mainly due to lower Chinese nickel pig iron output), the level of cuts was not reflective of the degree of industry hardship and insufficient to balance the market.

Consequently, the market was again oversupplied, driving further increases in global inventory levels. These fundamental developments occurred amid a collapse in general commodity market sentiment, resulting in a 41% fall in the LME nickel price from $14,880/t at the start of 2015 to $8,780/t at year end.

While the fundamental outlook for nickel now appears brighter, with the market ending the year in balance, following improved Q4 demand and continued supply-side adjustments, further supply cuts are required to support materially higher prices, absent a significant pickup in demand.

Ferroalloys

Global oversupply of chrome ore and ferrochrome, coupled with the weakness in stainless steel demand noted above, led prices to fall significantly towards the end of the year. Currency devaluation in key supply regions offered support to ferrochrome producers, but did not prevent some smelter shutdowns in H2.

Manganese ore prices continued to decline due to oversupply, while manganese alloy prices also came under pressure during the year due to the weakness in the global steel market.

Reduced Chinese demand, coupled with lower Western demand, specifically from Oil and Gas applications, resulted in lower vanadium prices as the year progressed.

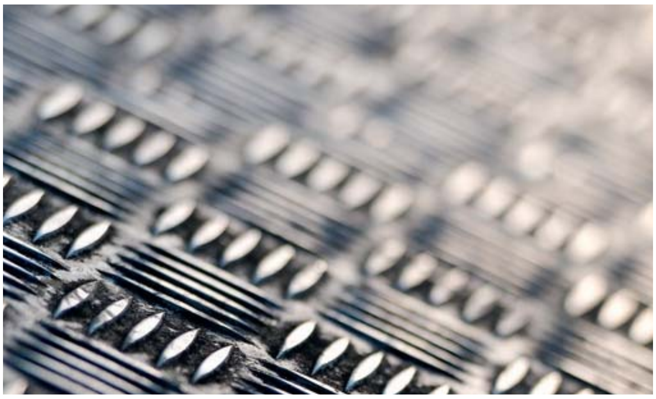
Metals and minerals

Alumina/Aluminium

Average LME aluminium prices decreased by 11% during 2015 to $1,662/t compared to $1,869/t in 2014. Premium levels decreased significantly from an average of $340-$365/t to $160-$185/t, largely due to LME rule changes, combined with record Chinese aluminium production and exports. The decrease in the net all-in price received by producers meant that a large portion of the market was unable to meet its costs of production in 2015.

Indications for aluminium premiums for duty unpaid, in-warehouse material at the beginning of 2015 were within the $400-$430/t range and the 2015 year-end level was around $100-$125/t.

The FOB Australia alumina price opened 2015 at $355/t and closed at $199, representing the price range for the year.



Iron Ore

The iron ore market weakened during the year, due to increased supply of iron ore and lower steel production in China. The Q1 price movement was particularly severe, followed by some stability during the middle part of the year and another decrease in the Q4, as steel production cuts intensified. Premiums were relatively stable during the year.

Industrial activities

Highlights

The Industrial business was heavily characterised by Glencore's decisions in H2 to suspend production at Katanga, Lady Loretta (Mount Isa zinc) and Iscaycruz (Los Quenuales) and dramatically reduce production at Mopani, George Fisher (Mount Isa zinc) and McArthur River. The suspensions/reductions at Katanga and Mopani are intended to support the market in the nearer term, while also enabling uninterrupted focus on their respective transformation and upgrade projects in the interim. EBITDA declined from $7,077 million to $4,030 million reflecting the lower metals' prices (net of foreign currency benefits, proactive efficiency and cost reduction drives and the passive lowering of other input costs e.g. oil) and the associated incremental costs associated with the decisions to curtail copper and zinc production.

Financial information

US$ million	2015	2014	Change %
Revenue			
Copper assets			
African copper (Katanga, Mutanda, Mopani)	3,038	3,954	(23)
Collahuasi[1]	876	1,311	(33)
Antamina[1]	702	845	(17)
Other South America (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)	1,943	2,732	(29)
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)	2,049	2,388	(14)
Custom metallurgical (Altonorte, Pasar, Horne, CCR)	5,988	6,756	(11)
Intergroup revenue elimination	(172)	(220)	n.m.
Copper	**14,424**	**17,766**	**(19)**
Zinc assets			
Kazzinc	2,244	2,517	(11)
Australia (Mount Isa, McArthur River)	1,211	1,293	(6)
European custom metallurgical (Portovesme, San Juan de Nieva, Nordenham, Northfleet)	1,172	2,201	(47)
North America (Matagami, Kidd, Brunswick, CEZ Refinery)	1,084	1,148	(6)
Other Zinc (AR Zinc, Los Quenuales, Sinchi Wayra, Rosh Pinah, Perkoa)	632	744	(15)
Intergroup revenue elimination	–	(192)	n.m.
Zinc	**6,343**	**7,711**	**(18)**
Nickel assets			
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)	1,340	2,450	(45)
Australia (Murrin Murrin)	600	834	(28)
Nickel	**1,940**	**3,284**	**(41)**
Ferroalloys	**1,717**	**1,789**	**(4)**
Aluminium/Alumina	**358**	**475**	**(25)**
Metals and minerals revenue – segmental measure	**24,782**	**31,025**	**(20)**
Impact of presenting joint ventures on an equity accounting basis	(1,578)	(2,156)	n.m.
Metals and minerals revenue – reported measure	**23,204**	**28,869**	**(20)**

1 *Represents the Group's share of these JVs.*

Metals and minerals

US$ million	Adjusted EBITDA 2015	Adjusted EBITDA 2014	Adjusted EBITDA Change %	Adjusted EBIT 2015	Adjusted EBIT 2014	Adjusted EBIT Change %
Copper assets						
African copper	51	1,001	(95)	(533)	475	(212)
Collahuasi[1]	343	692	(50)	85	452	(81)
Antamina[1]	463	600	(23)	220	410	(46)
Other South America	718	1,222	(41)	202	821	(75)
Australia	414	563	(26)	48	294	(84)
Custom metallurgical	301	228	32	210	177	19
Copper	**2,290**	**4,306**	**(47)**	**232**	**2,629**	**(91)**
Adjusted EBITDA mining margin[2]	23%	36%				
Zinc assets						
Kazzinc	490	591	(17)	44	241	(82)
Australia	284	305	(7)	(81)	(7)	n.m.
European custom metallurgical	168	179	(6)	81	89	(9)
North America	121	225	(46)	21	91	(77)
Other Zinc	10	97	(90)	(141)	(51)	n.m.
Zinc	**1,073**	**1,397**	**(23)**	**(76)**	**363**	**(121)**
Adjusted EBITDA mining margin[2]	18%	21%				
Nickel assets						
Integrated Nickel Operations	421	908	(54)	(64)	424	(115)
Australia	32	130	(75)	(7)	83	(108)
Falcondo	–	(7)	(100)	–	(7)	n.m.
Nickel	**453**	**1,031**	**(56)**	**(71)**	**500**	**(114)**
Adjusted EBITDA margin	23%	31%				
Ferroalloys	**271**	**307**	**(12)**	**138**	**162**	**(15)**
Aluminium/Alumina	**(43)**	**35**	**(223)**	**(60)**	**20**	**n.m.**
Iron ore	**(14)**	**1**	**n.m.**	**(15)**	**–**	**n.m.**
Metals and minerals Adjusted EBITDA/ EBIT – segmental measure	**4,030**	**7,077**	**(43)**	**148**	**3,674**	**(96)**
Adjusted EBITDA mining margin[2]	21%	30%				
Impact of presenting joint ventures on an equity accounting basis	(595)	(678)	n.m.	(94)	(248)	n.m.
Metals and minerals Adjusted EBITDA/ EBIT – reported measure	**3,435**	**6,399**	**(46)**	**54**	**3,426**	**(98)**

1 Represents the Group's share of these JVs.

2 Adjusted EBITDA mining margin is Adjusted EBITDA (excluding custom metallurgical assets) divided by Revenue (excluding custom metallurgical assets and intergroup revenue elimination), i.e. the weighted average EBITDA margin of the mining assets. Custom metallurgical assets include the Copper custom metallurgical assets and Zinc European custom metallurgical assets and the Aluminium/Alumina group, as noted in the table above.

US$ million	2015 Sustaining	2015 Expansion	2015 Total	2014 Sustaining	2014 Expansion	2014 Total
Capex						
Copper assets						
African copper	390	756	1,146	602	788	1,390
Collahuasi[1]	100	5	105	175	6	181
Antamina[1]	182	5	187	169	18	187
Las Bambas	–	–	–	–	961	961
Other South America	464	67	531	475	64	539
Australia	198	23	221	283	71	354
Custom metallurgical	178	124	302	144	166	310
Copper	**1,512**	**980**	**2,492**	**1,848**	**2,074**	**3,922**
Zinc assets						
Kazzinc	189	37	226	195	57	252
Australia	357	29	386	455	199	654
European custom metallurgical	79	–	79	53	15	68
North America	62	9	71	76	19	95
Other Zinc	102	–	102	166	–	166
Zinc	**789**	**75**	**864**	**945**	**290**	**1,235**
Nickel assets						
Integrated Nickel Operations	140	88	228	172	158	330
Australia	20	–	20	14	–	14
Koniambo	–	360	360	–	823	823
Other nickel projects (including Falcondo)	–	4	4	–	10	10
Nickel	**160**	**452**	**612**	**186**	**991**	**1,177**
Ferroalloys	**118**	**25**	**143**	**144**	**95**	**239**
Aluminium/Alumina	**19**	**18**	**37**	**23**	**7**	**30**
Iron ore	**1**	**–**	**1**	**–**	**72**	**72**
Capex – segmental measure	**2,599**	**1,550**	**4,149**	**3,146**	**3,529**	**6,675**
Impact of presenting joint ventures on an equity accounting basis	(282)	(10)	(292)	(344)	(24)	(368)
Capex – reported measure	**2,317**	**1,540**	**3,857**	**2,802**	**3,505**	**6,307**

1 *Represents the Group's share of these JVs.*

Metals and minerals

Production data

Production from own sources – Total[1]

		2015	2014	Change %
Copper	kt	1,502.2	1,546.0	(3)
Zinc	kt	1,444.8	1,386.5	4
Lead	kt	297.7	307.5	(3)
Nickel	kt	96.2	100.9	(5)
Gold[2]	koz	964	992	(3)
Silver[2]	koz	36,592	35,530	3
Cobalt	kt	23.0	20.7	11
Ferrochrome	kt	1,462	1,295	13
Platinum[2]	koz	158	173	(9)
Palladium[2]	koz	202	199	2
Rhodium[2]	koz	18	19	(5)
Vanadium Pentoxide	mlb	20.9	20.8	–

Production from own sources – Copper assets[1]

		2015	2014	Change %
African Copper (Katanga, Mutanda, Mopani)				
Copper metal[2]	kt	421.9	465.0	(9)
Cobalt[3]	kt	19.4	17.2	13
Collahuasi[4]				
Copper metal	kt	9.8	11.0	(11)
Copper in concentrates	kt	190.6	196.0	(3)
Silver in concentrates	koz	2,828	2,476	14
Antamina[5]				
Copper in concentrates	kt	131.8	116.4	13
Zinc in concentrates	kt	79.3	71.2	11
Silver in concentrates	koz	5,987	4,049	48
Other South America (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)				
Copper metal	kt	71.1	66.6	7
Copper in concentrates	kt	272.0	281.1	(3)
Gold in concentrates and in doré	koz	318	386	(18)
Silver in concentrates and in doré	koz	1,918	1,901	1
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)				
Copper metal	kt	205.6	209.5	(2)
Copper in concentrates	kt	50.8	49.6	2
Gold	koz	90	62	45
Silver	koz	1,723	1,386	24
Total Copper department				
Copper	kt	1,353.6	**1,395.2**	**(3)**
Cobalt	kt	19.4	**17.2**	**13**
Zinc	kt	79.3	**71.2**	**11**
Gold	koz	408	**448**	**(9)**
Silver	koz	12,456	**9,812**	**27**

1 Controlled industrial assets and joint ventures only. Production is on a 100% basis, except as stated.
2 Copper metal includes copper contained in copper concentrates and blister.
3 Cobalt contained in concentrates and hydroxides.
4 The Group's pro-rata share of Collahuasi production (44%).
5 The Group's pro-rata share of Antamina production (33.75%).

Production from own sources – Zinc assets[1]

		2015	2014	Change %
Kazzinc				
Zinc metal	kt	193.4	199.3	(3)
Lead metal	kt	26.3	25.7	2
Copper metal	kt	51.9	46.8	11
Gold	koz	520	506	3
Silver	koz	3,653	4,273	(15)
Australia (Mount Isa, McArthur River)				
Zinc in concentrates	kt	750.9	661.6	13
Lead in concentrates	kt	216.0	216.4	–
Silver in concentrates	koz	8,248	8,319	(1)
North America (Matagami, Kidd)				
Zinc in concentrates	kt	115.2	135.8	(15)
Copper in concentrates	kt	48.3	47.3	2
Silver in concentrates	koz	2,368	2,066	15
Other Zinc (AR Zinc, Los Quenuales, Sinchi Wayra, Rosh Pinah, Perkoa)				
Zinc metal	kt	26.1	23.2	13
Zinc in concentrates	kt	279.9	295.4	(5)
Lead metal	kt	12.7	11.7	9
Lead in concentrates	kt	42.7	53.7	(20)
Copper in concentrates	kt	2.4	2.7	(11)
Silver metal	koz	691	613	13
Silver in concentrates	koz	8,566	9,825	(13)
Total Zinc department				
Zinc	kt	1,365.5	**1,315.3**	**4**
Lead	kt	297.7	**307.5**	**(3)**
Copper	kt	102.6	**96.8**	**6**
Gold	koz	520	**506**	**3**
Silver	koz	23,526	**25,096**	**(6)**

Production from own sources – Nickel assets[1]

		2015	2014	Change %
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)				
Nickel metal	kt	49.1	51.3	(4)
Nickel in concentrates	kt	0.5	0.6	(17)
Copper metal	kt	14.9	15.7	(5)
Copper in concentrates	kt	31.1	38.3	(19)
Cobalt metal	kt	0.8	0.8	–
Gold[2]	koz	35	37	(5)
Silver[2]	koz	610	622	(2)
Platinum[2]	koz	76	82	(7)
Palladium[2]	koz	157	149	5
Rhodium[2]	koz	5	4	25
Australia (Murrin Murrin)				
Nickel metal	kt	37.5	36.4	3
Cobalt metal	kt	2.8	2.7	4
Koniambo				
Nickel in ferronickel	kt	9.1	12.6	(28)
Total Nickel department				
Nickel	kt	96.2	100.9	(5)
Copper	kt	46.0	54.0	(15)
Cobalt	kt	3.6	3.5	3
Gold	koz	35	37	(5)
Silver	koz	610	622	(2)
Platinum	koz	76	82	(7)
Palladium	koz	157	149	5
Rhodium	koz	5	4	25

1 *Controlled industrial assets and joint ventures only. Production is on a 100% basis, except as stated.*
2 *INO produces gold, silver and PGM, incidental to its main products of nickel and copper, which were previously excluded from Glencore production reports. Details have now been included to provide a better understanding of the business and historical periods have been updated accordingly.*
3 *The Group's attributable 79.5% share of the Glencore-Merafe Chrome Venture.*
4 *Consolidated 100% of Eland and 50% of Mototolo.*

Production from own sources – Ferroalloys assets[1]

		2015	2014	Change %
Ferrochrome[3]	kt	1,462	1,295	13
PGM[4]				
Platinum	koz	82	91	(10)
Palladium	koz	45	50	(10)
Rhodium	koz	13	15	(13)
Gold	koz	1	1	–
4E	koz	141	157	(10)
Vanadium Pentoxide	mlb	20.9	20.8	–

Total production – Custom metallurgical assets[1]

		2015	2014	Change %
Copper (Altonorte, Pasar, Horne, CCR)				
Copper metal	kt	433.7	433.8	–
Copper anode	kt	502.8	493.7	2
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet)				
Zinc metal	kt	788.8	781.8	1
Lead metal	kt	199.2	177.4	12
Silver	koz	11,220	9,482	18
Ferroalloys				
Ferromanganese	kt	146	116	26
Silicon Manganese	kt	98	108	(9)
Aluminium (Sherwin Alumina)				
Alumina	kt	1,175	1,382	(15)

Metals and minerals

Operating highlights

Copper assets

Own sourced copper production of 1,502,200 tonnes was 43,800 tonnes (3%) lower than 2014, reflecting the impact of the announced production cuts in Africa. Positive variances were achieved mainly at Antapaccay, following restart of the Tintaya mill in May 2015 and at Antamina, on account of higher throughput rates.

African copper

Katanga's processing operations were suspended in September, with no production in Q4 2015. Full-year copper production from own sources was 113,700 tonnes.

Mopani commenced a partial suspension in September with the smelter now operating at reduced capacity during the construction period of the new shaft projects. Total copper production (own source plus third party) in Q4 2015 was 30,900 tonnes (12,800 tonnes own sourced), reflecting the step-down in operations.

Mutanda continues to operate strongly, with full-year production of 216,100 tonnes, 19,000 tonnes (10%) over 2014, reflecting the high plant availability and efficiencies over a sustained period.

African copper produced 19,400 tonnes of cobalt, a 2,200 tonne (13%) increase over 2014.

Collahuasi

Glencore's share of Collahuasi's copper production was 200,400 tonnes, 6,600 tonnes (3%) lower than in 2014, due to expected changes in grades. Copper cathode production ceased in Q4 2015, following a review of the leaching operations.

Antamina

Glencore's share of Antamina's copper production was 131,800 tonnes, 15,400 tonnes (13%) over 2014, due to consistently higher throughput rates. Zinc production of 79,300 tonnes was 8,100 tonnes (11%) above 2014, as a higher proportion of zinc containing ore was processed.

Other South America

Copper production of 343,100 tonnes was in line with the prior year period, reflecting expected lower production at Alumbrera (lower and more variable grades as it nears end of mine-life), offset by the successful ramp-up of Antapaccay. The Antapaccay plant and Tintaya plant, which restarted in May to process concentrates from Antapaccay mine, have both performed strongly.

Australia

Copper production from own sources of 256,400 tonnes was in line with prior year.

Custom metallurgical assets

Custom copper cathode production was 433,700 tonnes, in line with 2014.

Custom copper anode production was 502,800 tonnes, 9,100 tonnes higher than 2014, reflecting higher plant availability at Altonorte.

Zinc assets

Total own sourced zinc production for full year 2015 was 1,444,800 tonnes, 4% higher than 2014, reflecting the successful ramp-up of the Australian zinc assets during the first nine months of the year. Following the October 2015 decision to reduce production at a number of assets, Q4 2015 zinc production was 20% below Q3 2015.

Similarly Q4 2015 lead production was lower, as expected, compared to previous quarters, which resulted in total full-year own sourced lead production of 297,700 tonnes, 3% lower than in 2014.

Kazzinc

Zinc production from own sources was 193,400 tonnes, 5,900 tonnes (3%) lower than the comparable period, primarily relating to lower zinc head grades from the Maleevsky mine. Total zinc production including third party material was 304,500 tonnes, in line with 2014.

Own sourced copper production was 51,900 tonnes, a 5,100 tonne (11%) increase compared with 2014, due to improved plant availability. Total copper production was 62,200 tonnes, a 7% increase over the comparable period.

Own sourced gold production was 520,000 ounces and total gold production was 674,000 ounces, in line with 2014.

Lead production from own sources was 26,300 tonnes, 600 tonnes (2%) higher than 2014. Total lead production was 6,700 tonnes (5%) lower than 2014, due to unscheduled maintenance at the furnace.

Australia

The expansion projects at Lady Loretta, George Fisher (both Mount Isa) and McArthur River have been successfully completed. However, as announced in October, production cuts have been enacted at all these properties, in light of current low commodity prices, with a view to preserving the value of these reserves for the future.

Zinc production of 750,900 tonnes was 89,300 tonnes (13%) higher than 2014, due to the timing of the ramp-ups from 2014 and 2015, prior to the production suspensions/ reductions noted above.

Lead production was 216,000 tonnes, slightly lower than the comparable period, reflecting the impact of the production cuts implemented in Q4 2015.

North America

North America produced 115,200 tonnes of zinc and 48,300 tonnes of copper, respectively 20,600 tonnes (15%) lower and 1,000 tonnes (2%) higher than 2014. The decrease in zinc was due primarily to lower grades at Matagami.

Other Zinc

This group of assets produced 306,000 tonnes of zinc, 12,600 (4%) tonnes lower than 2014, mainly due to the announced suspension of the Iscaycruz mine.

Lead production was 55,400 tonnes, a 15% reduction on the comparable period, mainly relating to lower head grades at Rosh Pinah and AR Zinc.

European custom metallurgical assets

Zinc European custom metallurgical assets produced 788,800 tonnes, 1% higher than in 2014.

Lead production was 199,200 tonnes, up 12%, reflecting a full year contribution from Northfleet, compared to the temporary supply disruption which existed in 2014.

Nickel assets

Nickel production from own sources was 96,200 tonnes, 4,700 tonnes (5%) lower than 2014, reflecting the impact of the metal leak at Koniambo in December 2014 and the planned extended shutdown at the Sudbury smelter.

Integrated Nickel Operations ("INO")

INO produced 49,600 tonnes of nickel from own sources, a 2,300 tonne (4%) reduction on 2014, mainly due to the planned six-week Sudbury smelter shutdown. Total refinery production, including third party feed, was 91,200 tonnes, in line with the comparable period.

Copper production from own sources was 46,000 tonnes, an 8,000 tonne (15%) reduction compared to the prior year period, mainly due to anticipated lower copper grades at Sudbury.

Murrin Murrin

Murrin produced 37,500 tonnes of packaged nickel metal from own sources, a 1,100 tonne (3%) increase over 2014. Total production, including third party material, was 46,700 tonnes, a 6% increase over 2014, reflecting strong plant availability.

Koniambo

Koniambo produced 9,100 tonnes of nickel in ferronickel, a 3,500 tonne (28%) decrease on 2014, due to the impact of the metal leak. The Line 1 DC furnace has now been rebuilt and furnace pre-heating started on 28 November 2015, with first metal tapped as planned in January 2016. The testing of Line 1 is expected to continue over H1 2016 and subject to successful evaluation, Line 2 will be taken out of service and rebuilt. It is currently expected that any Line 2 rebuild would commence no earlier than 2018.

Ferroalloys assets

Ferrochrome

Attributable own sourced ferrochrome production was 1,462,000 tonnes, a 167,000 tonne (13%) increase on 2014. The increase mainly relates to Lion 2, which started production in H1 2014 and is now fully ramped up.

Platinum Group Metals

4E production was 141,000 ounces, of which 104,000 ounces was from Glencore's 50% share of Mototolo and 37,000 from Eland.

Due to continued low platinum prices and operational challenges, the Eland mine was placed on care and maintenance in October 2015.

Vanadium

Vanadium pentoxide production of 20.9 million lbs was in line with 2014.

Manganese

Manganese production of 244,000 tonnes was 20,000 tonnes (9%) in excess of 2014, reflecting higher utilisation at both plants.

Aluminium assets

Sherwin Alumina

Sherwin produced 1,175,000 tonnes of alumina, a 207,000 tonne (15%) reduction on the prior year. This was principally due to running at reduced capacity since July 2014 in response to a weak alumina market.

Sherwin entered Chapter 11 proceedings in January 2016. The business continues to operate in the ordinary course during the restructuring process.

Energy products

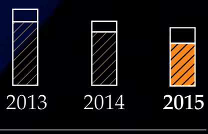
Highlights

Energy products' Adjusted EBITDA of $3,095 million was 9% lower than in 2014, reflecting the impact of lower prices across the coal and oil Industrial businesses.

Marketing EBITDA increased from $565 million to $826 million, as oil in particular was presented with and executed well within an attractive, opportunity-rich market environment. Industrial EBITDA declined from $2,841 million to $2,269 million, due to substantially lower coal and oil prices, partly offset by significant operating cost reductions and efficiencies and the weaker producer country foreign currencies. In response to lower prices, coal production was curtailed, while the oil exploration programme in Chad was significantly scaled back.

Adjusted EBITDA
US$ million

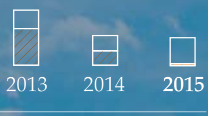
3,095



	2013	2014	2015
Marketing activities	666	565	**826**
Industrial activities	3,378	2,841	**2,269**

Adjusted EBIT
US$ million

690



	2013	2014	2015
Marketing activities	629	524	**778**
Industrial activities	1,244	486	**(88)**

Energy products

US$ million	Marketing activities	Industrial activities	2015	Marketing activities	Industrial activities	2014
Revenue	75,206	8,406	83,612	120,863	11,117	131,980
Adjusted EBITDA	826	2,269	3,095	565	2,841	3,406
Adjusted EBIT	778	(88)	690	524	486	1,010
Adjusted EBITDA margin	1.1%	27.0%	3.7%	0.5%	25.6%	2.6%

Market conditions

Selected average commodity prices

	2015	2014	Change %
S&P GSCI Energy Index	175	311	(44)
Coal API4 ($/t)	57	72	(21)
Coal Newcastle (6,000) ($/t)	58	70	(17)
Australian coking coal average realised export price ($/t)	97	117	(17)
Australian semi-soft coal average realised export price ($/t)	77	93	(17)
Australian thermal coal average realised export price ($/t)	59	72	(18)
Australian thermal coal average realised domestic price ($/t)	33	32	3
South African thermal coal average realised export price ($/t)	52	68	(24)
South African thermal coal average realised domestic price ($/t)	24	23	4
Prodeco (Colombia) thermal coal average realised export price ($/t)	62	75	(17)
Cerrejón (Colombia) thermal coal average realised export price ($/t)	55	67	(18)
Oil price – Brent ($/bbl)	54	99	(45)

Marketing

Highlights

Marketing Adjusted EBITDA increased from $565 million to $826 million, reflecting an improved performance, particularly in Oil, where curve structures, market volatility, new business origination opportunities, refining margin environment and improved freight rates were all supportive.

Financial information

US$ million	2015	2014	Change %
Revenue	75,206	120,863	(38)
Adjusted EBITDA	826	565	46
Adjusted EBIT	778	524	48

Selected marketing volumes sold

		2015	2014	Change %
Thermal coal[1]	mt	93.9	95.9	(2)
Metallurgical coal[1]	mt	2.5	3.3	(24)
Coke[1]	mt	0.7	0.7	–
Crude oil	mbbl	566	448	26
Oil products	mbbl	634	645	(2)

1 Includes agency volumes.

Coal

The decline in Chinese import demand was the key feature of the seaborne thermal coal market in 2015. Lower economic growth, some shift away from manufacturing, rising hydro and nuclear power supply and increased domestic coal supply for coastal ultra-high voltage transmission were all important factors that led to such decline. Lower gas prices and increased renewable generation contributed to a reduction in European coal demand, however this was more than offset by demand growth in the Mediterranean, Africa, the sub-continent and South East Asia, where the need for low-cost, stable power supply continues to grow.

On the supply side, low energy coals, principally from Indonesia, were most impacted by the declining Chinese demand, leading to a significant reduction in Indonesian coal exports during 2015. US coal exports also declined as falling prices forced mine closures. Supply from Australia, Colombia and South Africa remained relatively stable, having benefited from weaker domestic currencies and reduced quality-based pricing differentials, which is supportive of demand for these generally higher-quality coals. Changes to demand based on quality are supportive of trading and arbitrage opportunities, which are expected to continue as the current low market prices contribute to further supply reductions during 2016.

Oil

Following a collapse in oil prices in 2014, the first half of 2015 saw some recovery, with Brent trading in a range of $50 to $65 per barrel, the crude oil contango narrowing and volatility declining. Sharp increases in demand for motor fuels and a very cold winter in the United States provided significant fundamental support. However, by the middle of the year, a combination of fears over slowing economic growth in China and weaker general emerging market sentiment, with the realisation that excess crude production was not being curtailed, returned the focus to relentless stock builds and triggered renewed selling pressure. Prices ended the year under sustained pressure as Middle East tensions were overshadowed by US dollar strength and the prospect of a significant El Niño event for the winter.

The high market volatility, entrenched contango, a decent refinery margin environment and promising returns on tanker freight were all factors underpinning strong margins in oil marketing activities in 2015.

Energy products

Industrial activities

Highlights

Industrial Adjusted EBITDA was $2,269 million, a 20% reduction on 2014, due to substantially lower coal and oil prices. Significant operating cost savings were achieved through a relentless focus on all areas of the business, including supply chain, contractor management and employee productivity, which combined with lower producer country foreign currencies, somewhat mitigated the pricing effect. In this regard, the Adjusted EBITDA margin increased from 28% to 29%. Optimum Coal (part of Thermal South Africa) was deconsolidated in H2 2015, with sale of the business now concluded and expected to close in 2016, following its business rescue proceedings. The remaining coal business is well positioned for price recovery. The Oil E&P business showed strong production growth in Chad; however the lowest prices in a decade dampened returns and led to a steep scale back in exploration and development activities.

Financial information

US$ million	2015	2014	Change %
Net revenue			
Coal operating revenue			
Coking Australia	540	749	(28)
Thermal Australia	3,584	4,408	(19)
Thermal South Africa	1,458	2,065	(29)
Prodeco	1,089	1,395	(22)
Cerrejón[1]	620	754	(18)
Coal operating revenue	**7,291**	**9,371**	**(22)**
Coal other revenue			
Coking Australia	204	369	(45)
Thermal Australia	425	674	(37)
Thermal South Africa	3	19	(84)
Prodeco	2	4	(50)
Coal other revenue (buy-in coal)	**634**	**1,066**	**(40)**
Coal total revenue			
Coking Australia	744	1,118	(33)
Thermal Australia	4,009	5,082	(21)
Thermal South Africa	1,461	2,084	(30)
Prodeco	1,091	1,399	(22)
Cerrejón[1]	620	754	(18)
Coal total revenue	**7,925**	**10,437**	**(24)**
Oil	**481**	**680**	**(29)**
Energy products revenue – segmental measure	**8,406**	**11,117**	**(24)**
Impact of presenting joint ventures on an equity accounting basis	(620)	(754)	n.m.
Energy products revenue – reported measure	**7,786**	**10,363**	**(25)**

1 Represents the Group's share of this JV.

US$ million	Adjusted EBITDA 2015	2014	Change %	Adjusted EBIT 2015	2014	Change %
Coking Australia	117	171	(32)	(33)	38	(187)
Thermal Australia	1,159	1,224	(5)	44	88	(50)
Thermal South Africa	386	450	(14)	56	52	8
Prodeco	228	311	(27)	62	137	(55)
Cerrejón[1]	189	260	(27)	3	80	(96)
Total Coal	**2,079**	**2,416**	**(14)**	**132**	**395**	**(67)**
Adjusted EBITDA margin[2]	29%	26%				
Oil	**190**	**425**	**(55)**	**(220)**	**91**	**n.m.**
Adjusted EBITDA margin	40%	63%				
Energy products Adjusted EBITDA/ EBIT – segmental measure	**2,269**	**2,841**	**(20)**	**(88)**	**486**	**(118)**
Adjusted EBITDA margin[2]	29%	28%				
Impact of presenting joint ventures on an equity accounting basis	(251)	(261)	n.m.	(65)	(81)	n.m.
Energy products Adjusted EBITDA/ EBIT – reported measure	**2,018**	**2,580**	**(22)**	**(153)**	**405**	**(138)**

1 Represents the Group's share of this JV.
2 Coal EBITDA margin is calculated on the basis of Coal operating revenue, as set out in the preceding table.

US$ million	2015 Sustaining	2015 Expansion	2015 Total	2014 Sustaining	2014 Expansion	2014 Total
Capex						
Australia (thermal and coking)	277	177	454	432	368	800
Thermal South Africa	89	120	209	199	312	511
Prodeco	36	5	41	19	17	36
Cerrejón[1]	31	5	36	35	64	99
Total Coal	**433**	**307**	**740**	**685**	**761**	**1,446**
Oil	**431**	**132**	**563**	**–**	**788**	**788**
Capex – segmental measure	**864**	**439**	**1,303**	**685**	**1,549**	**2,234**
Impact of presenting joint ventures on an equity accounting basis	(31)	(5)	(36)	(35)	(64)	(99)
Capex – reported measure	**833**	**434**	**1,267**	**650**	**1,485**	**2,135**

1 Represents the Group's share of this JV.

Energy products

Production data

Coal assets[1]

		2015	2014	Change %
Australian coking coal	mt	5.9	6.0	(2)
Australian semi-soft coal	mt	3.6	3.5	3
Australian thermal coal (export)	mt	52.4	54.6	(4)
Australian thermal coal (domestic)	mt	3.9	5.4	(28)
South African thermal coal (export)	mt	19.7	23.4	(16)
South African thermal coal (domestic)	mt	17.3	22.7	(24)
Prodeco	mt	17.6	19.5	(10)
Cerrejón[2]	mt	11.1	11.2	(1)
Total Coal department	mt	**131.5**	**146.3**	**(10)**

1 Controlled industrial assets and joint ventures only. Production is on a 100% basis except for joint ventures, where the Group's attributable share of production is included.
2 The Group's pro-rata share of Cerrejón production (33.3%).

Oil assets

		2015	2014	Change %
Glencore entitlement interest basis				
Equatorial Guinea	kbbl	4,937	5,072	(3)
Chad	kbbl	5,632	2,279	147
Total Oil department	kbbl	**10,569**	**7,351**	**44**
Gross basis				
Equatorial Guinea	kbbl	22,939	24,232	(5)
Chad	kbbl	7,699	4,284	80
Total Oil department	kbbl	**30,638**	**28,516**	**7**

Operating highlights

Coal

Coal production was down 10% to 131.5 million tonnes primarily due to curtailed production in response to market conditions and deconsolidation of Optimum Coal since its August 2015 placement into business rescue proceedings.

Australian coking

Production of 5.9 million tonnes was in line with 2014.

Australian thermal and semi-soft

Production of 59.9 million tonnes was 3.6 million tonnes (6%) below 2014, reflecting that, in the face of weaker markets, production was curtailed.

South African thermal

Production of 37.0 million tonnes was 9.1 million tonnes (20%) below the prior year, mainly due to Optimum being placed into business rescue proceedings, with associated production deconsolidated from August 2015.

Prodeco

Production of 17.6 million tonnes was 1.9 million tonnes (10%) lower than 2014, which reflected a scaling back as railing capacity was constrained by night time rail restrictions which have now been lifted.

Cerrejón

Glencore's share of production was 11.1 million tonnes, in line with the prior year.

Oil

Glencore's share of production was 10.6 million barrels, 44% higher than 2014, following the increase in ownership of the Chad assets and first oil from Mangara (Chad) in December 2014. In light of lower oil prices, the drilling campaign has been significantly reduced in order to preserve the resource for a more favourable pricing environment.

Agricultural products

Highlights

Agricultural products Adjusted EBITDA of $734 million was down on 2014, the latter benefiting from an exceptionally strong Canadian harvest. Furthermore, 2015 was adversely impacted by the immediate imposition of a punitive wheat export tax in Russia in Q1.

Notwithstanding these external factors, the overall business performance was solid, given the reduced trading opportunities, constrained by low market prices and volatility. We selectively added to our crushing capacity in 2015, with two acquisitions in Canada and Germany.

Adjusted EBITDA
US$ million

734

	2013	2014	2015
Industrial activities	61	213	150
Marketing activities	383	996	584

Adjusted EBIT
US$ million

524

	2013	2014	2015
Industrial activities	(6)	136	63
Marketing activities	198	856	461

Agricultural products

US$ million	Marketing activities	Industrial activities	2015	Marketing activities	Industrial activities	2014
Revenue	20,617	2,529	23,146	22,523	3,298	25,821
Adjusted EBITDA	584	150	734	996	213	1,209
Adjusted EBIT	461	63	524	856	136	992
Adjusted EBITDA margin	2.8%	5.9%	3.2%	4.4%	6.5%	4.7%

Market conditions

Selected average commodity prices

US$ million	2015	2014	Change %
S&P GSCI Agriculture Index	295	350	(16)
CBOT wheat price (US¢/bu)	507	588	(14)
CBOT corn no.2 price (US¢/bu)	377	415	(9)
CBOT soya beans (US¢/bu)	945	1,244	(24)
ICE cotton price (US¢/lb)	63	76	(17)
ICE sugar # 11 price (US¢/lb)	13	16	(19)

Marketing

Highlights

The grain origination and marketing environment was challenging due to lower prices, lack of volatility and limited arbitrage opportunities. In addition, earnings were negatively impacted by the imposition of a Russian wheat export tax in February 2015. Oilseeds, cotton, sugar and freight marketing all performed well, despite their relatively quiet markets. Viterra's Canadian operations contributed solidly in 2015, but were unable to match the strong 2014 results, mainly due to a smaller crop. Viterra Australia's results were in line with expectations, although in both Canada and Australia the weaker local currencies reduced US dollar returns.

Financial information

US$ million	2015	2014	Change %
Revenue	20,617	22,523	(8)
Adjusted EBITDA	584	996	(41)
Adjusted EBIT	461	856	(46)

Selected marketing volumes sold

Million tonnes	2015	2014	Change %
Grain	43.7	38.3	14
Oil/Oilseeds	23.3	22.0	6
Cotton	0.4	0.4	–
Sugar	1.1	0.9	22

Operating highlights

In total, Agricultural products produced/processed 11.5 million tonnes, compared with 10.9 million tonnes in 2014. Oilseed crush volumes of 6.1 million tonnes increased by 405,000 tonnes, reflecting the opportunistic acquisitions of the Magdeburg plant in Germany and the Becancour (TRT) plant in Canada. Currency devaluation and relaxation of export taxes later in the year were supportive of the Argentinian oilseed processing and export business. The Timbues soyabean crushing joint venture in Argentina continues to perform well.

Biodiesel production was 556,000 tonnes, down 27% compared to 2014, reflecting reduced demand due to regulatory changes and lower competing diesel prices, although it recovered somewhat in the second half of the year. The biodiesel environment combined with a lower EU rapeseed crop and lack of farmer selling reduced EU softseed crushing margins.

Sugar cane processing increased by 520,000 tonnes (23%) compared to 2014, due to significantly improved agricultural yields following the severe drought of 2014, assisted by Brazilian Real devaluation and higher ethanol prices. Conversely, currency devaluation and the economic slowdown adversely impacted wheat milling in Brazil as we were unable to pass on the increased cost of imported wheat in Brazilian Real terms.

Financial information

US$ million	**2015**	2014	Change %
Revenue	2,529	3,298	(23)
Adjusted EBITDA	150	213	(30)
Adjusted EBIT	63	136	(54)
Adjusted EBITDA margin	6%	6%	n.m.
Sustaining capex	58	29	
Expansionary capex	40	58	
Total capex	**98**	**87**	

Processing/production data

		2015	2014	Change %
Farming	kt	704	762	(8)
Crushing	kt	6,069	5,664	7
Long-term toll agreement	kt	284	206	38
Biodiesel	kt	556	757	(27)
Rice milling	kt	206	230	(10)
Wheat milling	kt	976	1,013	(4)
Sugarcane processing	kt	2,751	2,231	23
Total agricultural products	kt	**11,546**	**10,863**	**6**

Corporate governance

"As a business committed to delivering shareholder value, we recognise that we will only be able to successfully deliver this commitment through creating sustainable, long-term benefits for all of our stakeholders."

Chairman's introduction 70.

"We have sought to ensure that our Directors' Remuneration Policy and its implementation are attractive to shareholders in reflecting good governance, complete simplicity and reasonable terms."

Directors' remuneration report 89.

In this section

Chairman's introduction, Directors and Officers

Dear Shareholders,

2015 was a challenging year for companies operating in the resources sector, during which commodity prices fell sharply as macro-economic uncertainties emerged and amplified.

The second half of the year was particularly tough. As the scale of these challenges became clear, your Board acted decisively, announcing a range of measures in September to reduce the Group's debt significantly by the end of 2016. The sustained price reductions that we have seen for many of our commodities have been the key drivers for the measures taken by Glencore's management team to strengthen the Group's balance sheet through the preservation of capital the reduction of debt and disposal of assets.

Glencore takes a disciplined approach towards market fundamentals. Where there is reduced or lower than expected demand for our commodities, we consider the curtailment or cessation of our supply of volumes to the market. We are committed to seeking to operate as profitably as possible, even during periods of demand weakness.

This year your Board has been involved in the making of a number of difficult decisions. These decisions have not been made lightly, especially as some have resulted in negative impacts on our employees, host communities and governments through the loss of jobs and revenues as production volumes have been reduced and unprofitable operations closed. Our local teams have been instrumental in limiting the impact of these decisions, through regular engagement with impacted stakeholders and ensuring those employees leaving the Group were properly compensated.

Glencore's unique business model, as both a producer and marketer of commodities, enables it to extract value at every stage of the commodity chain. As a result, your Company is better positioned than many to withstand the current commodity downturn.

Tragically, ten people lost their lives at our operations during 2015. Although this is a significant reduction on prior years, the Board and I recognise that this is an unacceptable outcome; we are continuing our efforts to strengthen our safety culture at all our operations regardless of their location or previous safety performance. The number of people losing their lives while working at Glencore sites continues to reduce year-on-year and I am confident that our ambition of zero fatalities is realistic and achievable.

I am very pleased to report that SafeWork has now been implemented at all of our assets and is delivering significant safety improvements. Both our total recordable and lost time injury frequency rates have exceeded our collective target of a 15% reduction and the number of new occupational disease cases has reduced by 41% year-on-year.

As a business committed to delivering shareholder value, we recognise that we will only be able to successfully deliver this commitment through creating sustainable, long-term benefits for all of our stakeholders.

To this end, pilot studies were carried out at several locations against a set of performance metrics which we have developed to better understand our socio-economic contribution. These indicators allow us to monitor our contribution to communities and governments through the wages, taxes and royalties we pay, as well as the contributions we make to health, education and infrastructure. We will be rolling out these metrics across all operations in 2016.

During the year, Glencore became a member of the Plenary of the Voluntary Principles on Security and Human Rights (Voluntary Principles). The Voluntary Principles bring together governments, companies in the extractive sector and non-government organisations to engage in dialogue on how best to achieve the safety and security of operations through encouraging respect for human rights. We have been implementing the Voluntary Principles at our operations located in regions with a high risk of human rights abuse since 2013 and reporting on our progress in our annual sustainability report. Our membership will support our efforts to further progress our approach towards human rights and to share knowledge and best practice.

We have set out on pages 78 and 80 to 89 the main activities of the Board and its Committees during the year. I would highlight in particular:

- the considerable work with executive management undertaken during the last four months of the year concerning the Group's balance sheet and ongoing strategy;
- the operation of the HSEC Committee which as well as continuing its primary objectives of better management of catastrophic risks and of safety practices and procedures, has undertaken considerable work in a range of other areas including the oversight of a major new assurance process for sustainability risks and the launch of a social value creation score card; and
- the work of the Audit Committee, particularly on impairment analysis and consideration of the new longer-term viability statement we are providing.

Our response to the considerable challenges which the Group has faced over the last year reflects the strong leadership of the Group's management team and the continuous efforts of all of those at Glencore, who are working together to ensure the ongoing success of your Company. We remain focused on operating efficient, low cost and safe operations which in combination with our excellent marketing businesses give us confidence that the medium- and long-term fundamentals of our business continue to be strong.

I and my fellow Directors thank you for your continued support of Glencore.

Tony Hayward
Chairman

1 Leonhard Fischer
2 Peter Grauer
3 Patrice Merrin
4 Ivan Glasenberg
5 Anthony Hayward
6 William Macaulay
7 John Mack
8 Peter Coates

Directors

Anthony Hayward
Chairman (Age 58)

Appointed: Anthony Hayward has been Independent Non-Executive Chairman from May 2013. Prior to being appointed Chairman he was the Senior Independent Non-Executive Director.

Committees: Member of the Health, Safety, Environment and Communities Committee.

Experience: Dr Hayward is non-executive chairman of Genel Energy plc (LON:GENL), a partner and member of the European advisory Board of AEA Capital and chairman of Compact GTL Limited.

Dr Hayward was group chief executive of BP plc from 2007 to 2010, having joined BP in 1982 as a rig geologist in the North Sea.

Following a series of technical and commercial roles in Europe, Asia and South America, he returned to London in 1997 as a member of the upstream executive committee. He became group treasurer in 2000, chief executive for BP upstream activities and member of the main Board of BP in 2003.

Dr Hayward studied geology at Aston University in Birmingham and completed a Ph.D. at Edinburgh University. He is also a fellow of the Royal Society of Edinburgh and holds honorary doctorates from the University of Edinburgh, Aston University and the University of Birmingham.

Ivan Glasenberg
Chief Executive Officer (Age 59)

Appointed: Ivan Glasenberg joined Glencore in April 1984 and has been Chief Executive Officer since January 2002.

Committees: Member of the Health, Safety, Environment and Communities Committee.

Experience: Mr Glasenberg initially spent three years working in the coal commodity department in South Africa as a marketer, before spending two years in Australia as head of the Asian coal commodity division. Between 1988 and 1989, he was based in Hong Kong as head of Glencore's Hong Kong and Beijing offices, as well as head of coal marketing in Asia, where his responsibilities included overseeing the Asian coal marketing business of Glencore and managing the administrative functions of the Hong Kong and Beijing offices.

In January 1990, he was made responsible for the worldwide coal business of Glencore for both marketing and industrial assets, and remained in this role until he became Chief Executive Officer in January 2002.

Mr Glasenberg is a Chartered Accountant of South Africa and holds a Bachelor of Accountancy from the University of Witwatersrand. Mr Glasenberg also holds an MBA from the University of Southern California. He is currently a non-executive director of UC Rusal plc (HKG:0486). Before joining Glencore, Mr Glasenberg worked for five years at Levitt Kirson Chartered Accountants in South Africa.

Peter Coates AO
Non-Executive Director (Age 70)

Appointed: Peter Coates has been a Non-Executive Director since January 2014. Prior to this he served as an Executive Director from June to December 2013 and a Non-Executive Director from April 2011 to May 2013.

Committees: Chairman of the Health, Safety, Environment and Communities Committee.

Experience: Prior to joining Glencore in 1994 as a senior executive in the coal department, Mr Coates had occupied many senior positions in a diverse range of resource companies, including those mining silver, lead, nickel, iron ore, bauxite and coal. When Glencore sold its Australian and South African coal assets to Xstrata in 2002, he joined Xstrata as chief executive of its coal business, stepping down in December 2007.

He was non-executive director and chairman of Xstrata Australia from January 2008 until August 2009. From April 2008 until April 2011, he was non-executive chairman of Minara Resources Ltd. Mr Coates is non-executive chairman of Santos Limited (ASX:STO) and Sphere Minerals Limited (ASX:SPH) and a non-executive director of Event Hospitality and Entertainment Limited (ASX:EVT), and a past chairman of the Minerals Council of Australia, the NSW Minerals Council and the Australian Coal Association.

Mr Coates holds a Bachelor of Science degree in Mining Engineering from the University of New South Wales. He was appointed to the Office of the Order of Australia in June 2009 and awarded the Australasian Institute of Mining and Metallurgy Medal for 2010.

Leonhard Fischer
Independent Non-Executive Director (Age 53)

Appointed: Leonhard Fischer was appointed an Independent Non-Executive Director in April 2011.

Committees: Chairman of the Audit Committee; member of the Nomination and Remuneration Committees.

Experience: Mr Fischer was appointed chief executive officer of BHF Kleinwort Benson Group S.A. (formerly RHJ International S.A.) (EBR:BHFKB) in January 2009, having been co-chief executive officer from May 2007. He is a director of Kleinwort Benson Bank Ltd and chairman of the supervisory board of BHF-Bank AG.

Mr Fischer was chief executive officer of Winterthur Group from 2003 to 2006 and a member of the executive board of Credit Suisse Group from 2003 to March 2007. He joined Credit Suisse Group from Allianz AG, where he had been a member of the management board and head of the Corporates and Markets Division. Prior to this, he had been a member of the executive board of Dresdner Bank AG in Frankfurt.

Mr Fischer holds an M.A. in Finance from the University of Georgia.

William Macaulay
Independent Non-Executive Director (Age 70)

Appointed: William Macaulay was appointed as an Independent Non-Executive Director in April 2011.

Committees: Member of the Audit and Remuneration Committees.

Experience: Mr Macaulay is the chairman and chief executive officer of First Reserve Corporation, a private equity investment firm focused on the energy industry, and has been with the company since its founding in 1983.

Prior to joining First Reserve, Mr Macaulay was a co-founder of Meridien Capital Company, a private equity buyout firm. From 1972 to 1982, he served as director of corporate finance at Oppenheimer & Co. with direct responsibility for the firm's buyout business. He also served as president of Oppenheimer Energy Corporation.

Mr Macaulay is a director of Weatherford International (NYSE:WFT). He also serves on numerous private energy company boards.

Mr Macaulay holds a B.B.A. degree (with honours) in Economics from City College of New York, and an MBA from the Wharton School of the University of Pennsylvania. He has also received an Honorary Doctor of Humane Letters degree from Baruch College.

Peter Grauer
Senior Independent Non-Executive Director (Age 70)

Appointed: Peter Grauer was appointed as an Independent Non-Executive Director in June 2013 and became the Senior Independent Non-Executive Director in May 2014.

Committees: Chairman of the Nomination Committee; member of the Audit Committee.

Experience: Mr Grauer is chairman of Bloomberg Inc., the global financial media company that was founded in 1981. Mr Grauer was chairman and chief executive officer from 2002 to 2011 and has been a member of Bloomberg's board of directors since 1996.

Prior to this, Mr Grauer was managing director of Donaldson, Lufkin & Jenrette from 1992 to 2000 when DLJ was acquired by Credit Suisse First Boston and founder of DLJ Merchant Banking. He served as managing director and senior partner of CSFB Private Equity until 2002. Mr Grauer is a director of Blackstone (NYSE:BX) and Davita Healthcare Partners (NYSE:DVA). Mr Grauer is also a member of the International Business Council of the World Economic Forum, and a trustee of Rockefeller University.

Mr Grauer graduated from the University of North Carolina and the Harvard University Graduate School of Business Program for Management Development in 1975.

Directors and Officers

Patrice Merrin
Independent Non-Executive Director (Age 67)

Appointed: Patrice Merrin was appointed as an Independent Non-Executive Director in June 2014.

Committees: Member of the Health, Safety, Environment and Communities Committee.

Experience: Following initial roles with Molson and Canadian Pacific, Ms Merrin worked at Sherritt, the Canadian diversified miner, for ten years until 2004, latterly as COO. She then became CEO of Luscar, Canada's largest thermal coal producer. She is currently a non-executive director of Stillwater Mining (NYSE:SWC) and Novadaq Technologies Inc. (Nasdaq:NVDQ). She has been a director and then chairman of CML Healthcare (then TSX) from 2008 - 2013, of Enssolutions, a mine tailing solutions company, and of NB Power.

Ms Merrin was a director of the Alberta Climate Change and Emissions Management Corporation from 2009 to 2014. She was also a member of the Canadian Advisory Panel on Sustainable Energy Science and Technology from 2005 to 2006 and from 2003 to 2006 was a member of Canada's Round Table on the Environment and the Economy.

Ms Merrin is a graduate of Queen's University, Ontario and completed the Advanced Management Programme at INSEAD.

John Mack
Independent Non-Executive Director (Age 71)

Appointed: John Mack was appointed as an Independent Non-Executive Director in June 2013.

Committees: Chairman of the Remuneration Committee and member of the Nomination Committee.

Experience: Mr Mack previously served as chief executive officer of Morgan Stanley from June 2005 until December 2009. He retired as chairman in 2011. Mr Mack first joined Morgan Stanley in May 1972, becoming a board director in 1987 and was named President in 1993. Before rejoining Morgan Stanley as chairman and chief executive officer in June 2005, Mr Mack served as co-chief executive officer of Credit Suisse Group and chief executive officer of Credit Suisse First Boston.

Mr Mack is a non-executive director of Enduring Hydro and Corinthian Ophthalmic. He is also non-executive chairman of Tri-Alpha Energy Inc. Mr Mack also serves on the Advisory Board of China Investment Corporation, is a member of the International Business Council of the World Economic Forum, the NYC Financial Services Advisory Committee and the Shanghai International Financial Advisory Council.

Mr Mack is a graduate of Duke University.

Officers

Steven Kalmin
Chief Financial Officer (Age 45)

Appointed: Steven Kalmin has been Chief Financial Officer since June 2005.

Experience: Mr Kalmin holds a Bachelor of Business (with distinction) from the University of Technology, Sydney and is a member of Chartered Accountants Australia and New Zealand and the Financial Services Institute of Australasia.

Before joining Glencore, Mr Kalmin worked for nine years at Horwath Chartered Accountants in Sydney, leaving the firm as a director.

John Burton
Company Secretary (Age 51)

Appointed: John Burton was appointed Company Secretary in September 2011.

Experience: He was formerly company secretary and general counsel of Informa plc and before that a partner of CMS Cameron McKenna in London specialising in corporate law. Mr Burton holds a B.A. degree in Law from Durham University. He was admitted as a Solicitor in England and Wales in 1990.

Corporate governance report

This report should be read in conjunction with the Directors' Report and the remainder of the Governance section.

Board governance and structure

Overview

This governance report sets out how Glencore has applied the main principles of the UK Corporate Governance Code ("the Code") in a manner which enables shareholders to evaluate how these principles have been applied. As a London premium listed entity we seek to ensure full compliance with the Code. The Board believes that the Company has throughout the year complied with all relevant provisions contained in the Code.

Glencore's Board comprises seven Non-Executive Directors (including the Chairman) and one Executive Director. A list of the current Directors, with their brief biographical details and other significant commitments, is provided in the previous pages. The Chief Financial Officer attends all meetings of the Board and Audit Committee. The Company Secretary attends all meetings of the Board and its committees.

Division of responsibilities

As a Jersey incorporated company, Glencore has a unitary board, meaning all Directors share equal responsibility for decisions taken. Glencore has established a clear division between the respective responsibilities of the Non-Executive Chairman and the Chief Executive Officer which are set out in a schedule of responsibilities which has been approved by the Board. While the Non-Executive Chairman is responsible for leading the Board's discussions and decision-making, the CEO is responsible for implementing and executing strategy and for leading Glencore's operating performance and day-to-day management. The CEO and Chief Financial Officer have line of sight across the Group. The CEO is further supported by the Group's senior management team principally comprising the heads of the businesses and the head of strategy. The Company Secretary is responsible for ensuring that there is clear and effective information flow to the Non-Executive Directors.

Further details of these responsibilities are set out opposite.

Peter Grauer, Senior Independent Non-Executive Director, is available to meet with shareholders and acts as an intermediary between the Chairman and other independent Directors when required. This division of responsibilities, coupled with the schedule of reserved matters for the Board, ensures that no individual has unfettered powers of decision.

DIVISION OF RESPONSIBILITIES

Chairman
- Leader of the Board
- Responsible for effective communication flow between Directors
- Facilitates effective contribution of all Directors
- Responsible for effective Board governance
- Ensures effective communication with shareholders

Chief Executive Officer
- Leads and motivates management team
- Implements strategy and objectives as directed by the Board
- Develops Group policies and proposals for approval by the Board and ensures effective implementation

Senior Independent Director
- Is a confidant of the Chairman and (when appropriate) also acts as an intermediary for other independent Directors
- Will stand in for the Chairman if he is unable to attend
- Chairs the Nominations Committee
- Responsible for appraising the Chairman's performance along with other independent Directors
- Available to shareholders to answer questions

Other Non-Executive Directors
- Supply challenge and support to management
- Bring independent mindset and differing backgrounds and experience to Board debates
- Provide leadership and challenge as chair of, or a member of, the board committees which (except HSEC) comprise only Non-Executive Directors
- Scrutinise leadership of chairman

Company Secretary
- Secretary to Board Committees
- Informs the Board on all matters reserved to it and ensures papers are provided in sufficient detail and on time
- Available to Directors in respect of Board procedures and provides support and advice
- Ensures the Board is kept informed on governance matters
- Coordinates and assists with the Board evaluation process along with the Chairman

Corporate governance report

Non-Executive Directors

The Company's Non-Executive Directors provide a broad range of skills and experience to the Board, which assists in their roles in formulating the Company's strategy and in providing constructive challenge to executive management.

Glencore regularly assesses its Non-Executive Directors' independence. Except for Peter Coates, due to his chairmanship of Sphere Minerals Limited, a quoted subsidiary, they all are regarded by the Company as Independent Non-Executive Directors within the meaning of "independent" as defined in the Code and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. This view has been taken having regard to all facts including that John Mack was until 2011 chairman of Morgan Stanley, which provides advisory and financial services to the Group. As Mr Mack ceased to be CEO of Morgan Stanley in 2009, Morgan Stanley's relationship with the Company is led from its UK office and Mr Mack was not involved in the delivery of these services, we believe that applying in a common sense construction to the provisions of the Code, it is reasonable to conclude that Mr Mack is independent in accordance with its terms.

Management of conflicts of interest

All Directors endeavour to avoid any situation of conflict of interest with the Company. Potential conflicts can arise and therefore processes and procedures are in place requiring Directors to identify and declare any actual or potential conflict of interest. Any such notifications are required to be made by the Directors prior to, or at, a Board meeting and all Directors have a duty to update the whole Board of any changes in circumstances. Glencore's Articles of Association and Jersey law allow for the Board to authorise potential conflicts and the potentially conflicted Director must abstain from any vote accordingly. During 2015, no abstention procedures for conflicts had to be activated.

Board Committees

The following four Committees are in place to assist the Board in exercising its functions: Audit, Nomination, Remuneration and Health, Safety, Environmental and Communities ("HSEC"), as set out in the diagram on the next page. Committee meetings are held prior to Board meetings and at each scheduled Board meeting the chairman of each Committee leads a discussion concerning the Committee's activities since the previous Board meeting.

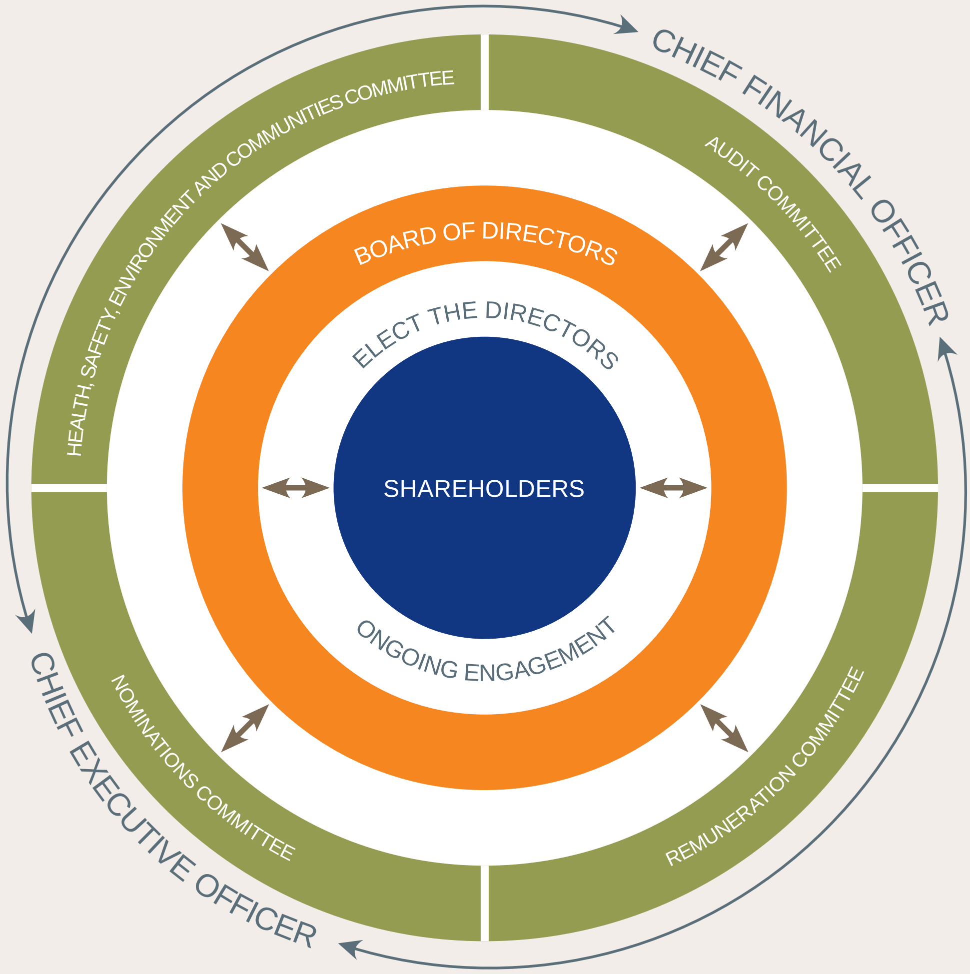
The Committees carry out a considerable amount of work. In particular:

- the Audit Committee provides challenge and enquiry on the significant areas of financial and accounting oversight and risk management; and
- the HSEC Committee, whose membership includes both Chairman and CEO, continues to have the heaviest workload of all the committees due to its strong leadership of sustainability issues and the range of matters which it considers. Its work on driving improvements in the prevention of catastrophic events and safety performance continues to be of particular focus.

A report for 2015 from each Committee chairman is set out later in this Corporate governance report.

Each Committee reports to, and has its terms of reference approved by, the Board and the minutes of the Committee meetings are circulated to the Board. Each Committee reviewed its terms of reference during the year and as a result revisions were made to the HSEC Committee's terms of reference to ensure they continue to conform to best practice.

All Committees' terms of reference are available at: www.glencore.com/who-we-are/board-of-directors/board-committees/



Board meetings

The Board has approved a formal schedule which sets out those matters which are reserved for its decision-making alone such as strategy, the annual budget and material acquisitions and disposals. Meetings are usually held at the Company's headquarters in Baar, Switzerland. Details of the Board and Committee meetings held during the year are detailed below.

The Board and its Committees have standing agenda items to cover their proposed business at their scheduled meetings. The Chairman seeks to ensure that the very significant work of the Committees feeds into, and benefits as to feedback from, the full Board. The Board and Committee meetings also benefit from presentations by senior executives and some technical and investor relations updates. Presentations from the business and senior management allow Directors to enhance their understanding of the business and the implementation of strategy, in turn contributing to a more effective Board. A summary of the Board's main activities during 2015 is set out on the next page.

Several times a year the Chairman holds meetings with the Non-Executive Directors without the Executive Director present, and at least once a year the Non-Executive Directors meet without the Chairman present.

Corporate governance report

Work at Board Meetings

The main considerations and actions carried out at the meetings of the Board during 2015 are summarised below. The scheduled short agenda and short notice meetings were held by telephone. The work of its committees are described later in this report.

At each main scheduled meeting the following standing matters are considered:

- consideration of any new conflicts of interest;
- review of minutes of previous meetings, including actions from previous meetings; and
- reports/updates from the CEO, CFO, Head of Strategy and Investor Relations and Head of Communications. These reports include consideration of strategic matters including possible asset expansions/contractions, acquisitions/disposals, material debt refinancings and analysis of risks.

In addition:

- regular updates are provided by the Company Secretary on governance, Board processes and other Company secretarial matters; and
- usually the Non-Executive Directors have a separate meeting, with sometimes a second session without the Chairman present.

Board activities completed during 2015

First scheduled short agenda meeting

- Results/business update
- Consideration and approval of proposal to distribute the Group's 23.9% stake in Lonmin plc
- Review and approval of 2014 Production Report

First scheduled meeting

- Annual Results, including review and approval, where appropriate, of:
  - report from the Audit Committee Chairman;
  - detailed consideration of principal risks/ uncertainties and mitigation to be disclosed;
  - report on going concern;
  - final distribution recommendation;
  - full-year results announcement for the prior year;
  - Annual Report draft; and
  - management representation letter
- Consideration of AGM resolutions
- Consideration of restructuring of the Group's interests in Russneft
- Report from the Nomination Committee chairman and discussion on whether all current Directors should stand at AGM
- Report from the Remuneration Committee chairman
- Report from the HSEC Committee chairman, in particular discussion on safety improvements and revamped sustainability report
- Review of procedure for Board and committees evaluation
- Review and agreement on outcomes of 2014 Board evaluation
- Reviewed updated Board governance documents and key policies

Second scheduled short agenda meeting

- Business update
- Considered and approved the Q1 Production Report

Second scheduled meeting

- Briefing on the business to be conducted at the AGM (and after, of the other issues raised)
- Briefing from Head of Nickel including review of Koniambo capital expenditure
- External Board evaluation discussion, including agreement of scope and process
- Review of Lonmin shares distribution proposal
- Engagement with NGOs
- Report from the HSEC Committee chairman
- Report from the Audit Committee chairman

Third scheduled meeting

- Half-year results, including review and approval, where appropriate, of:
  - report from the Audit Committee Chairman;
  - principal risks and mitigation to be disclosed;
  - report on going concern;
  - interim distribution;
  - half year results announcement; and
  - management representation letter
- Strategic review of the coal market and the performance of the Group's coal assets including presentation from the Head of Coal
- Strategic review of the copper markets including presentation from the Head of Copper
- Report from the HSEC Committee Chairman
- Report from the Audit Committee Chairman
- Report from the Nomination Committee Chairman
- Report from the Remuneration Committee Chairman
- Considered outcomes from multiple shareholder meetings on governance and sustainability issues

First short notice meeting

- Business update
- Discussion on interim results investor feedback, deteriorating market conditions and how the Company should respond
- Review of available options

Second short notice meeting

- Continued the deliberations of the previous meeting. Concluded with decision to seek an equity capital raising in the near future and for the Company to enter into a standby underwriting agreement and to canvass investor opinion on timing and form of equity issue
- Make major operational changes to its African copper assets

Third short notice meeting

- Consideration of investor feedback on timing and form of equity issue
- Approved share placing to raise $2.5 billion

Fourth short notice meeting

- Business update
- Discussion on current challenging market conditions and what further decisions might be appropriate for the Company to take in relation to them

Fifth short notice meeting

- Review of progress on debt reduction programme and investor relations
- Assessment of current steps taken and consideration of further initiatives as to greater balance sheet stability

Fourth scheduled meeting

- Considerable review of equity and credit markets and careful review of investor priorities
- Consideration of progress of debt reduction plan
- Market updates focusing in particular on Zinc, Copper, Coal and Nickel, including presentations from the respective commodity heads
- Consideration of budget planning on a conservative basis
- Detailed discussion on the Board evaluation process and its outcomes
- Review of Group's IT function including cyber security
- Review of legal and compliance function including actual or potential litigation
- Report from the Audit Committee Chairman
- Report from the HSEC Committee Chairman

Third scheduled short agenda meeting

- Update on debt reduction programme
- Consideration and approval of $900 million Antamina streaming transaction
- Considered and approved the Q3 Production Report
- Considered and approved a programme to reduce zinc production

Fifth scheduled meeting

- Review of debt reduction programme
- Review of principal risks and uncertainties and preparation for longer-term viability statement
- Considered and approved the 2016 budget and 2017 - 2019 business plan including review of all main parts of the business
- Consideration of Board refreshment
- Report from the HSEC Committee Chairman
- Report from the Audit Committee Chairman
- Report from the Remuneration Committee Chairman

Attendance during the year for all scheduled full agenda Board and Board Committee meetings is set out in the table below:

	Board of 5	Audit of 4	Remuneration of 3	Nomination of 2	HSEC of 5
Ivan Glasenberg	5				5
Anthony Hayward	5				5
William Macaulay	5	4	3		
Leonhard Fischer	5	4	3	2	
Peter Coates	5				5
John Mack	5		3	2	
Peter Grauer	5	4		2	
Patrice Merrin	5				5

In addition, there were another eight limited agenda meetings of the Board. Details of all these Board meetings are set out on the previous page.

Appointment and re-election of Directors

All Directors will be offering themselves for re-election at the 2016 AGM.

All of the Directors have service agreements or letters of appointment and the details of their terms are set out in the Directors' remuneration report. No other contract with the Company or any subsidiary undertaking of the Company in which any Director was materially interested existed during or at the end of the financial year except that Peter Coates received fees of AUD75,000 during 2015 as Chairman of the Company's subsidiary undertaking Sphere Minerals Limited which is quoted on the Australian Stock Exchange.

Information, management meetings, site visits and professional development

It is considered of great importance that the Non-Executive Directors (1) attain a good knowledge of the Company and its business and (2) allocate sufficient time to Glencore to discharge their responsibilities effectively. The Board calendar is planned to ensure that Directors are briefed on a wide range of topics. Directors are also given the opportunity to visit Group operations and discuss aspects of the business with employees, and regularly meet the heads of the Group's main departments and other senior executives. As well as internal briefings, Directors attend appropriate external seminars and briefings.

Normally meetings with heads of commodities and other senior Group functions take place alongside scheduled Board meetings. In addition, in order to better familiarise themselves with the industrial activities, regular site visits take place.

All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring the Board procedures are complied with, and have access to independent and professional advice at the Company's expense, where they judge this to be necessary to discharge their responsibilities as Directors.

Director induction process

New Directors receive a full, formal and tailored induction on joining the Board, including meetings with senior management. The induction programme aims to build:

- an in-depth understanding of Glencore, its business and the markets in which it operates;
- a link with Glencore employees, particularly the senior management; and
- a clear appreciation of the Company's risks.

Board effectiveness

The Board of Glencore engaged independent advisers Spencer Stuart to facilitate an evaluation of the Board's effectiveness during 2015. Previous Board evaluations have been conducted internally. The scope of the evaluation covered the Board, its four Committees and the Directors individually.

Process

The process involved carrying out formal interviews with each Director, with members of the management team including the Chief Financial Officer and Head of Internal Audit, with the lead partner of independent auditors Deloitte LLP and with representatives from two institutional investors. Directors were asked for their views on a structured set of questions addressing Board processes, Board information and Board dynamics. They were also asked for their feedback on the contributions of fellow Directors and the Chairman.

The independent adviser attended a full Board meeting and all four Board Committee meetings in order to assess how the Board and Board Committees operate in practice.

Corporate governance report

The Board evaluation report was presented to the Board at the October Board meeting. The Chairman had individual follow-up conversations with each Director to discuss the feedback on their performance. The Senior Independent Director had a follow-up conversation with the Chairman to discuss the feedback on his performance.

Outcome

The Directors are satisfied that the Board and each of its Committees is operating effectively. Nonetheless, the Board has identified a number of actions that will help maintain and improve its effectiveness including:

- the Board has decided to add an additional full agenda Board meeting to the annual calendar from 2016 and increase the length of some Board meetings;
- the Board has reviewed the current agenda formulation for Board meetings and identified items for additional regular inclusion over the coming year; and
- long-term Board succession planning will be an area of greater focus for the Nominations Committee and the Board.

It is the Board's intention to continue to review its performance annually including that of its Committees and individual Directors.

Remuneration

Remuneration is covered in the Directors' remuneration report which follows this section. It includes a description of the work of the Remuneration Committee.

Accountability and audit

Financial reporting

The Group has in place a comprehensive financial review cycle, which includes a detailed annual planning/budgeting process where business units prepare budgets for overall consolidation and approval by the Board. The Group uses a large number of performance indicators to measure both operational and financial activity in the business. Depending on the measure, these are reported and reviewed on a daily, weekly or monthly basis. In addition, management in the business receive weekly and monthly reports of indicators which are the basis of regular operational meetings, where corrective action is taken if necessary. At a Group level, a well-developed management accounts pack, including income statement, balance sheet, cash flow statement as well as key ratios is prepared and reviewed monthly by management. As part of the monthly reporting process, a reforecast of the current year projections is performed. To ensure consistency of reporting, the Group has a global consolidation system as well as a common accounting policies and procedures manual. Management monitors the publication of new reporting standards and works closely with our external auditors in evaluating their impact, if any.

Risk management and internal control

The Board has applied Principle C.2 of the Code by establishing a continuous process for identifying, evaluating and managing the risks that are considered significant by the Group in accordance with the revised Turnbull Guidance on Internal Control published by the Financial Reporting Council. This process has been in place for the period under review and up to the date of approval of the Annual Report and financial statements. The process is designed to manage and mitigate rather than eliminate risk, and can only provide reasonable and not absolute assurance against material misstatement or loss. The Directors confirm that they have carried out a robust assessment of the principal risks facing the Group and have reviewed the effectiveness of the risk management and internal control systems. This review excludes associates of the Group as Glencore does not have the ability to dictate or modify the internal controls of these entities. This report describes how the effectiveness of the Group's structure of internal controls including financial, operational and compliance controls and risk management systems is reviewed.

Risk – Board leadership

The Board provides leadership and oversight on risk management. Specifically it:

(1) provides a robust assessment of the principal risks facing the Group

The Board determines the nature and extent of the principal risks the Group should take in achieving its strategic objectives. The Board has carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity. The Directors' description of those risks and their explanation as to how they are being managed or mitigated are set out on pages 28 to 35.

(2) determines a longer-term viability statement

Taking account of the Group's position and principal risks, the Directors assess the prospects of the Group and conclude whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment. Their conclusions are set out on page 98.

(3) monitors the Group's risk management and internal control systems

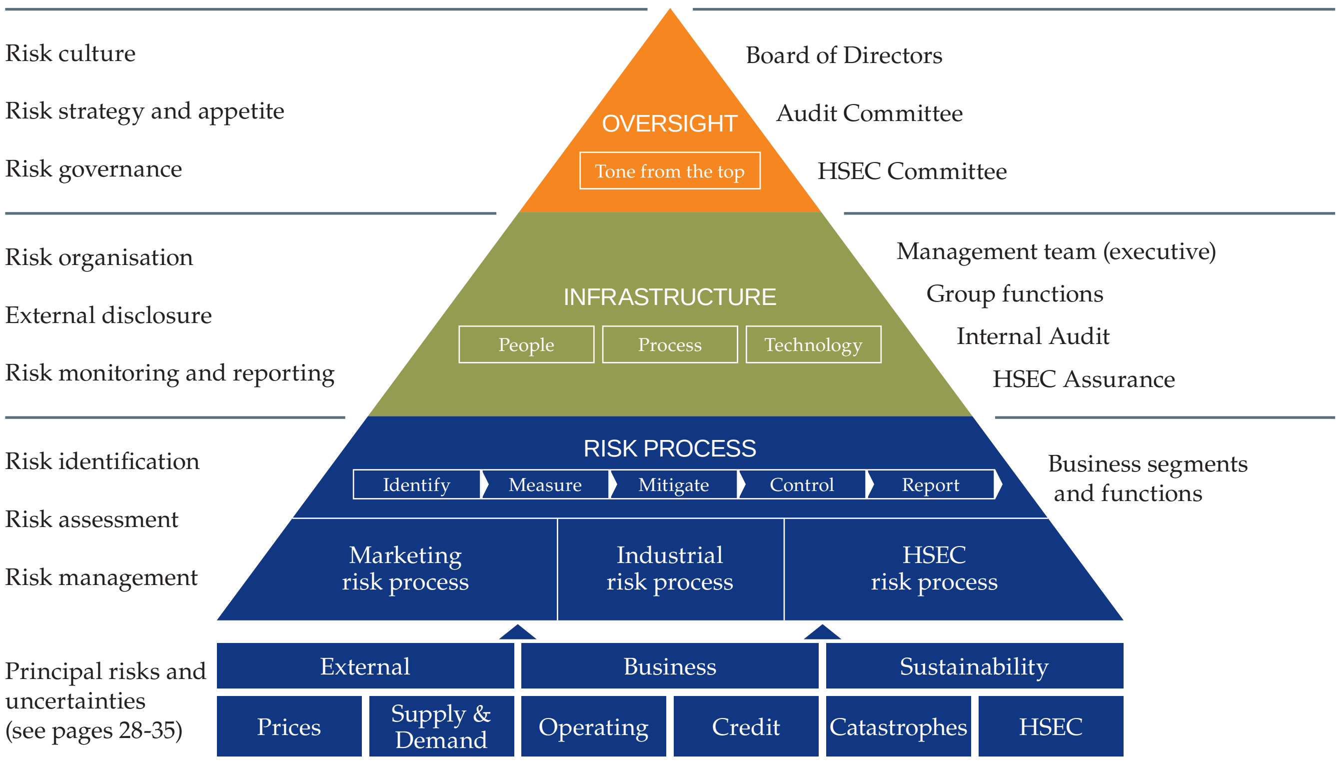
The Board oversees sound risk management and internal control systems. It carries out a regular review of their effectiveness including reviewing the Group's internal financial controls and the Group's internal control and risk management. This monitoring and review covers all material controls, including financial, operational and compliance controls. Their work and conclusions are described on pages 28 and 80 to 85.

Approach to risk management

Effective risk management is crucial in helping the Group achieve its objectives of preserving its overall financial strength for the benefit of all shareholders and other stakeholders and safeguarding its ability to continue as a going concern while generating sustainable long-term profitability. Spanning the organisational structure, Glencore's disciplined approach to risk management and control originates with strategic responsibility in the hands of the Board, which also retains operational authority on matters exceeding agreed thresholds of materiality.

The Board retains final authority for assessing and approving the Group's overall risk appetite and sets overall limits which are subject to review annually. It is assisted by the work of the Audit Committee for oversight and by senior management for day-to-day operational issues, an effective risk management governance apparatus has been established for the Group.

Risk Management Framework



Risk Management Framework

Management engagement

The Company's senior management reviews the major risks facing the Group and decides if the level of risk is acceptable or whether further steps need to be taken to mitigate these risks. Together, central and business management set the level of risk appetite by ensuring that there is an appropriate balance between the level of risk assumed and the expected return.

Audit Committee

The Audit Committee is responsible for reviewing the risk management system and internal controls.

Mandated by the Board, the Audit and HSEC Committees are responsible for ensuring that the significant risks identified are properly managed.

Group functions

Group functions (Risk Management, Compliance, Legal and Sustainable Development), through their respective expertise, support the Business Risk Owners and senior management in regard to mitigating risk across the Group.

Internal Audit

Internal Audit, as an independent assurance provider, reviews the risk management process and internal controls established by the management team.

A risk-based audit approach is applied in order to focus on high risk areas during the audit process. It involves discussions with management on the risks identified in the business risk registers, emerging risks, operational changes, new investments and capital projects.

The key results from this process are reported to the Audit Committee for their review.

Corporate governance report

Industrial risk management

We believe that every employee should be accountable for the risks related to their role. As a result, we encourage our employees to escalate risks (not limited to hazards) to their immediate supervisors. This enables risks to be tackled and mitigated at an early stage by the team with the relevant level of expertise.

The management teams at each industrial operation are responsible for implementing a risk management process that identifies, assesses and manages risk.

The risks that may impact on business objectives and plans are maintained in a business risk register. They include strategic, compliance, operational and reporting risks.

Any significant risks are reported to Management and the Audit Committee. A Corporate Risk Management Framework is implemented on a Group-wide basis to ensure consistency in the assessment and reporting of risks.

HSEC risk management

These risk management processes are operated at asset level subject to coordination and guidance from the central sustainability team and subject to the leadership and oversight of the HSEC Committee.

2015 saw the first full year of the operation of the new programme which has been established for the assessment of compliance with leading practices matters of health and safety, environment and communities.

Further information is provided in the report from the HSEC Committee below and will be published in the Group's Sustainability Report for 2015.

Marketing risk management

Glencore's marketing activities are exposed to commodity price, basis, volatility, foreign exchange, interest rate, credit and performance, liquidity and regulatory risks. Glencore devotes significant resources to developing and implementing policies and procedures to identify, monitor and manage these risks.

Glencore has a disciplined and conservative approach to Marketing Risk ("MR") management supported by its flat organisational structure. Glencore continues to adopt and implement policies which are intended to mitigate and manage commodity price, credit and other related risks.

Glencore's MR is managed at individual, business and central level. Initial responsibility for risk management is provided by the businesses in accordance with and complementing their commercial decision-making. A support, challenge and verification role is provided by the central MR function headed by the Chief Risk Officer ("CRO") via its additional daily risk reporting and analysis which is split by market and credit risk.

The CEO, as the central figure of commercial leadership and control, drives functional risk management policy, supported by the CFO and CRO, with data and reporting from the central risk team and the other key functional units. In turn the CEO reports to, and seeks authority limits from the Board, with the main oversight role being performed by the Audit Committee which receives regular reports from the CRO at its meetings. It also approves (subject to Board confirmation) the Group-wide risk profile, and any exceptions to agreed positional thresholds.

At the heart of the risk management regime is the process of challenge that takes place between the CEO, the CRO and the business heads which sets risk appetite in accordance with Group requirements and market conditions for each commodity. The objective is to ensure that an appropriate balance is maintained between the levels of risk assumed and expected return, which relies on the commodity-specific expert knowledge provided by business heads. This is then subject to challenge from the CEO based on his overall Group knowledge and experience. This process is designed to manage risk effectively while facilitating the fast, commercial decision-making which is required in a dynamic commodity marketing company.

Another important consideration of the MR team is the challenge of dealing with the impact of large transactional flows across many locations. The function seeks to ensure effective supervision by its timely and comprehensive transaction recording, ongoing monitoring of the transactions and resultant exposures, providing all-encompassing positional reporting, and continually assessing universal counterparty credit exposure.

Key focus points

Market Risk limits and reporting

The MR team provides a wide array of daily/weekly reporting. A daily risk report showing Group Value at Risk ("VaR") as shown on the next page and various other stress tests and analyses are distributed to the CEO, CFO and CRO. Business risk summaries showing positional exposure and other relevant metrics, together with potential margin call requirements, are also circulated daily. The MR function works to enhance its stress and scenario testing as well as enhancing measures to capture risk exposure within the specific areas of the business, e.g. within metals, concentrate treatment and refining charges are analysed.

A recent example of upgrading of reporting is the Agricultural business for which the MR team has considerably improved the granularity of reporting since the integration of Viterra, through the adoption of new systems solutions. The existing VaR sub-limits system has been extended to reflect the greater geographic spread of commercial responsibility within the organisation and now covers nine constituent units.

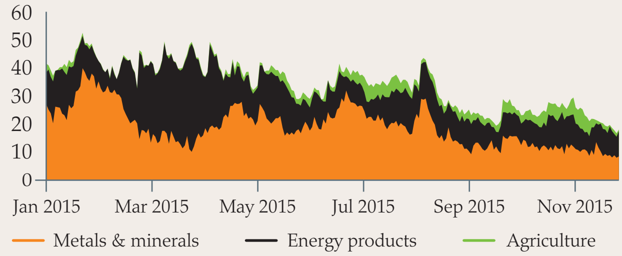
Value at Risk

The Group monitors its commodity price risk exposure by using a VaR computation assessing 'open' commodity positions which are subject to price risks. VaR is one of the risk measurement techniques the Group uses to monitor and limit its primary market exposure related to its physical marketing exposures and related derivative positions. VaR estimates the potential loss in value of open positions that could occur as a result of adverse market movements over a defined time horizon, given a specific level of confidence. The methodology is a statistically defined, probability based approach that takes into account market volatilities, as well as risk diversification benefits by recognising offsetting positions and correlations between commodities and markets. In this way, risks can be compared across all markets and commodities and risk exposures can be aggregated to derive a single risk value.

Last year, the Board approved the Audit Committee's recommendation of a one day, 95% VaR limit of $100 million for 2015, consistent with the previous year. This limit is subject to review and approval on an annual basis. The purpose of this Group limit is to assist senior management in controlling the Group's overall risk profile, within this tolerance threshold. During 2015 Glencore's average daily VaR was approximately $35 million, with an observed high of $52 million and a low of $17 million.

As the chart opposite shows, in 2015 there were no breaches of the $100 million Group VaR limit.

VaR development ($m)



The Group remains aware of the extent of coverage of risk exposures and their limitations. In addition, VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by the Group, nor are these VaR results considered indicative of future market movements or representative of any actual impact on its future results. VaR remains viewed in the context of its limitations; notably, the use of historical data as a proxy for estimating future events, market illiquidity risks and risks associated with longer time horizons as well as tail risks. Recognising these limitations the Group complements and refines this risk analysis through the use of stress and scenario analysis. The Group regularly back-tests its VaR to establish adequacy of accuracy and to facilitate analysis of significant differences, if any.

The Board has again approved the Audit Committee's recommendation of a one day, 95% VaR limit of $100 million for 2016.

Credit Risk Management

The Group continues to make extensive use of credit enhancement tools, seeking letters of credit, insurance cover, discounting and other means of reducing credit risk from counterparts. In addition, mark-to-market exposures in relation to hedging contracts are regularly and substantially collateralised (primarily with cash) pursuant to margining agreements in place with such hedge counterparts.

The Group-wide Credit Risk Policy governs higher levels of credit risk exposure, with an established threshold for referral of credit decisions by business heads to CFO/CEO (relating to unsecured amounts in excess of $75 million with BBB or lower rated counterparts). At lower levels of materiality, decisions may be taken by the business heads where key strategic transactions or established relationships suggest that an open account exposure may be warranted.

Systems and reporting

Whilst no single trading system that the Group can identify appears able to manage the broad range of requirements that the different business profiles of the Group would place on it, interfacing with multiple source systems and transferring data from one to another create enhanced risk to data integrity, granularity, consistency and timeliness.

Dealing with obligations arising from regulatory changes

In 2015 Glencore adapted, as applicable, to increased regulation including the Dodd-Frank Act and the European Market Infrastructure Regulation ("EMIR") which affected in particular risk mitigation (trade confirmation timeframes, portfolio reconciliation, portfolio compression and dispute resolution) and trade reporting.

Upcoming new regulatory compliance proposals or obligations include:

- further obligations under EMIR including mandatory clearing and margining obligations;
- FMIA (Swiss regulatory framework for OTC derivatives) and MIFID II, (position management and reporting commodity swap transactions);
- the Market Abuse Regulation ("MAR"); and
- Regulation on Energy Market Integrity and Transparency ("REMIT").

Corporate governance report

The impacts of these and other new regulations to commodity market participants is potentially considerable. For Glencore, this will largely be an additional compliance burden with the associated costs, rather than an expectation of practical commercial hindrances. Glencore's compliance, finance, IT and risk teams continue to work together in monitoring and advising management on these developments.

Internal Audit

Glencore has a dedicated Internal Audit function reporting directly to the Audit Committee. The role of Internal Audit is to evaluate and improve the effectiveness of risk management, control, and business governance processes.

Internal Audit reviews areas of potential risk within the business and suggests control solutions to mitigate exposures identified. The Audit Committee considers and approves the risk-based audit plan, areas of audit focus and resources and is regularly updated on audits performed and relevant findings, as well as the progress on implementing the actions arising. In particular, the Committee considered Internal Audit's high priority issues (with a particular focus on procurement and systems), its KPIs and the effectiveness and timeliness of management's responses to its findings.

The Audit Committee reviewed the effectiveness of the Internal Audit function. As part of this work, it considered the function's management framework and its improvement programme.

Relationships with shareholders

The Board aims to present a balanced and clear view of the Group in communications with shareholders and believes that being transparent in describing how we see the market and the prospects for the business as extremely important.

We communicate with shareholders in a number of different ways. The formal reporting of our full- and half-year results and quarterly production reports is achieved through a combination of releases, presentations, group calls and one to one meetings. The full- and half-year reporting is followed by investor meetings in a variety of locations where we have institutional shareholders. We also regularly meet with existing and prospective shareholders to update or to introduce them to the Company and periodically arrange visits to parts of the business to give analysts and major shareholders a better understanding of how we manage our operations. These visits and meetings are principally undertaken by the CEO, CFO and Head of Investor Relations and an array of business heads. In addition, many major shareholders have meetings with the Chairman and appropriate senior personnel of the Group including other Non-Executive Directors, the Company Secretary and Head of Sustainability. In addition, Peter Grauer, the Senior Independent Director, is available to meet shareholders if they wish to raise issues separately from these arrangements. In particular in 2015 the following were undertaken:

- a presentation and investor roadshow was held in May to provide a detailed account of the Company's sustainability policies and plans. Led by the chairman of the HSEC committee, presentations were also given by the Chairman and the CEO; and
- the Chairman and Company Secretary met with a large number of institutional shareholders in the summer, and separately in the autumn following the announcement of the debt reduction programme.

The Board receives regular updates from the Company's Head of Strategy on the views of shareholders through a briefing, which is a standing agenda item for all Board meetings, which is supplemented by input from the Chairman, CEO, CFO and, if applicable, the Senior Independent Director.

AGM

The Company's next AGM is due to be held in Zug on 19 May 2016. Full details of the meeting will be set out in the Notice of Meeting which will be sent to shareholders in April. Shareholders unable to attend are encouraged to vote by proxy as detailed in the Notice of Meeting. All documents relating to the AGM will be available on the Company's website at: www.glencore.com

Audit Committee report

Chairman
Leonhard Fischer

Other members
Peter Grauer
William Macaulay

All members served throughout the year. All are considered to be Independent Non-Executive Directors and deemed to be financially literate by virtue of their business experience. Additionally, all Committee members are considered by the Board to have recent and relevant financial experience and have competence in accounting. The Committee held four scheduled meetings during the year which all the Committee members attended. John Burton is Secretary to the Committee.

Governance processes
The Audit Committee usually invites the CEO, CFO, Group Financial Controller, CRO and Head of Internal Audit and the lead partner from the external auditors to attend each meeting. Other members of management and external auditors may attend as and when required. Other Directors, and sometimes all other Directors, also attend its meetings. The Committee also holds private sessions with the external auditors and the Head of Internal Audit without members of management being present. The Committee has adopted guidelines allowing non-audit services to be contracted with the external auditors on the basis as set out below.

Role, responsibilities and main activities
The primary function of the Audit Committee is to assist the Board in fulfilling its responsibilities with regard to financial reporting, external and internal audit, risk management and controls.

During the year, the Committee's principal work included the following:

- reviewing Glencore's internal financial and compliance controls and internal controls and risk management systems;
- reviewing and agreeing the preparation and scope of the year-end reporting process;
- determining the global audit plan, scope and fees of the audit work to be undertaken by the external auditors;
- evaluating the Group's procedures for ensuring that the Annual Report and accounts, taken as a whole, are fair, balanced and understandable;
- reviewing the full-year (audited), and half-year (unaudited), financial statements with management and the external auditors;
- reviewing the Group's financial and accounting policies and practices including discussing material issues with management and the external auditors, especially matters that influence or could affect the presentation of accounts and key figures;
- considering applicable regulatory changes to reporting obligations;
- evaluating the effectiveness of the external auditors;
- recommending to the Board a resolution to be put to the shareholders for their approval on the appointment of the external auditors and to authorise the Board to fix the remuneration and terms of engagement of the external auditors;
- monitoring the independence of the external auditor and reviewing the operation of the Company's policy for the provision of non-audit services by it;
- considering and approving two assignments above the approval threshold with the external auditors in respect of non-audit services;
- considering the output from the Group-wide processes used to identify, evaluate and mitigate risks, including credit and performance risks across the industrial and marketing activities;
- considering the scope and methodologies to determine the Company's Going concern and Longer-term viability statements;
- reviewing the Internal Audit Department's annual audit plan and reviewing the effectiveness of the Internal Audit function;
- monitoring and reviewing the effectiveness of Glencore's internal controls for which there were no significant failings or weaknesses noted; and
- reviewing reports on the operation of the Group's legal compliance programme, including material notifications under the Group's Raising Concerns whistleblowing programme.

Risk analysis
The Committee receives reports and presentations at its meetings on our management of marketing and other risks (excluding sustainability risks which are reviewed by the HSEC Committee).

Corporate governance report

Significant issues related to the financial statements

The Committee assesses whether suitable accounting policies have been adopted and whether management have made appropriate estimates and judgements. They also review external auditors' reports outlining audit work performed and conclusions reached in respect of key judgements, as well as identifying any issues in respect of these.

During the year, the most significant issues for the Committee concerned impairment analysis.

The Committee considered whether the carrying value of goodwill, industrial assets, physical trade positions and material loans and advances may be impaired as a result of sustained falls in commodity prices and some asset specific factors. We reviewed management's reports, outlining the basis for the key assumptions used in calculating the recoverable value for the Group's assets. Future performance assumptions used are derived from the Board approved business plan. As part of the process for approval of this plan, the Committee considered the feasibility of strategic plans underpinning future performance expectations, and whether they remain achievable. Considerable focus was applied to management's commodity price and exchange rate assumptions. The Committee discussed with the external auditors their work in respect of impairment review, which was the most significant area of audit focus for them.

These impairment analyses focused in particular on:

- Oil exploration assets in Chad;
- Copper assets in Africa, particularly following the temporary production curtailments;
- the Group's main coal assets;
- Zinc assets in Australia;
- Nickel assets, particularly Koniambo;
- Aluminium assets, including Century; and
- goodwill relating to the Pacorini warehousing business.

The other main areas of analysis have been:

- capital preservation and debt reduction programme, in particular the Antamina metal streaming transaction;
- whether the Group's accounting for the fair value of base metal differentials is appropriate;
- judgement required to fair value the Group's physical forward contracts;
- significant loan exposures;
- Group restructurings;
- robust assessment of principal risks and impact on longer-term viability; and
- taxation risks, especially concerning transfer pricing and recognition of deferred income tax assets.

Internal Audit

The Committee monitored the internal audit function as described under Internal Audit on page 84.

External Audit

The Committee has evaluated the effectiveness of the external auditor and as part of this assessment, has considered:

- the steps taken by the auditors to ensure their objectivity and independence;
- the deep knowledge of the Company which enhances Deloitte's ability to perform as external auditor;
- competence when handling key accounting and audit judgements and ability to communicate these to the Committee and management;
- the extent of the auditor's resources and technical capability to deliver a robust and timely audit including consideration of the qualifications and expertise of the team;
- auditor's performance and progress against the agreed audit plan, including communication of changes to the plan and identified risks; and
- the proven stability that is gained from the continued engagement of Deloitte as external auditor.

The Committee assesses the quality and effectiveness of the external audit process on an annual basis in conjunction with the senior management team. Key areas of focus include consideration of the quality and robustness of the audit, identification of and response to areas of risk and the experience and expertise of the audit team, including the lead audit partner.

Provision of non-audit services by the external auditor

The Group's policy on non-audit services provided by the external auditor is designed to ensure the external auditor independence and objectivity is safeguarded. A specified wide range of services may not be provided as they have the potential to impair the external auditor's independence (Excluded Services). The Audit Committee's approval is required for (1) any Excluded Service (2) any other engagement where either (i) the fee is contingent, (ii) the fee may exceed $500,000, or (iii) where the fees for all non-audit work may exceed $15 million. Subject to these restrictions and other safeguards in the policy, the external auditors may be permitted to provide certain non-audit services when it is concluded that they are the most appropriate supplier due to efficiency and status as a leading firm for those specific services. For 2015, fees paid to the external auditors were $31 million, the total non-audit fees of which were $6 million; further details are contained in note 28 to the financial statements.

Reappointment of the external auditor

Deloitte has been the auditor of the listed entity since its IPO in 2011. The most recent lead audit engagement partner rotation occurred prior to the financial year ended 31 December 2013 when Mr Matthew Sheerin replaced Mr David Quinlin as the lead audit engagement partner.

The Board and the Audit Committee acknowledge the importance of, and greater investor scrutiny in respect of, a tendering policy for the appointment of external auditors. The Board and the Audit Committee also note the current requirements of the Code, and legislative changes concerning mandatory audit rotation.

Taking into account the recent major changes to the Group over the past few years, the recent partner rotation and the transitional arrangements, the Audit Committee concluded that it was appropriate not to tender at the current time.

The Committee has determined that it is satisfied that the work of Deloitte LLP is effective, the scope is appropriate and significant judgements have been challenged robustly by the lead partner and team. Additionally, there are no contractual restrictions on the Company's choice of external auditor. The Committee has therefore recommended to the Board that a proposal be put to shareholders at the 2016 AGM for the reappointment of Deloitte LLP as external auditor.

Leonhard Fischer

Chairman of the Audit Committee

7 March 2016

Nomination Committee

Chairman

Peter Grauer

Other members

John Mack
Leonhard Fischer

All members served on the Committee throughout the year. The Committee only comprises Independent Non-Executive Directors. The Committee met twice during the year and all members attended these meetings.

Roles and responsibilities

The main responsibilities of the Nomination Committee are to assist the Board with succession planning and with the selection process for the appointment of new Directors, both Executive and Non-Executive, including the Chairman. This involves:

- evaluating the balance and skills, knowledge and experience of the Board and identifying the capabilities required for a particular appointment;
- overseeing the search process; and
- evaluating the need for Board refreshment and succession planning generally.

Main activities

The Committee focused on two main tasks during this year. Firstly, prior to the notice of 2015 AGM being compiled, the Committee considered the performance of each Director. It concluded that each Director is effective in their role and continues to demonstrate the commitment required to remain on the Board. Accordingly, it recommended to the Board that re-election resolutions be put for each Director at the 2015 AGM.

Secondly, the Committee considered the composition of the Board and refreshment. It was agreed that a further appointment would be beneficial and a search process has been commenced.

It is part of the Committee's policy when making new Board appointments to consider the importance of diversity on the Board, including gender. This is considered in conjunction with experience specific to the business of the Company, the necessary qualifications required, whilst ensuring no disqualifying conflict of interest is present.

External consultancy Spencer Stuart has been retained for the above search mandate.

Peter Grauer

Chairman of the Nomination Committee

7 March 2016

Corporate governance report

Health, Safety, Environment & Communities (HSEC) Committee

Chairman

Peter Coates

Other members

Ivan Glasenberg
Anthony Hayward
Patrice Merrin

The Committee met five times during the year. Each Committee member served throughout the year and attended all of the meetings. Every meeting had a substantial agenda, reflecting the Committee's objective of providing leadership for the Group in continuing to achieve improved HSEC performance.

Role and responsibilities

The main responsibilities of the Committee are to:

- ensure that appropriate Group policies are developed in line with our Values and Code of Conduct for the identification and management of current and emerging health, safety, environmental and community risks;
- ensure that the policies are effectively communicated throughout the Company and that appropriate processes and procedures are developed at operational level to comply with these policies;
- evaluate the effectiveness of policy implementation and HSEC risk management through:
  - assessment of operational performance;
  - review of recent internal and external reports; and
  - independent audits and reviews of performance in regard to HSEC matters, and action plans developed by management in response to issues raised;
- evaluate and oversee the quality and integrity of any reporting to external stakeholders concerning HSEC matters; and
- report to the full Board.

Main activities

During the year, the Committee:

- reviewed and approved the Group's HSEC strategy;
- provided ongoing monitoring of catastrophic hazard management;
- oversaw the Crisis and Emergency Management Policy;
- commenced a re-evaluation of safety and effectiveness of tailings dams across the Group;
- considered the Group's position on climate change;
- continued its work on reducing fatalities, especially at the higher risk "focus assets". For this purpose it received a report on, reviewed and made recommendations in respect of, each fatality;
- continued the implementation of the SafeWork programme focusing on identification of fatal hazards and an appropriate safety culture;
- oversaw an introduction of the Group's revamped internal assurance programme for sustainability matters with an emphasis on catastrophic hazards and approved the assurance plan for 2016;
- oversaw the launch of a social value creation scorecard;
- undertook site visits;
- reviewed and oversaw the substantial upgrading of the Group's sustainability report;
- reviewed the current corporate practice framework for the Group, approved ongoing changes and reviewed their implementation and practice;
- oversaw the introduction of new corporate HSEC policies;
- considered engagement with NGOs on sustainability matters;
- held an investor roadshow to inform and receive feedback on the Company's sustainable development strategy and approach to HSEC management; and
- considered a variety of other material HSEC issues such as resettlement programmes, incident reporting and health strategy.

Peter Coates

Chairman of the HSEC Committee

7 March 2016

Directors' remuneration report

For the year ended 31 December 2015

Statement by the Remuneration Committee Chairman

I am pleased to present a short report reflecting the Group's straightforward compensation arrangements for the year ended 31 December 2015. The report also describes how the Board has complied with the provisions set out in the revised UK Corporate Governance Code relating to remuneration matters.

There were no changes to the composition of the Board during 2015.

Ivan Glasenberg remains the Group CEO and the only Executive Director. For the fifth year in succession, the CEO waived any right to participation in any form of variable pay and therefore was not eligible for any form of bonus or long-term incentive award. During this period his salary has not increased and his 2014 total remuneration (the latest against which a comparison can be made) of c.$1.5m was the fourth lowest for a CEO in the FTSE 100 index. Mr Glasenberg owns approximately 8.4% of the shares in the Company with the value of his holding therefore falling along with other continuing holders' during 2015 which, although not included within the statutory remuneration disclosures, demonstrates the close alignment of his overall position to that of other shareholders.

Although, as a Jersey registered company headquartered in Switzerland, Glencore is not subject to the UK's remuneration reporting regime, we consider it to be broadly reflective of good practice and have prepared this report in compliance with it, unless stated otherwise.

Over the following pages we have set out details of the implementation of our reward policy in 2015 including:

- the governance surrounding pay decisions, members of the Committee and advisers to the Committee in 2015; and
- details of what was paid to the Executive Director during the financial year ended 31 December 2015.

The Group's forward-looking Directors' Remuneration ("DR") Policy has not changed since it was approved by shareholders at the 2014 AGM. A summary of the key of the DR Policy is set out below and the full DR Policy is available on our website at: www.glencore.com/who-we-are/board-of-directors/governance-downloads/

Since (1) there has been no change to the DR Policy or practice and (2) the DR Policy and the 2014 DR Report were each approved at the 2014 AGM and 2015 AGM respectively with average votes in excess of 98%, no resolution will be put to shareholders by the Board on the DR Policy at the 2016 AGM, although a resolution will be proposed to approve this DR Report.

Our external auditors have reported on certain parts of the DR Report and confirmed that, in their opinion, those parts of the report have been properly prepared. Those sections of the report which have been subject to audit are clearly indicated.

We have sought to ensure that our Directors' Remuneration Policy and its implementation are attractive to shareholders in reflecting good governance, complete simplicity and reasonable terms.

John Mack
Remuneration Committee Chairman

7 March 2016

Directors' remuneration report

For the year ended 31 December 2015

Part A – Directors' Remuneration Policy

The DR Policy was approved by shareholders at the 2014 AGM and the Company continues its obligation to only make payments within the limits it allows. The Policy will be put to a shareholder vote the earlier of once every three years or when an amendment to the Policy is proposed. As the Policy is not being put forward for shareholder approval at the 2016 AGM, it has not been included in this Report. However, a summary is set out below and it is reproduced in full on our website at: www.glencore.com/who-we-are/board-of-directors/governance-downloads/

Summary of Directors' Remuneration Policy

General Policy for Executive Directors

- To facilitate the attraction, retention and motivation of Executive Directors and other senior executives of appropriately high calibre to implement the Group's strategy in alignment with the interests of shareholders
- One exceptional aspect of our CEO's remuneration is that, at his instigation and reflecting his status as a major shareholder, he waives participation in bonus or LTI arrangements, a policy which has continued into the current year

Base salary

- Provides market competitive fixed remuneration
- The Committee has not increased the salary level for any Executive Director since 2011

Benefits

- To provide appropriate supporting non-monetary benefits
- Benefits received by Mr Glasenberg comprise salary loss (long-term sickness) and accident insurance/travel insurance with a limit of $20,000 p.a.

Pension

- Provides basic retirement benefits which reflects local market practice
- Mr Glasenberg participates in the standard pension scheme for all Baar (Switzerland)-based employees with an annual cap on the cost of provision of retirement benefits of $150,000 p.a.

Annual Bonus Plan

- Supports delivery of short-term operational, financial and strategic goals
- The Committee has set a maximum annual bonus level of 200% of base salary p.a.
- The CEO has not participated in the Annual Bonus Plan since 2011

Long-Term Incentives

- The Glencore Performance Share Plan incentivises the creation of shareholder value over the longer term
- No Executive Director has, to date, participated, although this will be kept under review to ensure it remains appropriate

Significant Personal Shareholdings

- Aligns the interests of executives and shareholders
- The Committee has set a formal shareholding requirement for Executive Directors of 300% of salary
- The CEO has a beneficial ownership of over 8% of the Company's issued share capital

Chairman and Non-Executive Director fees

- Reflects time commitment, experience, global nature and size of the Company
- Non-Executive Directors and the Senior Independent Director receive a base fee
- Additional fees are paid for chairing or membership of a Board committee
- Chairman receives a single inclusive fee
- Non-Executive Directors are not eligible for any other remuneration or benefits of any nature
- No fees have been increased since 2011

Directors' contractual terms

All Directors' contracts and letters of appointment will be available for inspection on the terms to be specified in the Notice of 2016 AGM.

Executive Director's contract

The table below summarises the key features of the service contract for Mr Glasenberg who served as an Executive Director throughout 2015.

Provision	Service contract terms
Notice period	12 months' notice by either party
Contract date	28 April 2011 (as amended on 30 October 2013)
Expiry date	Rolling service contract
Termination payment	No special arrangements or entitlements on termination. Mr Glasenberg's contract was amended on 30 October 2013 to clarify that any compensation would be limited to base salary only for any unexpired notice period (plus any accrued leave)
Change in control	On a change of control of the Company, no provision for any enhanced payments, nor for any liquidated damages
Malus and clawback	Provisions allow the Committee to reduce or clawback bonus payments in certain circumstances of wrongdoing

External appointments

Mr Glasenberg held external directorships of Rusal plc and Pirelli & C. SpA during 2015. He assigns to the Group any compensation which he receives from any external board directorships. The appropriateness of these appointments is considered as part of the annual review of Directors' interests/potential conflicts.

Non-Executive Directors' letters of appointment and re-election

All Non-Executive Directors have letters of appointment with the Company for an initial period of three years from their date of appointment, subject to reappointment at each AGM. The Company may terminate each appointment by immediate notice and there are no special arrangements or entitlements on termination except that the Chairman is entitled to three months' notice.

Annual fees for 2015 were paid in accordance with a Non-Executive Director's role and responsibilities as follows. These fees remained unchanged from the previous year:

2015	2015 fee in US$ '000
Directors	
Chairman	1,056
Senior Independent Non-Executive Director	170
Non-Executive Director	124
Remuneration Committee	
Chairman	44
Member	23
Audit Committee	
Chairman	55
Member	31
Nomination Committee	
Chairman	36
Member	19
HSEC Committee	
Chairman	125
Member	19

Directors' remuneration report

For the year ended 31 December 2015

Part B – Implementation Report

Implementation Report – Unaudited Information

Remuneration Committee

Membership and experience of the Remuneration Committee

We believe that the members of the Committee provide a useful balance of abilities, experience and perspectives to provide the critical analysis required in carrying out the Committee's function. John Mack, the Chairman of the Committee, has had a long career in investment bank management and therefore provides considerable experience of remuneration analysis and implementation. William Macaulay has had a long tenure in private equity which has involved exposure to remuneration issues many times and in a variety of situations while Leonhard Fischer is a career banker who similarly has had considerable exposure to issues of pay and incentives.

All members of the Remuneration Committee are considered to be independent. Further details concerning independence of the Non-Executive Directors are contained on page 76 of the Annual Report.

Role of the Remuneration Committee

The terms of reference of the Committee set out its role. They are available on the Company's website at: www.glencore.com/who-we-are/corporate-governance/board-committees

Its principal responsibilities are, on behalf of the Board, to:

- set the Company's executive remuneration policy (and review its ongoing relevance and appropriateness);
- establish the remuneration packages for the Executive Director including the scope of pension benefits;
- determine the remuneration package for the Chairman, in consultation with the Chief Executive;
- have responsibility for overseeing schemes of performance related remuneration (including share incentive plans) for, and determine awards for, the Executive Director (as appropriate);
- ensure that the contractual terms on termination for the Executive Director are fair and not excessive; and
- monitor senior management remuneration.

The Committee considers corporate performance on HSEC and governance issues when setting remuneration for the Executive Director. The Committee seeks to ensure that the incentive structure for the Group's senior management does not raise HSEC or governance risks by inadvertently motivating irresponsible behaviour.

Remuneration Committee meetings

The Committee met three times during the year and considered, amongst other matters, the remuneration policy applicable to the Executive Director, senior management remuneration policy, including its level and structure, the form and structure of grants to employees under the Company's Deferred Bonus Plan and Performance Share Plan, and the content and approval of the DR Report.

The Chairman, CEO and CFO are usually invited to attend some or all of the proceedings of Remuneration Committee meetings. They do not participate in any decisions concerning their own remuneration.

Advisers to the Remuneration Committee

The Committee appointed and received independent remuneration advice during the year from its external adviser, FIT Remuneration Consultants LLP ("FIT"). FIT is a member of the Remuneration Consultants Group (the UK professional body for these consultants) and adheres to its code of conduct. The Committee was satisfied that the advice provided by FIT was objective and independent. FIT's fees for this advice in respect of 2015 were $4,094 (2014: $36,052). FIT's fees were charged on the basis of the firm's standard terms of business for advice provided. The Committee also receives advice from John Burton, the Company Secretary.

In addition, FIT supported the Group in considering the remuneration implications of the Agriculture business accepting external minority investors. It was considered that using the Committee's adviser would both be cost efficient and ensure that the Committee's remuneration principles were duly reflected in the review.

Relative importance of remuneration spend

The table below illustrates the change in total remuneration, dividends paid and net profit from 2014 to 2015.

	2015 US$m	2014 US$m
Dividends and buy-backs	2,898	3,039
Net (loss)/income attributable to equity holders	(4,964)	2,308
Total remuneration	5,287	6,011

The figures presented have been calculated on the following bases:

- **Dividends and buy-backs** – dividends paid during the financial year plus the cost of shares bought back during the year.
- **Net (loss)/income attributable to equity holders** – our reported net loss in respect of the financial year. The Committee believes it is the most direct reflection of our financial performance.
- **Total remuneration** – represents total personnel costs as disclosed in note 22 to the financial statements which includes salaries, wages, social security, other personnel costs and share-based payments.

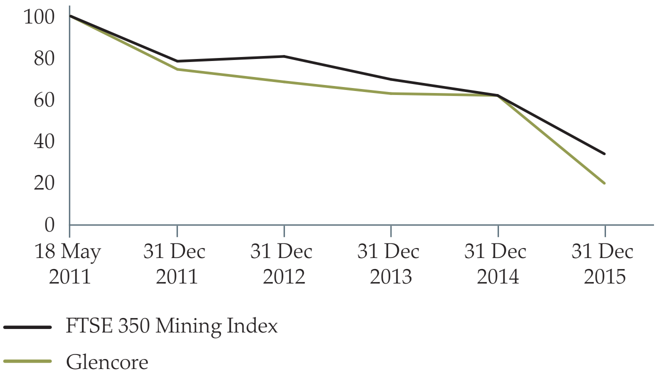
Performance graph and table

This graph shows the value to 31 December 2015, on a total shareholder return ("TSR") basis, of £100 invested in Glencore plc on 24 May 2011 (IPO date) compared with the value of £100 invested in the FTSE 350 Mining Index.

The FTSE 350 Mining Index is considered to be an appropriate comparator for this purpose as it is an equity index consisting of companies listed in London in the same sector as Glencore.

The UK reporting regulations also require that a TSR performance graph is supported by a table summarising aspects of CEO remuneration, as shown below for the same period as the TSR performance graph:

Performance



		Single figure of total remuneration[1] (US$'000)	Annual variable element award rates against maximum opportunity[2]	Long-term incentive vesting rates against maximum opportunity[2]
2015	Ivan Glasenberg	1,510	–	–
2014	Ivan Glasenberg	1,513	–	–
2013	Ivan Glasenberg	1,509	–	–
2012	Ivan Glasenberg	1,533	–	–
2011	Ivan Glasenberg	1,483	–	–

1 *The value of benefits and pension provision in the single figure vary as a result of the application of exchange rates although in the relevant local currency these parts of Mr Glasenberg's remuneration have not altered since May 2011. In this table the figures are reported in US dollar, the currency in which Mr Glasenberg received his salary in 2015. The salary was payable in pounds sterling prior to 2014. Therefore those figures have been translated into US dollar at the exchange rates used for the preparation of the financial statements in those years. Mr Glasenberg's pension and other benefits are charged to the Group in Swiss Francs and these amounts are translated into US dollar on the same basis.*

2 *The CEO has requested not to be considered for these potential awards.*

Percentage change in pay of Chief Executive Officer

The UK Large and Medium-sized Companies and Groups (Accounts and Reports) (Amendment) Regulations 2013, provide for disclosure of percentage changes of the CEO's remuneration against the average percentage change for employees generally or an appropriate group of employees. Given that the CEO has, since May 2011, waived any entitlement to any increase in salary (and given that his only other unwaived benefits are those provided to all employees at the Company's head office in Baar) no such comparison has been made. In the event the Executive Director receives an increase in salary in future then a suitable disclosure in respect of these regulations will be considered.

Most recent shareholder voting outcomes

The votes cast (1) to approve the Directors' remuneration report, for the year ended 31 December 2014, at the 2015 AGM held on 7 May 2015 and (2) to approve the Directors' Remuneration Policy at the 2014 AGM on 20 May 2014, were:

Votes "For"	Votes "Against"	Votes "Abstentions" (as a total of votes cast)
Directors' remuneration report		
99.18%	0.82%	0.00%
(9,707,522,831)	(80,110,114)	(9,604,796)
Directors' Remuneration Policy		
97.93%	2.07%	2.60%
(8,539,263,284)	(180,199,515)	(226,561,025)

Directors' remuneration report

For the year ended 31 December 2015

No resolution will be tabled to approve the Directors' Remuneration Policy at the 2016 AGM as the Policy in respect to Directors' remuneration did not change in 2015.

The Committee seeks to have a productive and ongoing dialogue with investors on the Directors' Remuneration Policy, remuneration aspects of corporate governance, any changes to the Company's executive pay arrangements and developments as to executive remuneration issues in general.

Implementation of policy in 2016

No change to any aspect of Directors' remuneration is envisaged for 2016.

Implementation Report – Audited Information

Single Figure Table

	Salary		Benefits		Annual Bonus		Long-term incentives		Pension		Total	
US$'000	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
Ivan Glasenberg	1,447	1,447	2	2	–	–	–	–	61	64	1,510	1,513

The notes to the performance table above also apply in relation to the compilation of this table. As no bonuses or long-term incentives have been granted to Mr Glasenberg, there are no relevant performance measures to be disclosed although see the first page of this report as to the alignment of his position with that of other shareholders.

Non-Executive fees

The emoluments of the Non-Executive Directors for 2015 were as follows:

Name	**Total 2015 US$'000**	Total 2014 US$'000
Non-Executive Chairman		
Anthony Hayward	1,056	1,056
Non-Executive Directors		
Leonhard Fischer[1]	221	219
William Macaulay	178	178
Peter Coates	249	249
Peter Grauer[2]	237	218
John Mack	187	187
Patrice Merrin[3]	143	72

1 *Mr Fischer was appointed to the Nomination Committee on 13 February 2014.*

2 *Mr Grauer was appointed as the Chairman of the Nomination Committee on 13 February 2014 and the Senior Independent Director on 20 May 2014.*

3 *Ms Merrin was appointed a Director on 26 June 2014; on 14 August 2014 she was appointed to the HSEC Committee.*

The aggregate emoluments of all Directors for 2015 (including pension contributions) were $3,781,000 (2014: $3,692,000). The only Director participant in a pension plan was Mr Glasenberg.

Directors' interests

The Directors' interests in shares are set out in the Directors' report which is set out after this report. Mr Glasenberg's holding is considerably in excess of the formal share ownership guideline for Executive Directors of 300% of salary.

Approval

This report in its entirety has been approved by the Committee and the Board of Directors and signed on its behalf by:

John Mack
Remuneration Committee Chairman

7 March 2016

Directors' report

For the year ended 31 December 2015

Introduction

This Annual Report is presented by the Directors on the affairs of Glencore plc ("the Company") and its subsidiaries ("the Group" or "Glencore"), together with the financial statements and auditor's report, for the year ended 31 December 2015. The Directors' report includes details of the business, the development of the Group and likely future developments as set out in the Strategic Report, which together forms the management report for the purposes of the UK Financial Services Authority's Disclosure and Transparency Rule (DTR) 4.1.8R. The notice concerning forward-looking statements is set out at the end of the Annual Report. References to the Company may also include references to the Group or part of the Group.

Corporate structure

Glencore plc is a public company limited by shares, incorporated in Jersey and domiciled in Baar, Switzerland. Its shares are listed on the London, Johannesburg and Hong Kong Stock Exchanges.

Financial results and distributions

The Group's financial results are set out in the financial statements section of this Annual Report.

An interim distribution of $0.06 per share has already been paid for the 2015 financial year. As announced on 7 September 2015, no final distribution will be proposed for the 2015 financial year.

Review of business, future developments and post balance sheet events

A review of the business and the future developments of the Group is presented in the Strategic Report.

A description of acquisitions, disposals, and material changes to Group companies undertaken during the year, including post balance sheet events, is included in the Financial review and in note 24 to the financial statements.

Financial instruments

Descriptions of the use of financial instruments and financial risk management objectives and policies, including hedging activities and exposure to price risk, credit risk, liquidity risk and cash flow risk are included in notes 25 and 26 to the financial statements.

Corporate governance

A report on corporate governance and compliance with the UK Corporate Governance Code is set out in the Corporate governance report and forms part of this report by reference.

Health, safety, environment & communities ("HSEC")

An overview of health, safety and environmental performance and community participation is provided in the Sustainable Development section of the Strategic report.

Exploration and research and development

The Group business units carry out exploration and research and development activities that are necessary to support and expand their operations.

Employee policies and involvement

Glencore operates an equal opportunities policy that aims to treat individuals fairly and not to discriminate on the basis of sex, race, ethnic origin, disability or on any other basis. Applications for employment and promotion are fully considered on their merits, and employees are given appropriate training and equal opportunities for career development and promotion.

Where disability occurs during employment, the Group seeks to accommodate that disability where reasonably possible, including with appropriate training.

The Group places considerable value on the involvement of its employees which is reflected in the principles of its Code of Conduct and its related guidance, which requires regular, open, fair and respectful communication, zero tolerance for human rights violations, fair remuneration and, above all, a safe working environment.

Employee communication is mainly provided by the Group's intranet and corporate website. A range of information is made available to employees including all policies applicable to them as well as information on the Group's financial performance and the main drivers of its business. Employee consultation depends upon the type and location of operation or office.

Directors' conflicts of interest

Under Jersey law and the Company's Articles of Association (which mirror section 175 of the UK Companies Act 2006), a Director must avoid a situation in which the Director has, or can have, a direct or indirect interest that conflicts, or possibly may conflict, with the interests of the Company. The duty is not infringed if the matter has been authorised by the Directors. Under the Articles, the Board has the power to authorise potential or actual conflict situations. The Board maintains effective procedures to enable the Directors to notify the Company of any actual or potential conflict situations and for those situations to be reviewed and, if appropriate, to be authorised by the Board. Directors' conflict situations are reviewed annually. A register of authorisations is maintained.

Directors' report

For the year ended 31 December 2015

Directors' liabilities and indemnities

The Company has granted third party indemnities to each of its Directors against any liability that attaches to them in defending proceedings brought against them, to the extent permitted by Jersey Law. In addition, Directors and officers of the Company and its subsidiaries are covered by directors & officers liability insurance.

Directors and officers

The names of the Company's Directors and officers who were in office at the end of 2015, together with their biographical details and other information, are shown on pages 72 to 74.

Directors' interests

Details of interests in the ordinary shares of the Company of those Directors who held office during 2015 are given below:

Name	Number of Glencore Shares	Percentage of Total Voting Rights
Executive Directors		
Ivan Glasenberg	1,211,957,850	8.42
Non-Executive Directors		
Peter Coates	1,585,150[1]	0.01
Anthony Hayward	244,907	0.00
Leonhard Fischer	–	–
William Macaulay	1,700,000	0.01
Peter Grauer	129,792	0.00
John Mack	750,000	0.00
Patrice Merrin	43,997	0.00

1 Peter Coates also has 484,156 options over shares arising from his prior employment with Xstrata which are not included in the above table.

No Director has any other interest in the share capital of the Company whether pursuant to any share plan or otherwise.

No changes in Directors' interests of those in office at the date of this report have occurred between 31 December 2015 and 6 March 2016.

Mr Glasenberg has executed a Lock-Up Deed, pursuant to which he agreed, subject to certain customary exceptions, that during the period from 24 May 2011 to 24 May 2016 he will not dispose of a certain percentage of the ordinary shares held by him at 24 May 2011. The percentage of his ordinary shares held at 24 May 2011 that is subject to restrictions on disposal decreases on each anniversary date by 20% of the original holding.

Share capital and shareholder rights

As at 6 March 2016, the issued ordinary share capital of the Company was $145,862,001 represented by 14,586,200,066 ordinary shares of $0.01 each, of which 191,459,158 shares are held in treasury and 174,404,359 shares are held by group employee benefit trusts.

On 16 September 2015 1,307,794,600 new ordinary shares in the Company were issued to existing and new institutional shareholders including certain Directors and employees of Glencore by way of a placing at a price of GBP 1.25 per share, raising gross proceeds of $2.5 billion. These shares represented 9.99% of the Company's issued ordinary share capital prior to the issue.

Major interests in shares

As at 6 March 2016 Glencore had been notified of the following interests representing 3% or more of the issued ordinary share capital of the Company:

Name of holder	Number of shares	Percentage of Total Voting Rights
Qatar Holding	1,331,513,534	9.25
Ivan Glasenberg	1,211,957,850	8.42
Harris Associates	1,157,337,169	8.04
BlackRock Inc	838,224,924	5.82
Daniel Maté	464,136,143	3.22
Aristotelis Mistakidis	456,175,134	3.17

Share capital

The rights attaching to the Company's ordinary shares, being the only share class of the Company, are set out in the Company's Articles of Association (the "Articles"), which can be found at www.glencore.com. Subject to Jersey law, any share may be issued with or have attached to it such preferred, deferred or other special rights and restrictions as the Company may by special resolution decide or, if no such resolution is in effect, or so far as the resolution does not make specific provision, as the Board may decide.

No such resolution is currently in effect. Subject to the recommendation of the Board, holders of ordinary shares may receive a dividend. On liquidation, holders of ordinary shares may share in the assets of the Company. Holders of ordinary shares are also entitled to receive the Company's Annual Report and Accounts (or a summarised version) and, subject to certain thresholds being met, may requisition the Board to convene a general meeting ("GM") or the proposal of resolutions at AGMs. None of the ordinary shares carry any special rights with regard to control of the Company.

Holders of ordinary shares are entitled to attend and speak at GMs of the Company and to appoint one or more proxies or, if the holder of shares is a corporation, a corporate representative. On a show of hands, each holder of ordinary shares who (being an individual) is present in person or (being a corporation) is present by a duly appointed corporate representative, not being himself a member, shall have one vote and on a poll, every holder of ordinary shares present in person or by proxy shall have one vote for every share of which he is the holder. Electronic and paper proxy appointments and voting instructions must be received not later than 48 hours before a GM. A holder of ordinary shares can lose the entitlement to vote at GMs where that holder has been served with a disclosure notice and has failed to provide the Company with information concerning interests held in those shares. Except as (1) set out above and (2) permitted under applicable statutes, there are no limitations on voting rights of holders of a given percentage, number of votes or deadlines for exercising voting rights.

The Directors may refuse to register a transfer of a certificated share which is not fully paid, provided that the refusal does not prevent dealings in shares in the Company from taking place on an open and proper basis or where the Company has a lien over that share. The Directors may also refuse to register a transfer of a certificated share unless the instrument of transfer is: (i) lodged, duly stamped (if necessary), at the registered office of the Company or any other place as the Board may decide accompanied by the certificate for the share(s) to be transferred and/or such other evidence as the Directors may reasonably require as proof of title; or (ii) in respect of only one class of shares.

Transfers of uncertificated shares must be carried out using CREST and the Directors can refuse to register a transfer of an uncertificated share in accordance with the regulations governing the operation of CREST.

The Directors may decide to suspend the registration of transfers, for up to 30 days a year, by closing the register of shareholders. The Directors cannot suspend the registration of transfers of any uncertificated shares without obtaining consent from CREST.

There are no other restrictions on the transfer of ordinary shares in the Company except: (1) certain restrictions may from time to time be imposed by laws and regulations (for example insider trading laws); (2) pursuant to the Company's share dealing code whereby the Directors and certain employees of the Company require approval to deal in the Company's shares; and (3) where a shareholder with at least a 0.25% interest in the Company's issued share capital has been served with a disclosure notice and has failed to provide the Company with information concerning interests in those shares. There are no agreements between holders of ordinary shares that are known to the Company which may result in restrictions on the transfer of securities or on voting rights.

The rules for appointment and replacement of the Directors are set out in the Articles. Directors can be appointed by the Company by ordinary resolution at a GM or by the Board upon the recommendation of the Nomination Committee. The Company can remove a Director from office, including by passing an ordinary resolution or by notice being given by all the other Directors. The Company may amend its Articles by special resolution approved at a GM.

The powers of the Directors are set out in the Articles and provide that the Board may exercise all the powers of the Company including to borrow money. The Company may by ordinary resolution authorise the Board to issue shares, and increase, consolidate, sub-divide and cancel shares in accordance with its Articles and Jersey law.

Purchase of own shares

In early 2015 the Company completed its $1 billion share repurchase programme announced to the market on 20 August 2014. For 2015, the total number of ordinary shares repurchased under this programme was 58,050,000 at a cost of $240 million. Further details are set out in note 15 to the financial statements.

This programme had been implemented in accordance with the UK Listing Rules and the Directors' authority under a shareholders' resolution passed on 20 May 2014 to purchase in the market up to 10% of the Company's issued ordinary shares. The Directors will seek to renew this authority at the Company's AGM to be held on 19 May 2016.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are set out in the Strategic Report. Furthermore, notes 25 and 26 to the financial statements includes the Group's objectives and policies for managing its capital, its financial risk management objectives, details of its financial instruments and hedging activities and its exposure to credit and liquidity risk. Significant financing activities that took place during the year are detailed in the Financial review section.

The results of the Group, principally pertaining to its industrial asset base, is exposed to fluctuations in both commodity prices and currency exchange rates whereas the performance of marketing activities is primarily physical volume driven with commodity price risk substantially hedged.

The Directors have a reasonable expectation, having made appropriate enquiries that the Group has adequate resources to continue its operational existence for the foreseeable future. For this reason they continue to adopt the going concern basis in preparing the financial statements.
The Directors have made this assessment after consideration of the Group's budgeted cash flows and related assumptions including appropriate stress testing of the identified uncertainties (being primarily commodity prices and currency exchange rates), assessment of asset disposal initiatives and undrawn credit facilities, monitoring of debt maturities, and after review of the Guidance on Risk Management, Internal Control and Related Financial and Business Reporting 2014 as published by the UK Financial Reporting Council.

Directors' report

For the year ended 31 December 2015

Longer-term viability

In accordance with paragraph C2.2 of the Code, the Directors have assessed the prospects of the Group's viability over a longer period than the 12 months required by the *Going Concern* assessment above. The Board has assessed the viability of the Group over a four-year period. This period is consistent with the Group's established annual business planning and forecasting processes and cycle which is subject to review and approval each year by the Board. The four-year plan considers Glencore's EBITDA, Capital Expenditure, Funds From Operations ("FFO") and Net Debt, and the key financial ratios of Net Debt to EBITDA and FFO to Net Debt over the forecasted years and incorporates stress tests to simulate the potential impacts of exposure to the Group's principal risks and uncertainties as set out on pages 28to 35. These scenarios included:

- a prolonged downturn in the price and demand of commodities most impacting Glencore's operations;
- foreign exchange movements to which the Group is exposed as a result of its global operations; and
- consideration of the potential impact of adverse movements in macro-economic assumptions and their effect on certain key financial KPIs and ratios which could increase the Group's access to or cost of funding.

The scenarios were assessed taking into account current risk appetite and any mitigating actions Glencore could take, as required, in response to the potential realisation of any of the stressed scenarios.

Based on the results of the related analysis, the Directors have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the four-year period of this assessment.

Auditors

Each of the persons who is a Director at the date of approval of this Annual Report confirms that:

(a) so far as the Director is aware, there is no relevant audit information of which the Company's auditors are unaware; and

(b) the Director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

Deloitte LLP have expressed their willingness to continue in office as auditors and a resolution to reappoint them will be proposed at the forthcoming AGM.

Statement of Directors' responsibilities

The Directors are responsible for preparing the Annual Report and financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board and International Financial Reporting Standards as adopted for use in the European Union (together "IFRS"). The financial statements are required by law to be properly prepared in accordance with the Companies (Jersey) Law 1991. International Accounting Standard 1 requires that financial statements present fairly for each financial year the Company's financial position, financial performance and cash flows. This requires the faithful representation of the effects of transactions, other events and conditions in accordance with the definitions and recognition criteria for assets, liabilities, income and expenses set out in the International Accounting Standards Board's "Framework for the preparation and presentation of financial statements".

In virtually all circumstances, a fair presentation will be achieved by compliance with all applicable IFRSs. However, the Directors are also required to:

- properly select and apply accounting policies;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in IFRSs are insufficient to enable users to understand the impact of particular transactions, other events and conditions on the entity's financial position and financial performance; and
- make an assessment of the Company's ability to continue as a going concern.

The Directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies (Jersey) Law 1991. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

John Burton
Company Secretary

7 March 2016

Information required by Listing Rule LR 9.8.4C

In compliance with UK Listing Rule 9.8.4C the Company discloses the following information:

Listing Rule	Information required	Relevant disclosure
9.8.4(1)	Interest capitalised by the Group	See note 7 to the financial statements
9.8.4(2)	Unaudited financial information as required (LR 9.2.18)	See Chief Executive Officer's review
9.8.4(4)	Long-term incentive plans involving a sole director (LR 9.4.3)	Not applicable
9.8.4(5)	Director waivers of emoluments	See Directors' remuneration report
9.8.4(6)	Director waivers of future emoluments	See Directors' remuneration report
9.8.4(7)	Non pro-rata allotments of equity for cash (The Company)	See note 15 to the financial statements for details of a placing of shares
9.8.4(8)	Non pro-rata allotments of equity for cash (major subsidiaries)	Not applicable
9.8.4(9)	Listed company is a subsidiary of another company	Not applicable
9.8.4(10)	Contracts of significance involving a Director	None
9.8.4(11)	Contracts of significance involving a controlling shareholder	Not applicable
9.8.4(12)	Waivers of dividends	See note 15 to the financial statements
9.8.4(13)	Waivers of future dividends	See note 15 to the financial statements
9.8.4(14)	Agreement with a controlling shareholder (LR 92.2. AR(2)(a))	Not applicable

Confirmation of Directors' responsibilities

We confirm that to the best of our knowledge:

- the consolidated financial statements, prepared in accordance with International Financial Reporting Standards and interpretations as adopted by the European Union, International Financial Reporting Standards and interpretations as issued by the International Accounting Standards Board and the Companies (Jersey) Law 1991, give a true and fair view of the assets, liabilities, financial position and loss of the Group and the undertakings included in the consolidation taken as a whole;
- the management report, which is incorporated in the Strategic Report, includes a fair review of the development and performance of the business and the position of the Group and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties they face; and
- the Annual Report and consolidated financial statements, taken as a whole, are fair and balanced and understandable and provide the information necessary for shareholders to assess the performance, strategy and business model of the Company.

The consolidated financial statements of the Group for the year ended 31 December 2015 were approved on 7 March 2016 by the Board of Directors.

Signed on behalf of the Board:

Anthony Hayward
Chairman

Ivan Glasenberg
Chief Executive Officer

7 March 2016

Financial statements

Financial statements

Independent Auditor's Report to the members of Glencore plc

Opinion on financial statements of Glencore plc

In our opinion the financial statements:

- give a true and fair view of the state of the Group's affairs as at 31 December 2015 and of the Group's loss for the year then ended;
- have been properly prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union; and
- have been properly prepared in accordance with the Companies (Jersey) Law 1991.

The financial statements comprise the Consolidated Statement of (Loss)/Income, the Consolidated Statement of Comprehensive (Loss)/Income, the Consolidated Statement of Financial Position, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes of Equity and the related notes 1 to 34. The financial reporting framework that has been applied in their preparation is applicable law and IFRSs as adopted by the European Union.

Separate opinion in relation to IFRSs as issued by the IASB

As explained in note 1 to the financial statements, in addition to applying IFRSs as adopted by the European Union, the Group has also applied IFRSs as issued by the International Accounting Standards Board (IASB).

In our opinion the financial statements comply with IFRSs as issued by the IASB.

Going concern and the Directors' assessment of the principal risks that would threaten the solvency or liquidity of the Group

We have reviewed the Directors' statement regarding the appropriateness of the going concern basis of accounting contained within note 1 to the financial statements and the Directors' statement on the longer-term viability of the Group contained within the Governance section of the Annual Report.

We have nothing material to add or draw attention to in relation to:

- the Directors' confirmation on page 80 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency or liquidity;
- the disclosures on pages 28 - 35 and pages 80 - 84 that describe those risks and explain how they are being managed or mitigated;
- the Directors' statement in note 1 to the financial statements about whether they considered it appropriate to adopt the going concern basis of accounting in preparing them and their identification of any material uncertainties to the Group's ability to continue to do so over a period of at least 12 months from the date of approval of the financial statements; and
- the Director's explanation on page 98 as to how they have assessed the prospects of the Group, over what period they have done so and why they consider that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

We agreed with the Directors' adoption of the going concern basis of accounting and we did not identify any such material uncertainties. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group's ability to continue as a going concern.

Independence

We are required to comply with the Financial Reporting Council's Ethical Standards for Auditors and we confirm that we are independent of the Group and we have fulfilled our other ethical responsibilities in accordance with those standards. We also confirm we have not provided any of the prohibited non-audit services referred to in those standards.

Our assessment of risks of material misstatement

The assessed risks of material misstatement described below are those that had the greatest effect on our audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team.

In arriving at our audit opinion on the financial statements, we have considered any significant changes in the Group's operations and the broader market conditions that may influence the audit risk profile of the Group. The announcement of the Group's capital preservation/debt reduction plans on 7 September 2015 resulted in a new risk of material misstatement compared to the prior year and a consequential change in our current year audit focus and effort.

Last year our report included a risk associated with acquisition accounting with respect to the finalisation of the accounting for the acquisition of Xstrata plc. Accounting for this acquisition was finalised in the prior year and there were no material acquisitions in the current year, as such this risk has not been included as a key risk in the current year.

The description of risks below should be read in conjunction with the significant issues considered by the Audit Committee discussed on page 86. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	How the scope of our audit responded to the risk
Capital preservation/Debt reduction plans	
On 7 September 2015, the Group announced a number of measures to preserve capital and reduce debt by 31 December 2016 in response to a lower commodity price landscape. An update of the measures was announced on 10 December 2015. Due to the bespoke nature of some of the specific measures announced and the resultant market focus on them, we identified a heightened key audit risk relating to potential management override and earnings management with respect to fair presentation and disclosure of financial performance and position. Fair presentation and disclosure is achieved when the transactions underpinning the announced measures have been recorded: • when the transaction has occurred (occurrence and existence); • in accordance with the substance of the transaction (rights and obligations and classification); • in the correct amount in the appropriate accounting period (measurement and cut-off); and • in accordance with the requirements of IFRS including appropriate presentation and disclosure (presentation and disclosure). Refer to "Key judgements" within note 1 and additionally notes 11, 13, 20, and 23.	To scope our audit and respond to the risks associated with the announced measures we have: • undertaken a detailed assessment of each of the announced measures to assess how they may impact the Group and therefore our required audit response; • enhanced our Group and component audit approach and risk assessment to address the risk of material misstatement and potential management bias associated with the transactions underlying these measures, particularly where significant judgements, estimates and assumptions are applied; • for individually material transactions relating to the announced measures that were completed during the year ended 31 December 2015, reviewed and tested these with reference to supporting documentation (e.g. contractual agreements) and assessed the associated accounting treatment focusing on the fair presentation and disclosure; and • developed specific responses for each announced production curtailment and suspended operation through additional focus on impairment of assets, retrenchment and related restructuring provisions, accounting for onerous contracts, impact on depreciation of assets and cost capitalisation (see "Impairments" below).

Independent Auditor's Report to the members of Glencore plc

Risk	How the scope of our audit responded to the risk
Impairments	
The carrying value of the Group's non-current assets, which includes intangible assets, property, plant and equipment, investments in associates and joint ventures, amounted to $86,287 million at 31 December 2015. The continued volatility in commodity prices to which the Group is significantly exposed and the Group's suspension or reduction in production of at several of the operations are factors which heighten the risk of impairment associated with the Group's non-current assets. Recoverability of these non-current assets is dependent on macro-economic assumptions about future commodity prices, discount and exchange rates as well as internal assumptions related to future production levels and operating costs. These estimates are particularly significant due to commodity price volatility across the base metals and energy assets, assumed future production and the uncertain economic outlook. The outcome of impairment assessments could vary significantly were different assumptions applied. In total, impairments amounting to $7,120 million were recognised in the year ended 31 December 2015. Refer to "Key estimates and assumptions" within note 1 and additionally notes 3 and 5.	We reviewed management's assessment of the indicators of impairment and challenged the significant assumptions used in this initial review. Where significant indicators of impairment were identified, we utilised Deloitte mining valuation specialists to assess the appropriateness of management's recoverable value models, which included the underlying model inputs and significant assumptions. We challenged the significant inputs and assumptions used in impairment testing for intangible assets, property, plant and equipment, associates and joint ventures, specifically the commodity price, foreign exchange, assumed production levels operating cost and discount rate assumptions, including consideration of the risk of management bias. Our challenge included comparing inputs and significant assumptions, such as commodity price, foreign exchange, and discount rates, to third party forecasts, Deloitte developed discount rates, production to life of mine plans and reserves and resources estimates, assessing whether assumptions had been applied on a consistent basis across the Group. We performed sensitivity analyses on non-current assets, including those which were not identified as having indicators of impairment but have a higher risk of impairment due to lower available headroom in fair value models, volatility in key pricing assumptions or the existence of operational circumstances which may indicate potential impairment. We also assessed the adequacy of impairment related disclosures in the financial statements.
Revenue recognition	
Revenue recognition has been identified as a risk primarily relating to the following: • The completeness and accuracy of the capture of trades within the trade book and the timing of revenue recognition for commodity sales with deliveries occurring on or around year end • Judgement is required to determine when risks and rewards have transferred under certain contractual arrangements with third parties • Due to the significant volume of transactions and the complexity of the supporting IT systems, minor errors could, in aggregate, have a material impact on the financial statements Refer to note 1.	We carried out testing relating to internal controls, including IT general controls surrounding major IT applications and critical interfaces over revenue recognition and completeness and accuracy of trade capture. On a sample basis, we agreed deliveries occurring near 31 December 2015 to supporting documentation to assess that the IFRS revenue recognition criteria were met for recognised sales and obtained third party confirmations where relevant to check completeness and accuracy of trade books. We also performed testing on journal entries using computer assisted profiling techniques to test for any management override of internal controls related to revenue recognition.

Risk	How the scope of our audit responded to the risk
Fair value measurements within the marketing operations	
Determination of fair values of marketing inventories, financial assets and liabilities is a complex and subjective area often requiring significant estimates, particularly where valuations utilise unobservable inputs (e.g. credit risk assessments, market volatility and forecast operational estimates). At 31 December 2015, total Level 3 Other financial assets and liabilities amounted to $224 million and $392 million respectively. As the Group's marketing inventories and other financial assets and liabilities are measured at fair value at each reporting date, these fair value measurements significantly impact the Group's results. Refer to "Key estimates and assumptions" within note 1 and additionally notes 26 and 27.	We carried out internal control testing over management's processes for determining inputs to fair value measurements and performed detailed substantive testing on a sample basis of the related fair value measurements. We specifically tested the evidence supporting unobservable inputs utilised in Level 3 measurements in the fair value hierarchy as outlined in note 27 to the financial statements, which included reviews of broker quotes, recent transactions and other supporting documentation.
Classification of financial instruments	
Further to the above, classification of contracts relating to the Group's marketing operations is a judgemental area, particularly sales contracts where the Group physically delivers its own production to a third party ("own use"), rather than those which form part of the Group's marketing operations. Differences in classification affect recognition of associated gains and losses as contracts which are "own use" are exempt from mark-to-market accounting. Classification of the Group's financial instruments within the Consolidated Statement of Financial Position requires an assessment of the relevant contractual terms (e.g. to identify embedded derivatives) and in some cases the application of judgement. Refer to notes 26 and 27.	We obtained an understanding of the trading strategies and associated product flows within the Group's marketing departments. We analysed the trade books to identify incidents where contracts were not physically delivered ("net settled"), which may indicate tainting of the "own use" criteria. Where a contract had been net settled, we checked that the contract was appropriately ring-fenced from the "own use" trade book and marked to market reflecting the underlying facts and circumstances. We assessed the adequacy of related disclosures in the financial statements in accordance with the requirements of IFRS.
Credit and performance risk	
The Group is exposed to credit and performance risk arising from the Group's global marketing operations and trade advances, particularly in markets demonstrating significant price volatility with limited liquidity and terminal markets. This risk is heightened in times of increased price volatility, where suppliers may be incentivised to default on delivery and customers are unable to make payments. At 31 December 2015, total Advances and loans and Accounts receivable amounted to $3,005 million and $17,001 million respectively. Refer to notes 11, 13 and 26.	We undertook internal control testing of the Group's centralised and local credit and performance risk monitoring procedures. We challenged management's assessment of the recoverability of aged and overdue receivables, loans and advance payments with delayed or overdue deliveries, considering historical patterns of trading and settlement as well as recent communications with the counterparties. In addition, we made specific inquiries to understand positions in commodities across the Group given the high price volatility during the year, particularly with respect to base metals, energy and certain agricultural products.

Independent Auditor's Report to the members of Glencore plc

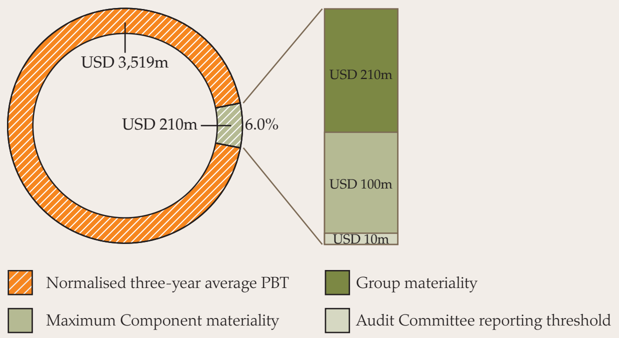
Risk	How the scope of our audit responded to the risk
Taxation	
There is significant judgement around accounting for income taxes particularly in light of the number of jurisdictions in which the Group operates, including judgements concerning residency of key corporate operations and holding companies, provisioning for tax exposures, application of transfer pricing rules, the recognition of deferred income tax assets and the taxation impacts of any corporate restructurings. This gives rise to complexity and uncertainty in respect of the calculation of income taxes and deferred tax assets and consideration of contingent liabilities associated with tax years open to audit. As at 31 December 2015, the Group has recorded a tax expense of $98 million, $3,931 million of net deferred tax liabilities and has disclosed its assessment of tax-related contingent liabilities in note 30. Refer to "Key judgements" within note 1 and additionally notes 6 and 30.	We undertook a specific assessment of the material components impacting the Group's tax expense, balances and exposures and performed detailed audit procedures in relation to these. We considered the appropriateness of management's assumptions and estimates in relation to the likelihood of generating future taxable profits to support the recognition of deferred tax assets with reference to forecast taxable profits and consistency of these forecasts with the Group's budgets. We reviewed and challenged management's assessment of uncertain tax positions and conclusions on complex tax arrangements through discussions with the Group taxation department, reviewing correspondence with local tax authorities, reviewing third party expert tax opinions and utilising Deloitte tax specialists, where appropriate, to assess the adequacy of associated provisions and disclosures.

Our application of materiality

We define materiality as the magnitude of misstatement in the financial statements that makes it probable that the economic decisions of a reasonably knowledgeable person would be changed or influenced. We use materiality both in planning the scope of our audit work and in evaluating the results of our work.

We determined materiality for the Group to be $210 million (2014: $300 million), which is approximately 6.0% of normalised three-year average pre-tax profit (2014: 6.4% of 2014 pre-tax profit), and equates to less than 1% (2014: 1%) of equity.

Materiality



In the current year, we have reassessed our methodology for the determination of materiality going forward by using a percentage of normalised three-year average (2013 – 2015) of pre-tax profits instead of a percentage of current year normalised pre-tax profit. This reassessed approach was determined to be more appropriate given the nature of the mining industry which is exposed to cyclical commodity price fluctuations and to therefore provide a more stable base reflective of the scale of the Group's size and operations.

The pre-tax profits for the 2013 – 2015 years have been normalised in determining materiality to exclude items which, due to their nature and/or expected infrequency of the underlying events, are not considered indicative of continuing operations of the Group and so do not form part of the Group's internally or externally monitored primary KPIs, and which if included, would distort materiality year on year. These normalising items are outlined in notes 3 and 4 to the financial statements. Additionally, the pro forma pre-tax profit for the 2013 year incorporating a full year of the acquired Xstrata business was utilised to consistently reflect the current scale of the Group.

Audits undertaken at the component level for Group reporting purposes were performed at levels of materiality applicable to each individual entity of which were lower than Group materiality and ranged from $6 million to a maximum of $100 million (2014: $2 million to $100 million).

We agreed with the Audit Committee that we would report to the Committee all audit differences in excess of $10 million (2014: $10 million), as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.

An overview of the scope of our audit

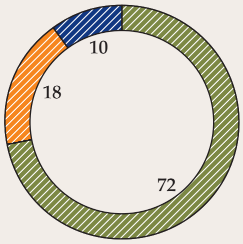
Our Group audit was scoped by obtaining an understanding of the Group and its environment, including group-wide controls, and assessing the risks of material misstatement at the Group level. Based on our continuing assessment, we focused our Group audit scope primarily on the audit work at 51 components (2014: 51 Group components), representing the Group's most material marketing operations and industrial assets, and utilised 19 component audit teams (2014: 20 component audit teams) in 17 countries (2014: 18 countries):

- 34 of these were subject to a full scope audits (2014: 36 components); and
- 17 were subject to specified audit procedures where the extent of our testing was based on our assessment of the risks of material misstatement and of the materiality of the Group's operations at those locations (2014: 15 components).

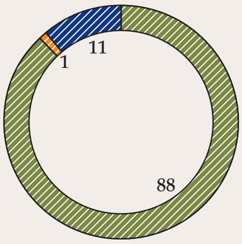
These 51 components account for 90% of the Group's net assets (2014: 95%), 89% of the Group's revenue (2014: 89%) and 88% of the Group's adjusted EBITDA (2014: 93%). The above mentioned reduction in Group materiality from 2014 did not significantly impact our assessment of audit coverage because of the significant number of marketing and industrial components already within Group audit scope.

Independent Auditor's Report to the members of Glencore plc

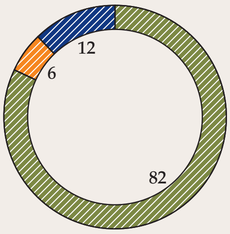
Net assets



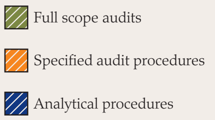
Revenue



Adjusted EBITDA



Coverage percentages



Detailed audit instructions were sent to the auditors of these in-scope components. These detailed audit instructions specified areas of audit focus, identified the risks of material misstatement assessed by the Group audit team and set out the information to be reported back to the Group audit team. The instructions were updated during the audit in respect of any changes deemed necessary by the Group audit team in response to changes in the business or risk assessment.

The Group audit team continued to follow a programme of regular face-to-face meetings with components that has been designed so that the Group Audit Partner or another senior member of the Group audit team periodically meets with local management and the component audit team on a rotational basis. In 2015, the Group audit team held meetings with 25 components (2014: 24 components).

Additionally, for all in-scope components, the Group audit team was involved in the audit work performed by the component auditors through a combination of our global planning conference call meetings, provision of referral instructions, review and challenge of related component inter-office reporting and of findings from their work (which included the audit procedures performed to respond to risks of material misstatement), attendance at component audit closing conference calls and regular interaction on any related audit and accounting matters which arose.

At the parent entity level we also tested the consolidation process and carried out analytical procedures to confirm our conclusion that there were no significant risks of material misstatement of the aggregated financial information of the remaining components not subject to audit or audit of specified account balances.

Matters on which we are required to report by exception

Adequacy of explanations received and accounting records

Under the Companies (Jersey) Law, 1991 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- proper accounting records have not been kept by the parent company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have nothing to report in respect of these matters.

Corporate Governance Statement

Under the Listing Rules we are also required to review the part of the Corporate Governance Statement relating to the Company's compliance with certain provisions of the UK Corporate Governance Code. We have nothing to report arising from our review.

Our duty to read other information in the Annual Report

Under International Standards on Auditing (UK and Ireland), we are required to report to you if, in our opinion, information in the Annual Report is:

- materially inconsistent with the information in the audited financial statements; or
- apparently materially incorrect based on, or materially inconsistent with, our knowledge of the Group acquired in the course of performing our audit; or
- otherwise misleading.

In particular, we are required to consider whether we have identified any inconsistencies between our knowledge acquired during the audit and the Directors' statement that they consider the Annual Report is fair, balanced and understandable and whether the Annual Report appropriately discloses those matters that we communicated to the Audit Committee which we consider should have been disclosed. We confirm that we have not identified any such inconsistencies or misleading statements.

Other matters

In our opinion, the part of the Directors' remuneration report to be audited has been properly prepared in accordance with the provisions of the UK Companies Act 2006 as if that Act had applied to the Company.

Respective responsibilities of Directors and auditor

As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). We also comply with International Standard on Quality Control 1 (UK and Ireland). Our audit methodology and tools aim to ensure that our quality control procedures are effective, understood and applied. Our quality controls and systems include our dedicated professional standards review team and independent partner reviews.

This report is made solely to the Company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law, 1991. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and/or those further matters we have expressly agreed to report to them on in our engagement letter 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 and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Group's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Matthew Sheerin, ACA CA (AUS)
for and on behalf of Deloitte LLP
Chartered Accountants and Recognized Auditor
London, UK

7 March 2016

Consolidated statement of (loss)/income

For the year ended 31 December 2015

US$ million	Notes	**2015**	2014
Revenue		170,497	221,073
Cost of goods sold		(166,982)	(214,344)
Selling and administrative expenses		(1,271)	(1,304)
Share of income from associates and joint ventures	10	101	638
(Losses)/gains on disposals and investments	3	(994)	715
Other expense – net	4	(7,998)	(1,073)
Dividend income		25	19
Interest income		191	253
Interest expense		(1,585)	(1,724)
(Loss)/income before income taxes		**(8,016)**	**4,253**
Income tax expense	6	(98)	(1,809)
(Loss)/income for the year		**(8,114)**	**2,444**
Attributable to:			
Non-controlling interests		(3,150)	136
Equity holders		(4,964)	2,308
(Loss)/earnings per share:			
Basic (US$)	16	(0.37)	0.18
Diluted (US$)	16	(0.37)	0.18

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of comprehensive (loss)/income

For the year ended 31 December 2015

US$ million	Notes	2015	2014
(Loss)/income for the year		(8,114)	2,444
Other comprehensive (loss)/income			
Items not to be reclassified to the statement of income in subsequent periods:			
Defined benefit plan actuarial gains/(losses), net of tax of $34 million (2014: $58 million)	22	92	(196)
Net items not to be reclassified to the statement of income in subsequent periods:		**92**	**(196)**
Items that are or may be reclassified to the statement of income in subsequent periods:			
Exchange loss on translation of foreign operations		(1,795)	(852)
Foreign currency exchange losses recycled to the statement of income	3/24	311	–
(Losses)/gains on cash flow hedges, net of tax of $42 million (2014: $3 million)		(89)	415
Share of comprehensive loss from associates and joint ventures	10	(26)	(23)
(Loss)/gain on available for sale financial instruments	10	(488)	501
Cash flow hedges transferred to the statement of income, net of tax of $nil (2014: $nil)		–	(1)
Net items that are or may be reclassified to the statement of income in subsequent periods:		**(2,087)**	**40**
Other comprehensive loss		**(1,995)**	**(156)**
Total comprehensive (loss)/income		**(10,109)**	**2,288**
Attributable to:			
Non-controlling interests		(3,217)	130
Equity holders		(6,892)	2,158

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of financial position

As at 31 December 2015

US$ million	Notes	2015	2014
Assets			
Non-current assets			
Property, plant and equipment	7	61,278	70,110
Intangible assets	8	7,516	8,866
Investments in associates and joint ventures	10	11,337	12,274
Other investments	10	1,305	1,472
Advances and loans	11	3,005	4,597
Deferred tax assets	6	1,846	1,667
		86,287	**98,986**
Current assets			
Inventories	12	18,303	24,436
Accounts receivable	13	17,001	21,456
Other financial assets	27	3,701	4,036
Prepaid expenses and other assets		447	436
Marketable securities		39	31
Cash and cash equivalents	14	2,707	2,824
		42,198	**53,219**
Total assets		**128,485**	**152,205**
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital	15	146	133
Reserves and retained earnings		41,108	48,409
		41,254	**48,542**
Non-controlling interests	32	89	2,938
Total equity		**41,343**	**51,480**
Non-current liabilities			
Borrowings	19	32,932	40,688
Deferred income	20	1,452	1,120
Deferred tax liabilities	6	5,777	6,435
Other financial liabilities	27	186	980
Provisions	21	5,923	7,555
		46,270	**56,778**
Current liabilities			
Borrowings	19	11,117	12,005
Accounts payable	23	24,088	26,881
Deferred income	20	87	153
Provisions	21	474	576
Other financial liabilities	27	4,931	3,956
Income tax payable		175	376
		40,872	**43,947**
Total equity and liabilities		**128,485**	**152,205**

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2015

US$ million	Notes	2015	2014
Operating activities			
(Loss)/income before income taxes		(8,016)	4,253
Adjustments for:			
Depreciation and amortisation		5,835	5,448
Share of income from associates and joint ventures		(101)	(638)
Decrease in other long-term liabilities		(202)	(173)
Losses/(gains) on disposals and investments	3	994	(715)
Unrealised mark-to-market movements on other investments	4	262	(134)
Impairments	5	7,120	1,101
Other non-cash items – net[1]		168	365
Interest expense – net		1,394	1,471
Cash generated by operating activities before working capital changes		**7,454**	**10,978**
Working capital changes			
Decrease in accounts receivable[2]		4,787	1,727
Decrease/(increase) in inventories		5,410	(1,978)
Decrease in accounts payable[3]		(3,572)	(452)
Proceeds from silver streaming	20	900	–
Total working capital changes		**7,525**	**(703)**
Income taxes paid		(865)	(928)
Interest received		119	49
Interest paid		(1,203)	(1,260)
Net cash generated by operating activities		**13,030**	**8,136**
Investing activities			
Decrease/(increase) in long-term advances and loans		188	(686)
Net cash used in acquisition of subsidiaries	24	(318)	(1,792)
Net cash received from disposal of subsidiaries	24	212	6,482
Purchase of investments	10	(236)	(374)
Proceeds from sale of investments		41	64
Purchase of property, plant and equipment		(5,372)	(7,854)
Capital expenditures related to assets held for sale		–	(961)
Payments for exploration and evaluation	7	(147)	(245)
Proceeds from sale of property, plant and equipment		115	206
Dividends received from associates and joint ventures	10	428	1,129
Net cash used by investing activities		**(5,089)**	**(4,031)**

1 Includes certain non-cash items as disclosed in note 4.

2 Includes movements in other financial assets, prepaid expenses and other assets.

3 Includes movements in other financial liabilities, provisions and deferred income.

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of cash flows

For the year ended 31 December 2015

US$ million	Notes	2015	2014
Financing activities[1]			
Proceeds from issuance of capital market notes[2]	19	4,901	5,535
Repayment of capital market notes		(4,459)	(1,751)
Repurchase of capital market notes		(529)	–
Repayment of convertible bonds	19	–	(2,365)
(Repayment of)/proceeds from other non-current borrowings		(5,176)	1,580
Net margin payments in respect of financing related hedging activities		(618)	10
Repayment of current borrowings		(1,926)	(3,782)
Acquisition of additional interest in subsidiaries		–	(101)
Return of capital/distributions to non-controlling interests		(95)	(245)
Repurchase of own shares		(272)	(786)
Proceeds from own shares		–	19
Share issuance[2]		2,444	–
Distributions paid to equity holders of the parent	17	(2,328)	(2,244)
Net cash used by financing activities		**(8,058)**	**(4,130)**
Decrease in cash and cash equivalents		(117)	(25)
Cash and cash equivalents, beginning of year		2,824	2,849
Cash and cash equivalents, end of year		**2,707**	**2,824**

1 *Presented net of directly attributable issuance costs where applicable.*

2 *Net of issuance costs relating to capital market notes and shares of $16 million (2014: $22 million) and $64 million (2014: $nil) respectively.*

The accompanying notes are an integral part of the consolidated financial statements.

Consolidated statement of changes of equity

For the year ended 31 December 2015

US$ million	(Deficit)/ retained earnings	Share premium	Other reserves (note 15)	Own shares	Total reserves and (deficit)/ retained earnings	Share capital	Total equity attributable to equity holders	Non-controlling interests (note 32)	Total equity
1 January 2014	**(2,412)**	**54,777**	**(2,418)**	**(767)**	**49,180**	**133**	**49,313**	**3,368**	**52,681**
Income for the year	2,308	–	–	–	2,308	–	2,308	136	2,444
Other comprehensive loss	(219)	–	69	–	(150)	–	(150)	(6)	(156)
Total comprehensive income	**2,089**	**–**	**69**	**–**	**2,158**	**–**	**2,158**	**130**	**2,288**
Own share purchases[1]	–	–	–	(795)	(795)	–	(795)	–	(795)
Own share disposal[1]	(38)	–	–	69	31	–	31	–	31
Equity-settled share-based expenses[2]	50	–	–	–	50	–	50	–	50
Equity portion of convertible bonds	89	–	(89)	–	–	–	–	–	–
Change in ownership interest in subsidiaries	–	–	29	–	29	–	29	(300)	(271)
Disposal of business	–	–	–	–	–	–	–	(15)	(15)
Distributions paid[5]	–	(2,244)	–	–	(2,244)	–	(2,244)	(245)	(2,489)
At 31 December 2014	**(222)**	**52,533**	**(2,409)**	**(1,493)**	**48,409**	**133**	**48,542**	**2,938**	**51,480**
1 January 2015	**(222)**	**52,533**	**(2,409)**	**(1,493)**	**48,409**	**133**	**48,542**	**2,938**	**51,480**
Loss for the year	(4,964)	–	–	–	(4,964)	–	(4,964)	(3,150)	(8,114)
Other comprehensive loss	66	–	(1,994)	–	(1,928)	–	(1,928)	(67)	(1,995)
Total comprehensive income	**(4,898)**	**–**	**(1,994)**	**–**	**(6,892)**	**–**	**(6,892)**	**(3,217)**	**(10,109)**
Shares issued[1]	–	2,431	–	–	2,431	13	2,444	–	2,444
Own share purchases[1]	–	–	–	(281)	(281)	–	(281)	–	(281)
Own share disposal[1]	(45)	–	–	62	17	–	17	–	17
Equity-settled share-based expenses[2]	66	–	–	–	66	–	66	–	66
Change in ownership interest in subsidiaries	–	–	(16)	–	(16)	–	(16)	35	19
Disposal of business[3]	–	–	–	–	–	–	–	(257)	(257)
Cancellation of put option[4]	–	–	–	–	–	–	–	685	685
Distributions paid[5]	–	(2,626)	–	–	(2,626)	–	(2,626)	(95)	(2,721)
At 31 December 2015	**(5,099)**	**52,338**	**(4,419)**	**(1,712)**	**41,108**	**146**	**41,254**	**89**	**41,343**

1 *See note 15.*

2 *See note 18.*

3 *See note 24.*

4 *See note 27.*

5 *See note 17.*

The accompanying notes are an integral part of the consolidated financial statements.

Notes to the financial statements

1. ACCOUNTING POLICIES

Corporate information

Glencore plc (the "Company", "Parent", the "Group" or "Glencore"), is a leading integrated producer and marketer of natural resources, with worldwide activities in the production, refinement, processing, storage, transport and marketing of metals and minerals, energy products and agricultural products. Glencore operates on a global scale, marketing and distributing physical commodities sourced from third party producers and own production to industrial consumers, such as those in the automotive, steel, power generation, oil and food processing industries. Glencore also provides financing, logistics and other services to producers and consumers of commodities. In this regard, Glencore seeks to capture value throughout the commodity supply chain. Glencore's long experience as a commodity producer and merchant has allowed it to develop and build upon its expertise in the commodities which it markets and cultivate long-term relationships with a broad supplier and customer base across diverse industries and in multiple geographic regions.

Glencore plc is a publicly traded limited company incorporated in Jersey and domiciled in Switzerland. Its ordinary shares are traded on the London, Hong Kong and Johannesburg stock exchanges.

These consolidated financial statements were authorised for issue in accordance with a Directors' resolution on 7 March 2016.

Statement of compliance

The accounting policies adopted in this preliminary announcement are based on the Company's financial statements which are prepared in accordance with:

- International Financial Reporting Standards ("IFRS") and interpretations as adopted by the European Union ("EU") effective as of 31 December 2015; and
- IFRS and interpretations as issued by the International Accounting Standards Board ("IASB") effective as of 31 December 2015.

Critical accounting judgements and key sources of estimation

The preparation of the consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities as well as the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable and relevant under the circumstances, independent estimates, quoted market prices and common, industry standard modelling techniques. Actual outcomes could result in a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Glencore has identified the following areas as being critical to understanding Glencore's financial position as they require management to make complex and/or subjective judgements, estimates and assumptions about matters that are inherently uncertain:

Key judgements

In the process of applying Glencore's accounting policies, management has made the following judgements based on the relevant facts and circumstances including macro-economic circumstances and, where applicable, interpretation of underlying agreements, which have the most significant effect on the amounts recognised in the consolidated financial statements.

Determination of control of subsidiaries and joint arrangements (see note 34)

Judgement is required to determine when Glencore has control of subsidiaries or joint control of joint arrangements. This requires an assessment of the relevant activities (those relating to the operating and capital decisions of the arrangement, such as: the approval of the capital expenditure programme for each year, and appointing, remunerating and terminating the key management personnel or service providers of the operations) and when the decisions in relation to those activities are under the control of Glencore or require unanimous consent.

Judgement is also required in determining the classification of a joint arrangement between a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement.

Differing conclusions around these judgements, may materially impact how these businesses are presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method.

Exploration and evaluation expenditure (notes 7 and 29)

The application of Glencore's accounting policy for exploration and evaluation expenditure requires judgement to determine whether future economic benefits are likely, from either future exploitation or sale, or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves/resource.

Credit and performance risk (note 25)

The Group's global marketing operations expose it to credit and performance (the risk that counterparties fail to sell or purchase physical commodities on agreed terms) risks; these arise particularly in markets demonstrating significant price volatility with limited liquidity and terminal markets and when global and/or regional macro-economic conditions are weak.

Continuously, but particularly during such times, judgement is required to determine whether receivables, loans and advances are recoverable and if contracted product deliveries will be received. Judgements about recoverability and contractual performance may materially impact both non-current and current assets as recognised in the statement of financial position.

Recognition of deferred tax assets (note 6)

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether there will be sufficient taxable income available to offset the tax assets when they do reverse. These judgements are subject to risk and uncertainty and therefore, to the extent assumptions regarding future profitability change, there can be a material increase or decrease in the amounts recognised in the consolidated statement of income in the period in which the change occurs. The recoverability of deferred tax assets including the estimates and assumptions contained therein are reviewed regularly by management.

Classification of transactions which contain a financing element (notes 20 and 23)

Transactions for the sale or purchase of commodities may contain a financing element such as extended payment term agreements. Judgement is required to determine the most appropriate classification and presentation of these transactions within the statements of cash flows and financial position. In determining the appropriate classification, management considers the underlying economic substance of the transaction and the significance of the financing element to the transaction. Typically the economic substance of the transaction is determined to be operating in nature, i.e. predominantly related to the sale or purchase of commodities as the financing element is insignificant and the entire cash flow will therefore be presented as operating in the statement of cash flow with a corresponding trade receivable or payable in the statement of financial position.

Key estimates and assumptions

In the process of applying Glencore's accounting policies, management has made key estimates and assumptions concerning the future and other key sources of estimation uncertainty. The key assumptions and estimates at the reporting date that have a significant impact on the financial position and the results of operations, are described below. Actual results may differ from these estimates under different assumptions and conditions and may materially affect financial results or the financial position reported in future periods.

Valuation of derivative instruments (note 27)

Derivative instruments are carried at fair value and Glencore evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 13 Fair Value Measurement. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs (Level 2); or by using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring Glencore to make market-based assumptions (Level 3). Level 3 inputs therefore include the highest level of estimation uncertainty.

Depreciation and amortisation of mineral and petroleum rights, deferred mining costs and plant and equipment (note 7)

Mineral and petroleum rights, deferred mining costs and certain plant and equipment are depreciated/amortised using the Units of Production basis ("UOP"). The calculation of the UOP rate of depreciation/amortisation, and therefore the annual charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral or petroleum reserves and resources, notably changes in the geology of the reserves and resources and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves and resources could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the project, which in turn is limited to the life of the underlying reserves and resources. Estimates of proven and probable reserves and resources are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated reserve and resource base and the operating and development plan are performed regularly.

Impairments (notes 3, 5, 7, 8, 9 and 10)

Investments in associates and joint ventures, other investments, advances and loans, property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable or at least annually for goodwill and other indefinite life intangible assets. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised in the consolidated statement of income. Future cash flow estimates which are used to calculate the asset's fair value are discounted using asset specific discount rates and are based on expectations about future operations, primarily comprising estimates about production and sales volumes, commodity prices (considering current and historical prices, price trends and related factors), reserves and resources, operating, rehabilitation and restoration costs and capital expenditures. Estimates are reviewed regularly by management. Changes in such estimates and in particular, further deterioration in the pricing outlook, could impact the recoverable values of these assets, whereby some or all of the carrying amount may be impaired or the impairment charge reduced (if pricing outlook improves significantly) with the impact recorded in the statement of income.

Provisions (note 21)

The amount recognised as a provision, including tax, legal, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. These provisions may require settlement in future periods and as such may be materially impacted by the time value of money. The determination of the appropriate risk adjusted discount rate to reflect time value of money is a source of estimation uncertainty which could impact the carrying value of these provisions at the balance sheet date.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Restoration, rehabilitation and decommissioning costs (note 21)

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance, the timing, extent and costs of the required closure and rehabilitation activities and of the risk adjusted discount rates used to determine the present value of the future cash outflows. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the consolidated statement of income could be impacted. The provisions including the estimates and assumptions contained therein are reviewed regularly by management.

Fair value measurements (notes 9, 12, 25, 26 and 27)

In addition to recognising derivative instruments at fair value, as discussed above, an assessment of the fair value of assets and liabilities is also required in accounting for other transactions, most notably, business combinations and marketing inventories and disclosures related to fair values of financial assets and liabilities. In such instances, fair value measurements are estimated based on the amounts for which the assets and liabilities could be exchanged at the relevant transaction date or reporting period end, and are therefore not necessarily reflective of the likely cash flow upon actual settlements. Where fair value measurements cannot be derived from publicly available information, they are estimated using models and other valuation methods. To the extent possible, the assumptions and inputs used take into account externally verifiable inputs. However, such information is by nature subject to uncertainty, particularly where comparable market-based transactions often do not exist.

New and revised standards not yet effective

At the date of authorisation of these consolidated financial statements, the following new and revised IFRS standards, which are applicable to Glencore, were issued but are not yet effective:

Amendments to IAS 16 and IAS 38 – Clarification of Acceptable Methods of Depreciation and Amortisation – effective for year ends beginning on or after 1 January 2016

The amendments to IAS 16 Property, Plant and Equipment prohibits entities from using a revenue-based depreciation method for items of property, plant and equipment and the amendments to IAS 38 Intangible Assets introduce a rebuttable presumption that revenue is not an appropriate basis for amortisation of intangible assets.

IFRS 9 – Financial Instruments – effective for year ends beginning on or after 1 January 2018

IFRS 9 modifies the classification and measurement of certain classes of financial assets and liabilities. The most significant change is to rationalise from four to two primary categories of financial assets.

IFRS 15 – Revenue from Contracts with Customers – effective for year ends beginning on or after 1 January 2018

IFRS 15 applies to revenue from contracts with customers and replaces all of the revenue standards and interpretations in IFRS. The standard outlines the principles an entity must apply to measure and recognise revenue and the related cash flows.

IFRS 16 – Leases– effective for year ends beginning on or after 1 January 2019

IFRS 16 provides a comprehensive model for identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. It supersedes IAS 17 Leases and its associated interpretative guidance.

The Directors are currently evaluating the impact these new and revised standards may have on the financial statements of Glencore.

Basis of preparation

The financial statements are prepared under the historical cost convention except for the revaluation of certain financial assets, liabilities and marketing inventories that are measured at revalued amounts or fair values at the end of each reporting period as explained in the accounting policies below. Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. The principal accounting policies adopted are set out below.

The Directors have assessed that they have, at the time of approving the financial statements, a reasonable expectation that the Group has adequate resources to continue in operational existence for the 12 months from the date of approval of the 2015 Annual Report and Accounts. Therefore, they continue to adopt the going concern basis of accounting in preparing these financial statements. Also see page 97. Further information on Glencore's objectives, policies and processes for managing its capital and financial risks are detailed in note 25.

All amounts are expressed in millions of United States Dollars, unless otherwise stated, consistent with the predominant functional currency of Glencore's operations.

Principles of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries.

Control is achieved when Glencore is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, Glencore controls an investee if, and only if, Glencore has all of the following:

- power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee);
- exposure, or rights, to variable returns from its involvement with the investee; and
- the ability to use its power over the investee to affect its returns.

When Glencore has less than a majority of the voting rights of an investee or similar rights of an investee, it considers all relevant facts and circumstances in assessing whether it has power over the investee including:

- the size of Glencore's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by Glencore, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that Glencore has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above. Consolidation of a subsidiary begins when Glencore obtains control over the subsidiary and ceases when Glencore loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of income and other comprehensive income from the date Glencore gains control until the date when Glencore ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in Glencore's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received being recognised directly in equity and attributed to equity holders of Glencore.

When Glencore loses control of a subsidiary, a gain or loss is recognised in the consolidated statement of income and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if Glencore had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IAS 39, when applicable, or the cost on initial recognition of an investment in an associate or a joint venture.

Investments in associates and joint ventures

Associates and joint ventures (together Associates) in which Glencore exercises significant influence or joint control are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. Significant influence is presumed if Glencore holds between 20% and 50% of the voting rights, unless evidence exists to the contrary. A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control over an arrangement, which exists only when decisions about relevant strategic and/or key operating decisions require unanimous consent of the parties sharing control.

Equity accounting involves Glencore recording its share of the Associate's net income and equity. Glencore's interest in an Associate is initially recorded at cost and is subsequently adjusted for Glencore's share of changes in net assets of the Associate, less any impairment in the value of individual investments. Where Glencore transacts with an Associate, unrealised profits and losses are eliminated to the extent of Glencore's interest in that Associate.

Changes in Glencore's interests in Associates are accounted for as a gain or loss on disposal with any difference between the amount by which the carrying value of the Associate is adjusted and the fair value of the consideration received being recognised directly in the consolidated statement of income.

Joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement.

When Glencore undertakes its activities under joint operations, Glencore applies the proportionate consolidation method and recognises:

- its assets, including its share of any assets held jointly;
- its liabilities, including its share of any liabilities incurred jointly;
- its revenue from the sale of its share of the output arising from the joint operation;
- its share of the revenue from the sale of the output by the joint operation; and
- its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses.

Where Glencore transacts with a joint operation, unrealised profits and losses are eliminated to the extent of Glencore's interest in that joint operation.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Business combinations and goodwill

Acquisitions of subsidiaries and businesses are accounted for using the acquisition method of accounting. The cost of the acquisition is measured at fair value, which is calculated as the sum of the acquisition date fair values of the assets transferred, liabilities incurred to the former owners of the acquiree and the equity interests issued in exchange for control of the acquiree. The identifiable assets, liabilities and contingent liabilities ("identifiable net assets") are recognised at their fair value at the date of acquisition. Acquisition related costs are recognised in the consolidated statement of income as incurred.

Where a business combination is achieved in stages, Glencore's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date Glencore attains control) and the resulting gain or loss, if any, is recognised in the consolidated statement of income.

Where the fair value of consideration transferred for a business combination exceeds the fair values attributable to Glencore's share of the identifiable net assets, the difference is treated as purchased goodwill.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the cash-generating units ("CGU") that are expected to benefit from the synergies of the combination. CGUs to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the CGU is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit. Any impairment loss is recognised directly in profit or loss. An impairment loss recognised for goodwill is not able to be reversed in subsequent periods.

On disposal of the relevant CGU, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, Glencore reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted for additional information obtained during the "measurement period" (which cannot exceed one year from the acquisition date) about facts and circumstances that existed at the acquisition date that, if known, would have affected the amounts recognised at that date.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

Similar procedures are applied in accounting for the purchases of interests in Associates and joint operations. Any goodwill arising from such purchases is included within the carrying amount of the investment in Associates, but not amortised thereafter. Any excess of Glencore's share of the net fair value of the Associate's identifiable net assets over the cost of the investment is included in the consolidated statement of income in the period of the purchase.

Revenue recognition

Revenue is recognised when Glencore has transferred to the buyer all significant risks and rewards of ownership of the assets sold. Revenue excludes any applicable sales taxes and is recognised at the fair value of the consideration received or receivable to the extent that it is probable that economic benefits will flow to Glencore and the revenues and costs can be reliably measured. In most instances sales revenue is recognised when the product is delivered to the destination specified by the customer, which is typically the vessel on which it is shipped, the destination port or the customer's premises.

For certain commodities, the sales price is determined on a provisional basis at the date of sale as the final selling price is subject to movements in market prices up to the date of final pricing, normally ranging from 30 to 90 days after initial booking. Revenue on provisionally priced sales is recognised based on the estimated fair value of the total consideration receivable. The revenue adjustment mechanism embedded within provisionally priced sales arrangements has the character of a commodity derivative. Accordingly, the fair value of the final sales price adjustment is re-estimated continuously and changes in fair value are recognised as an adjustment to revenue. In all cases, fair value is estimated by reference to forward market prices.

Royalty, interest and dividend income is recognised when the right to receive payment has been established, it is probable that the economic benefits will flow to Glencore and the amount of income can be measured reliably. Royalty revenue is recognised on an accrual basis in accordance with the substance of the relevant agreement. Interest income is accrued on a time basis, by reference to the principal outstanding and the applicable effective interest rate.

Foreign currency translation

Glencore's reporting currency and the functional currency of the majority of its operations is the US dollar as this is assessed to be the principal currency of the economic environment in which it operates.

Foreign currency transactions

Transactions in foreign currencies are converted into the functional currency of each entity using the exchange rate prevailing at the transaction date. Monetary assets and liabilities outstanding at year end are converted at year-end rates. The resulting exchange differences are recorded in the consolidated statement of income.

Translation of financial statements

For the purposes of consolidation, assets and liabilities of group companies whose functional currency is in a currency other than the US dollar are translated into US dollars using year-end exchange rates, while their statements of income are translated using average rates of exchange for the year.

Goodwill and fair value adjustments arising from the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and are translated at the closing rate. Translation adjustments are included as a separate component of shareholders' equity and have no consolidated statement of income impact to the extent that no disposal of the foreign operation has occurred.

Borrowing costs

Borrowing costs are expensed as incurred except where they relate to the financing of construction or development of qualifying assets in which case they are capitalised up to the date when the qualifying asset is ready for its intended use.

Retirement benefits

Glencore operates various pension schemes in accordance with local requirements and practices of the respective countries. The annual costs for defined contribution plans that are funded by payments to separate trustee administered funds or insurance companies equal the contributions that are required under the plans and accounted for as an expense.

Glencore uses the Projected Unit Credit Actuarial method to determine the present value of its defined benefit obligations and the related current service cost and, where applicable, past service cost. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

The cost of providing pensions is charged to the consolidated statement of income so as to recognise current and past service costs, interest cost on defined benefit obligations, and the effect of any curtailments or settlements, net of expected returns on plan assets. Actuarial gains and losses are recognised directly in other comprehensive income and will not be reclassified to the consolidated statement of income. The retirement benefit obligation/asset recognised in the consolidated statement of financial position represents the actual deficit or surplus in Glencore's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

Glencore also provides post-retirement healthcare benefits to certain employees in Canada, South Africa and the United States. These are accounted for in a similar manner to the defined benefit pension plans, however are unfunded.

Share-based payments

Equity-settled share-based payments

Equity-settled share-based payments are measured at the fair value of the awards based on the market value of the shares at the grant date. Fair value excludes the effect of non-market-based vesting conditions. The fair value is charged to the consolidated statement of income and credited to retained earnings on a straight-line basis over the period the estimated awards are expected to vest.

At each balance sheet date, the Company revises its estimate of the number of equity instruments expected to vest as a result of the effect of non-market-based vesting conditions. The impact of the revision of the original estimates, if any, is recognised in the consolidated statement of income such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to retained earnings.

Cash-settled share-based payments

For cash-settled share-based payments, a liability is initially recognised at fair value based on the estimated number of awards that are expected to vest, adjusting for market and non-market-based performance conditions. Subsequently, at each reporting period until the liability is settled, it is remeasured to fair value with any changes in fair value recognised in the consolidated statement of income.

Income taxes

Income taxes consist of current and deferred income taxes. Current taxes represent income taxes expected to be payable based on enacted or substantively enacted tax rates at the period end on expected current taxable income, and any adjustment to tax payable in respect of previous years. Deferred taxes are recognised for temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable income, using enacted or substantively enacted income tax rates which are expected to be effective at the time of reversal of the underlying temporary difference. Deferred tax assets and unused tax losses are only recognised to the extent that their recoverability is probable. Deferred tax assets are reviewed at reporting period end and amended to the extent that it is no longer probable that the related benefit will be realised. To the extent that a deferred tax asset not previously recognised but which subsequently fulfils the criteria for recognition, an asset is then recognised.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same authority and Glencore has both the right and the intention to settle its current tax assets and liabilities on a net or simultaneous basis. The tax effect of certain temporary differences is not recognised principally with respect to the initial recognition of an asset or liability (other than those arising in a business combination or in a manner that initially impacted accounting or taxable profit) and temporary differences relating to investments in subsidiaries and Associates to the extent that Glencore can control the timing of the reversal of the temporary difference and it is probable the temporary difference will not reverse in the foreseeable future. Deferred tax is provided in respect of fair value adjustments on acquisitions. These adjustments may relate to assets such as extraction rights that, in general, are not eligible for income tax allowances.

Current and deferred tax are recognised as an expense or income in the consolidated statement of income, except when they relate to items that are recognised outside the consolidated statement of income (whether in other comprehensive income or directly in equity) or where they arise from the initial accounting for a business combination.

Royalties, extraction taxes and other levies/taxes are treated as taxation arrangements when they have the characteristics of an income tax including being imposed and determined in accordance with regulations established by the respective government's taxation authority and the amount payable is based on taxable income – rather than physical quantities produced or as a percentage of revenues – after adjustment for temporary differences. For such arrangements, current and deferred tax is provided on the same basis as described above for other forms of taxation. Obligations arising from royalty arrangements that do not satisfy these criteria are recognised as current provisions and included in cost of goods sold.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

Property, plant and equipment

Property, plant and equipment are stated at cost, being the fair value of the consideration given to acquire or construct the asset, including directly attributable costs required to bring the asset to the location or to a condition necessary for operation and the direct cost of dismantling and removing the asset, less accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are depreciated to their estimated residual value over the estimated useful life of the specific asset concerned, or the estimated remaining life of the associated mine ("LOM"), field or lease.

Depreciation commences when the asset is available for use. The major categories of property, plant and equipment are depreciated/amortised on a UOP and/or straight-line basis as follows:

Buildings	10 – 45 years
Freehold land	not depreciated
Plant and equipment	3 – 30 years/UOP
Mineral and petroleum rights	UOP
Deferred mining costs	UOP

Assets under finance leases, where substantially all the risks and rewards of ownership transfer to the Group as lessee, are capitalised and amortised over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease. All other leases are classified as operating leases, the expenditures for which are charged against income over the accounting periods covered by the lease term.

Mineral and petroleum rights

Mineral and petroleum reserves, resources and rights (together Mineral and petroleum rights) which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Mineral and petroleum rights for which values cannot be reasonably determined are not recognised. Exploitable Mineral and petroleum rights are amortised using the UOP basis over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner.

Exploration and evaluation expenditure

Exploration and evaluation expenditure relates to costs incurred in the exploration and evaluation of potential mineral and petroleum resources and includes costs such as exploration and production licences, researching and analysing historical exploration data, exploratory drilling, trenching, sampling and the costs of pre-feasibility studies. Exploration and evaluation expenditure for each area of interest, other than that acquired from another entity, is charged to the consolidated statement of income as incurred except when the expenditure is expected to be recouped from future exploitation or sale of the area of interest and it is planned to continue with active and significant operations in relation to the area, or at the reporting period end, the activity has not reached a stage which permits a reasonable assessment of the existence of commercially recoverable reserves, in which case the expenditure is capitalised. As the intangible component (i.e. licences) represents an insignificant and indistinguishable portion of the overall expected tangible amount to be incurred and recouped from future exploitation, these costs along with other capitalised exploration and evaluation expenditure are recorded as a component of property, plant and equipment. Purchased exploration and evaluation assets are recognised at their fair value at acquisition.

As the capitalised exploration and evaluation expenditure asset is not available for use, it is not depreciated. All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest or at the CGU level. To the extent that capitalised expenditure is not expected to be recovered it is charged to the consolidated statement of income.

Administration costs that are not directly attributable to a specific exploration area are charged to the consolidated statement of income. Licence costs paid in connection with a right to explore in an existing exploration area are capitalised and amortised over the term of the permit.

Development expenditure

When commercially recoverable reserves are determined and such proposed development receives the appropriate approvals, capitalised exploration and evaluation expenditure is transferred to construction in progress, a component within the plant and equipment asset sub-category. All subsequent development expenditure is similarly capitalised, provided commercial viability conditions continue to be satisfied. Proceeds from the sale of product extracted during the development phase are netted against development expenditure. Upon completion of development and commencement of production, capitalised development costs are further transferred, as required, to the appropriate plant and equipment asset category and depreciated using the unit of production method (UOP) or straight-line basis.

Deferred mining costs

Mainly comprises certain capitalised costs related to underground mining as well as pre-production and in-production stripping activities as outlined below. Deferred mining costs are amortised using the UOP basis over the life of the ore body to which those costs relate.

Deferred stripping costs

Stripping costs incurred in the development of a mine (or pit) before production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a UOP basis.

In-production stripping costs related to accessing an identifiable component of the ore body to realise benefits in the form of improved access to ore to be mined in the future (stripping activity asset), are capitalised within deferred mining costs provided all the following conditions are met:

(a) it is probable that the future economic benefit associated with the stripping activity will be realised;

(b) the component of the ore body for which access has been improved can be identified; and

(c) the costs relating to the stripping activity associated with the improved access can be reliably measured.

If all of the criteria are not met, the production stripping costs are charged to the consolidated statement of income as they are incurred.

The stripping activity asset is subsequently depreciated on a UOP basis over the life of the identified component of the ore body that became more accessible as a result of the stripping activity and is then stated at cost less accumulated depreciation and any accumulated impairment losses.

Biological assets

Biological assets are carried at their fair value less estimated selling costs. Any changes in fair value less estimated selling costs are included in the consolidated statement of income in the period in which they arise.

Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant and other site preparation work, discounted using a risk adjusted discount rate to their net present value, are provided for and capitalised at the time such an obligation arises. The costs are charged to the consolidated statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision.

Costs for restoration of subsequent site disturbance, which is created on an ongoing basis during production, are provided for at their net present values and charged to the consolidated statement of income as extraction progresses.

Changes in the estimated timing of the rehabilitation or changes to the estimated future costs are accounted for prospectively by recognising an adjustment to the rehabilitation liability and a corresponding adjustment to the asset to which it relates, provided the reduction in the provision is not greater than the depreciated capitalised cost of the related asset, in which case the capitalised cost is reduced to nil and the remaining adjustment recognised in the consolidated statement of income. In the case of closed sites, changes to estimated costs are recognised immediately in the consolidated statement of income.

Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation (calculated on a straight-line basis over their useful lives) and accumulated impairment losses, if any.

Internally generated intangibles are not capitalised. Instead, the related expenditure is recognised in the consolidated statement of income and other comprehensive income in the period in which the expenditure is incurred.

Identifiable intangible assets with a finite life are amortised on a straight-line basis over their expected useful life. The amortisation method and period are reviewed annually and impairment testing is undertaken when circumstances indicate the carrying amount may not be recoverable. Other than goodwill which is not depreciated, Glencore has no identifiable intangible assets with an indefinite life.

The major categories of intangibles are amortised on a straight-line basis as follows:

Port allocation rights	30 – 40 years
Licences, trademarks and software	3 – 20 years
Royalty arrangements	30 – 40 years
Acquired offtake arrangements	5 – 10 years

Other investments

Equity investments, other than investments in Associates, are recorded at fair value unless such fair value is not reliably determinable in which case they are carried at cost. Changes in fair value are recorded in the consolidated statement of income unless they are classified as available for sale, in which case fair value movements are recognised in other comprehensive income and are subsequently recognised in the consolidated statement of income when realised by sale or redemption, or when a reduction in fair value is judged to be a significant or prolonged decline.

Impairment

Glencore conducts, at least annually, an internal review of asset values which is used as a source of information to assess for any indications of impairment. Formal impairment tests are carried out, at least annually, for cash-generating units containing goodwill and for all other non-current assets when events or changes in circumstances indicate the carrying value may not be recoverable.

A formal impairment test involves determining whether the carrying amounts are in excess of their recoverable amounts. An asset's recoverable amount is determined as the higher of its fair value less costs of disposal and its value in use. Such reviews are undertaken on an asset-by-asset basis, except where assets do not generate cash flows independent of other assets, in which case the review is undertaken at the CGU level.

If the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recorded in the consolidated statement of income to reflect the asset at the lower amount.

Notes to the financial statements

1. ACCOUNTING POLICIES (continued)

An impairment loss is reversed in the consolidated statement of income if there is a change in the estimates used to determine the recoverable amount since the prior impairment loss was recognised. The carrying amount is increased to the recoverable amount but not beyond the carrying amount net of depreciation or amortisation which would have arisen if the prior impairment loss had not been recognised. Goodwill impairments and impairments of available for sale equity investments cannot be subsequently reversed.

Provisions

Provisions are recognised when Glencore has a present obligation (legal or constructive), as a result of past events, and it is probable that an outflow of resources embodying economic benefits that can be reliably estimated will be required to settle the liability.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flow estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

Onerous contracts

An onerous contract is considered to exist where Glencore has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract. Present obligations arising under onerous contracts are recognised and measured as provisions.

Unfavourable contracts

An unfavourable contract is considered to exist when Glencore, in a business combination, acquires a contract under which the terms of the contract require Glencore to sell products or purchase services on terms which are economically unfavourable compared to current market terms at the time of the business combination. Unfavourable contracts are recognised at the present value of the economic loss and amortised into income over the term of the contract.

Inventories

The vast majority of inventories held by the marketing activities ("marketing inventories") are valued at fair value less costs of disposal with the remainder valued at the lower of cost or net realisable value. Unrealised gains and losses from changes in fair value are reported in cost of goods sold.

Inventories held by the industrial activities ("production inventories") are valued at the lower of cost or net realisable value. Cost is determined using the first-in-first-out ("FIFO") or the weighted average method and comprises material costs, labour costs and allocated production related overhead costs. Financing and storage costs related to inventory are expensed as incurred.

Cash and cash equivalents

Cash and cash equivalents comprise cash held at bank, cash in hand and short-term bank deposits with an original maturity of three months or less. The carrying amount of these assets approximates their fair value.

Financial instruments

Financial assets are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available for sale financial assets depending upon the purpose for which the financial assets were acquired. Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs. Subsequently, financial assets are carried at fair value (other investments, derivatives and marketable securities) or amortised cost less impairment (accounts receivable and advances and loans). Financial liabilities other than derivatives are initially recognised at fair value of consideration received net of transaction costs as appropriate and subsequently carried at amortised cost.

Own shares

The cost of purchases of own shares is deducted from equity. Where they are purchased, issued to employees or sold, no gain or loss is recognised in the consolidated statement of income. Such gains and losses are recognised directly in equity. Any proceeds received on disposal of the shares or transfers to employees are recognised in equity.

Derivatives and hedging activities

Derivative instruments, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when Glencore becomes a party to the contractual provisions of the instrument and are subsequently remeasured to fair value at the end of each reporting period. Fair values are determined using quoted market prices, dealer price quotations or using models and other valuation techniques, the key inputs for which include current market and contractual prices for the underlying instrument, time to expiry, yield curves, volatility of the underlying instrument and counterparty risk.

Gains and losses on derivative instruments for which hedge accounting is not applied, other than the revenue adjustment mechanism embedded within provisionally priced sales, are recognised in cost of goods sold.

Those derivatives qualifying and designated as hedges are either (i) a Fair Value Hedge of the change in fair value of a recognised asset or liability or an unrecognised firm commitment, or (ii) a Cash Flow Hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly probable transaction.

A change in the fair value of derivatives designated as a Fair Value Hedge is reflected together with the change in the fair value of the hedged item in the consolidated statement of income.

A change in the fair value of derivatives designated as a Cash Flow Hedge is initially recognised as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the consolidated statement of income in the same periods during which the hedged transaction affects the consolidated statement of income. Hedge ineffectiveness is recorded in the consolidated statement of income when it occurs.

When a hedging instrument expires or is sold, or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in shareholders' equity and is recognised in the consolidated statement of income when the committed or forecast transaction is ultimately recognised in the consolidated statement of income. However, if a forecast or committed transaction is no longer expected to occur, the cumulative gain or loss that was recognised in equity is immediately transferred to the consolidated statement of income.

A derivative may be embedded in a "host contract". Such combinations are known as hybrid instruments and at the date of issuance, the embedded derivative is separated from the host contract and accounted for as a standalone derivative if the criteria for separation are met. The host contract is accounted for in accordance with its relevant accounting policy.

2. 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 the Group 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, ferroalloys, nickel, cobalt and iron ore, including smelting, refining, mining, processing and storage related operations of the relevant commodities;
- Energy products: Crude oil, oil products, steam coal and metallurgical coal, including investments in coal mining and oil production operations, ports, vessels and storage facilities; and
- Agriculture products: Wheat, corn, canola, 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: consolidated statement of income amount represents unallocated Group related expenses (including variable pool bonus charges). Statement of financial position 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 other associates and joint ventures, dividend income and the attributable share of underlying Adjusted EBIT/EBITDA of certain associates and joint ventures which are accounted for internally by means of proportionate consolidation.

The accounting policies of the operating segments are the same as those described in note 1 with the exception of certain associates and joint ventures. Under IFRS 11, Glencore's investments in the Antamina copper/zinc mine (34% owned) and the Cerrejón coal mine (33% owned) are considered to be associates as they are not subject to joint control and the Collahuasi copper mine (44% owned) is considered to be a joint venture. Associates and joint ventures are required to be accounted for in Glencore's financial statements under the equity method. For internal reporting and analysis, Glencore evaluates the performance of these investments under the proportionate consolidation method reflecting Glencore's proportionate share of the revenues, expenses, assets and liabilities of the investments. The balances as presented for internal reporting purposes are reconciled to Glencore's statutory disclosures as outlined in the following tables.

Notes to the financial statements

2. SEGMENT INFORMATION (continued)

Glencore accounts for intra-segment sales and transfers where applicable as if the sales or transfers were to third parties, i.e. at arm's length commercial terms.

2015 US$ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Revenue – Marketing activities[1]	41,151	75,206	20,617	–	**136,974**
Revenue – Industrial activities	24,782	8,406	2,529	4	**35,721**
Revenue	**65,933**	**83,612**	**23,146**	**4**	**172,695**
Marketing activities					
Adjusted EBITDA	1,280	826	584	(30)	**2,660**
Depreciation and amortisation	(25)	(48)	(123)	–	**(196)**
Adjusted EBIT	**1,255**	**778**	**461**	**(30)**	**2,464**
Industrial activities					
Adjusted EBITDA	4,030	2,269	150	(415)	**6,034**
Depreciation and amortisation[2]	(3,882)	(2,357)	(87)	–	**(6,326)**
Adjusted EBIT	**148**	**(88)**	**63**	**(415)**	**(292)**
Total adjusted EBITDA	**5,310**	**3,095**	**734**	**(445)**	**8,694**
Depreciation and amortisation	**(3,907)**	**(2,405)**	**(210)**	**–**	**(6,522)**
Total adjusted EBIT	**1,403**	**690**	**524**	**(445)**	**2,172**
Significant items[3]					
Other expense – net[4]					(7,998)
Share of associates' exceptional items[5]					(88)
Unrealised intergroup loss elimination adjustments and other[6]					445
Interest expense – net[7]					(1,391)
(Losses)/gains on disposals and investments[8]					(994)
Income tax expense[9]					(260)
Loss for the year					**(8,114)**

1 *Balance is net of intra-segment sales arising from transactions between the Industrial and Marketing activities. Metals and minerals segment: $17,843 million, Energy products segment $2,318 million and Agricultural products $1,847 million.*

2 *Includes an adjustment of $687 million to depreciation and amortisation expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $501 million and Energy products segment $186 million, see reconciliation table below.*

3 *Significant items of income and expense which, due to their financial impacts, nature or the expected infrequency of the events giving rise to them, have been separated for internal reporting and analysis of Glencore's results.*

4 *See note 4.*

5 *Share of associates' exceptional items comprise Glencore's share of exceptional charges booked directly by various associates, predominantly Century.*

6 *Represents the required adjustment to eliminate unrealised profit or losses arising on intergroup transactions. For Glencore, such adjustments arise on the sale of product, in the ordinary course of business, from its Industrial operations to its Marketing arm. Management assesses segment performance prior to any such adjustments, as if the sales were to third parties.*

7 *Includes an adjustment for net finance costs of $3 million related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: net finance costs of $9 million and Energy products segment net finance costs of $6 million, see reconciliation table below.*

8 *See note 3.*

9 *Includes an adjustment of $162 million to income tax expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $103 million and Energy products segment $59 million, see reconciliation table below.*

2014 US$ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Revenue – Marketing activities[1]	35,025	120,863	22,523	–	**178,411**
Revenue – Industrial activities	31,025	11,117	3,298	132	**45,572**
Revenue	**66,050**	**131,980**	**25,821**	**132**	**223,983**
Marketing activities					
Adjusted EBITDA	1,545	565	996	(105)	**3,001**
Depreciation and amortisation	(30)	(41)	(140)	–	**(211)**
Adjusted EBIT	**1,515**	**524**	**856**	**(105)**	**2,790**
Industrial activities					
Adjusted EBITDA	7,077	2,841	213	(368)	**9,763**
Depreciation and amortisation[2]	(3,403)	(2,355)	(77)	(12)	**(5,847)**
Adjusted EBIT	**3,674**	**486**	**136**	**(380)**	**3,916**
Total adjusted EBITDA	**8,622**	**3,406**	**1,209**	**(473)**	**12,764**
Depreciation and amortisation	**(3,433)**	**(2,396)**	**(217)**	**(12)**	**(6,058)**
Total adjusted EBIT	**5,189**	**1,010**	**992**	**(485)**	**6,706**
Significant items[3]					
Other expense – net[4]					(1,073)
Share of associates' exceptional items[5]					(74)
Unrealised intergroup profit elimination adjustments and other[6]					(221)
Interest expense – net[7]					(1,457)
(Losses)/gains on disposals and investments[8]					715
Income tax expense[9]					(2,152)
Income for the year					**2,444**

1 *Balance is net of intra-segment sales arising from transactions between the Industrial and Marketing activities. Metals and minerals segment: $23,902 million, Energy products segment $3,275 million and Agricultural products $2,315 million.*

2 *Includes an adjustment of $610 million to depreciation and amortisation expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $430 million and Energy products segment $180 million, see reconciliation table below.*

3 *Significant items of income and expense which, due to their financial impacts, nature or the expected infrequency of the events giving rise to them, have been separated for internal reporting and analysis of Glencore's results.*

4 *See note 4.*

5 *Share of associates' exceptional items comprise Glencore's share of exceptional charges booked directly by various associates, predominantly Lonmin, relating mainly to various costs incurred in connection with the prolonged platinum strikes in South Africa.*

6 *Comprises the required adjustment to eliminate unrealised profit or losses arising on intergroup transactions of $187 million. For Glencore, such adjustments arise on the sale of product, in the ordinary course of business, from its Industrial operations to its Marketing arm. Management assesses segment performance prior to any such adjustments, as if the sales were to third parties. The balance comprises an adjustment of $34 million arising from losses incurred as a result of typhoon Haiyan in the Philippines.*

7 *Includes an adjustment for net finance costs of $14 million related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: net finance costs of $18 million and Energy products segment net finance costs of $4 million, see reconciliation table below.*

8 *See note 3.*

9 *Includes an adjustment of $343 million to income tax expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $266 million and Energy products segment $77 million, see reconciliation table below.*

Notes to the financial statements

2. SEGMENT INFORMATION (continued)

2015 US$ million	**Metals and minerals**	**Energy products**	**Agricultural products**	**Corporate and other**	**Total**
Current assets	21,707	12,131	5,720	(106)	**39,452**
Current liabilities	(10,848)	(15,913)	(2,685)	(309)	**(29,755)**
Allocatable current capital employed	**10,859**	**(3,782)**	**3,035**	**(415)**	**9,697**
Property, plant and equipment	34,665	23,443	2,836	334	**61,278**
Intangible assets	3,695	2,915	889	17	**7,516**
Investments in associates and other investments	8,088	3,926	628	–	**12,642**
Non-current advances and loans	1,414	1,369	114	108	**3,005**
Allocatable non-current capital employed	**47,862**	**31,653**	**4,467**	**459**	**84,441**
Other assets[1]				4,592	**4,592**
Other liabilities[2]				(57,387)	**(57,387)**
Total net assets	**58,721**	**27,871**	**7,502**	**(52,751)**	**41,343**
Capital expenditure – Marketing activities	81	17	146	–	**244**
Capital expenditure – Industrial activities[3]	4,149	1,303	98	163	**5,713**
Capital expenditure	**4,230**	**1,320**	**244**	**163**	**5,957**

1 *Other assets include deferred tax assets, marketable securities and cash and cash equivalents.*

2 *Other liabilities include borrowings, non-current deferred income, deferred tax liabilities, non-current provisions and non-current financial liabilities.*

3 *Includes an adjustment of $328 million to capital expenditure related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $292 million and Energy products segment $36 million, see reconciliation table below.*

2014 US$ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Current assets	29,620	14,433	6,758	(447)	**50,364**
Current liabilities	(11,334)	(17,264)	(2,870)	(474)	**(31,942)**
Allocatable current capital employed	**18,286**	**(2,831)**	**3,888**	**(921)**	**18,422**
Property, plant and equipment	38,663	28,039	2,899	509	**70,110**
Intangible assets	3,728	4,097	902	139	**8,866**
Investments in associates and other investments	9,660	3,561	525	–	**13,746**
Non-current advances and loans	1,834	2,518	138	107	**4,597**
Allocatable non-current capital employed	**53,885**	**38,215**	**4,464**	**755**	**97,319**
Other assets[1]				4,522	**4,522**
Other liabilities[2]				(68,783)	**(68,783)**
Total net assets	**72,171**	**35,384**	**8,352**	**(64,427)**	**51,480**
Capital expenditure – Marketing activities	47	60	162	–	**269**
Capital expenditure – Industrial activities[3]	6,675	2,234	87	262	**9,258**
Capital expenditure	**6,722**	**2,294**	**249**	**262**	**9,527**

1 *Other assets include deferred tax assets, marketable securities and cash and cash equivalents.*

2 *Other liabilities include borrowings, non-current deferred income, deferred tax liabilities, non-current provisions and non-current financial liabilities.*

3 *Includes an adjustment of $467 million to capital expenditure related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $368 million and Energy products segment $99 million, see reconciliation table below.*

The reconciliation of certain associates' and joint ventures' Adjusted EBIT to 'Share of net income from associates and joint ventures' for the years ended 31 December 2015 and 2014 is as follows:

2015 US$ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Revenue					
Revenue	65,933	83,612	23,146	4	**172,695**
Impact of presenting certain associates and joint ventures on a proportionate consolidation basis	(1,578)	(620)	–	–	**(2,198)**
Revenue – reported measure	**64,355**	**82,992**	**23,146**	**4**	**170,497**
Share of income from certain associates and joint ventures					
Associates' and joint ventures' Adjusted EBITDA	806	189	–	–	**995**
Depreciation and amortisation	(501)	(186)	–	–	**(687)**
Associates' and joint ventures' Adjusted EBIT	305	3	–	–	**308**
Net finance costs	9	(6)	–	–	**3**
Income tax expense	(103)	(59)	–	–	**(162)**
Net finance costs and income tax expense	(94)	(65)	–	–	**(159)**
Share of income/(loss) from certain associates and joint ventures	**211**	**(62)**	**–**	**–**	**149**
Share of (loss)/income from other associates	(35)	(15)	2	–	**(48)**
Share of income/(loss) from associates and joint ventures[1]	**176**	**(77)**	**2**	**–**	**101**
Capital expenditure					
Capital expenditure	4,230	1,320	244	163	**5,957**
Impact of presenting certain associates and joint ventures on a proportionate consolidation basis	(292)	(36)	–	–	**(328)**
Capital expenditure – reported measure	**3,938**	**1,284**	**244**	**163**	**5,629**

1 Comprises share in earnings of $80 million from industrial activities and $21 million from marketing activities.

Notes to the financial statements

2. SEGMENT INFORMATION (continued)

2014 US$ million	Metals and minerals	Energy products	Agricultural products	Corporate and other	Total
Revenue					
Revenue	66,050	131,980	25,821	132	**223,983**
Impact of presenting certain associates and joint ventures on a proportionate consolidation basis	(2,156)	(754)	–	–	**(2,910)**
Revenue – reported measure	**63,894**	**131,226**	**25,821**	**132**	**221,073**
Share of income from certain associates and joint ventures					
Associates' and joint ventures' Adjusted EBITDA	1,292	260	–	–	**1,552**
Depreciation and amortisation	(430)	(180)	–	–	**(610)**
Associates' and joint ventures' Adjusted EBIT	862	80	–	–	**942**
Net finance costs	18	(4)	–	–	**14**
Income tax expense	(266)	(77)	–	–	**(343)**
Net finance costs and income tax expense	(248)	(81)	–	–	**(329)**
Share of income/(loss) from certain associates and joint ventures	**614**	**(1)**	**–**	**–**	**613**
Share of (loss)/income from other associates	(36)	3	58	–	**25**
Share of income from associates and joint ventures[1]	**578**	**2**	**58**	**–**	**638**
Capital expenditure					
Capital expenditure	6,722	2,294	249	262	**9,527**
Impact of presenting certain associates and joint ventures on a proportionate consolidation basis	(368)	(99)	–	–	**(467)**
Capital expenditure – reported measure	**6,354**	**2,195**	**249**	**262**	**9,060**

1 *Comprises share in earnings of $571 million from industrial activities and $67 million from marketing activities.*

Adjusted EBIT is revenue less cost of goods sold and selling and administrative expenses plus share of income from associates and joint ventures, dividend income and the attributable share of underlying Adjusted EBIT of certain associates and joint ventures. Adjusted EBITDA consists of Adjusted EBIT plus depreciation and amortisation. The reconciliation of Adjusted EBIT/EBITDA to the reported measures is as follows:

US$ million	**2015**	2014
Reported measures		
Revenue	170,497	221,073
Cost of goods sold	(166,982)	(214,344)
Selling and administrative expenses	(1,271)	(1,304)
Share of associates and joint ventures	101	638
Dividend income	25	19
	2,370	**6,082**
Adjustments to reported measures		
Share of associates exceptional items	88	74
Unrealised intergroup (loss)/profit elimination	(445)	221
	(357)	**295**
Net finance and income tax expense impact of presenting certain associates and joint ventures on a proportionate consolidation basis	159	329
Adjusted EBIT	**2,172**	**6,706**
Depreciation and amortisation	5,835	5,448
Depreciation impact of presenting certain associates and joint ventures on a proportionate consolidation basis	687	610
Adjusted EBITDA	**8,694**	**12,764**

Geographical information

US$ million	**2015**	2014
Revenue from third parties[1]		
The Americas	32,985	47,274
Europe	54,857	70,595
Asia	64,298	86,619
Africa	6,286	8,206
Oceania	12,071	8,379
	170,497	**221,073**
Non-current assets[2]		
The Americas	22,663	23,471
Europe	8,447	9,316
Asia	5,416	5,922
Africa	19,841	23,642
Oceania	23,764	28,899
	80,131	**91,250**

1 *Revenue by geographical destination is based on the country of incorporation of the sales counterparty, however this may not necessarily be the country of the counterpart's ultimate parent and/or final destination of product.*

2 *Non-current assets are non-current assets excluding other investments, advances and loans and deferred tax assets.*

Notes to the financial statements

3. (LOSSES)/GAINS ON DISPOSALS AND INVESTMENTS

US$ million	2015	2014
Loss on cessation of control of Optimum	(1,034)	–
Loss on distribution of interest in Lonmin	(256)	–
Gain on sale of other operations	296	715
Total	**(994)**	**715**

Optimum

In August 2015, the directors of Optimum Coal resolved to commence business rescue proceedings and place the company under the control and supervision of the business rescue practitioners, resulting in the Group ceasing to have control over Optimum. In December, the business rescue practitioners reached agreement to sell the business, which is expected to close by H1 2016. Due to cessation of control of Optimum, the net assets were deconsolidated, with the fair value of such determined to be $nil, being the estimated amount to be received following the sale. As a result, a loss of $1,034 million was recognised, which includes $311 million of foreign currency translation losses previously recognised in equity and $152 million of related impairments (see note 24).

Lonmin

On 9 June 2015, following approval by shareholders at the Annual General Meeting, Glencore completed the in specie distribution of its 23.9% stake in Lonmin plc. Based on the closing Lonmin share price (a Level 1 valuation technique) at the time of distribution, its fair value was determined to be $298 million and as a result, a $256 million loss on disposal of the investment was recognised (see notes 10 and 17).

Other

Gain on sale of other operations arises primarily from the disposals of the Tampakan and Falcondo operations in August 2015, which resulted in a net gain of $192 million and $87 million respectively (see note 24). In 2014, the gain on sale of other operations comprised the gain of $715 million from the Las Bambas sale transaction. Tax of $531 million was paid upon completion, resulting in a net gain of $184 million.

4. OTHER EXPENSE – NET

US$ million	Notes	2015	2014
Impairments	5	(7,120)	(1,101)
Changes in mark-to-market valuations on investments held for trading – net		(262)	134
Net foreign exchange losses		(173)	(76)
Loss on metal leak		(235)	–
Legal settlement		(89)	–
Acquisition related expenses		–	(10)
Gain/(loss) on bond buy-backs		35	(95)
Other expense – net[1]		(154)	75
Total		**(7,998)**	**(1,073)**

1 *'Other expense – net' for the year ended 31 December 2015 mainly comprises restructuring and closure costs of $142 million. 'Other expense – net' for the year ended 31 December 2014 comprises a $75 million gain on disposal of property, plant and equipment.*

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

Changes in mark-to-market valuations on investments held for trading – net

Primarily relates to movements on interests in investments classified as held for trading and carried at fair value, with Glencore's interest in Volcan Compania Minera S.A.A. and Century Aluminum Company cash-settled equity swaps accounting for the majority of the movement (see note 10).

Loss from metal leak

In December 2014, a metal leak in Line 1 of the metallurgical plant at Koniambo was detected and the related production suspended. Following an extensive investigation during H1 2015, it was determined that the furnace would need to be rebuilt/repaired at a cost of approximately $60 million and incremental net operating costs of an additional $175 million were incurred in relation to this incident. A claim for reimbursement of costs has been made under available insurance policies, whereby any associated recoveries will be recognised as the claim progresses.

Legal settlement

In April 2015, OMV Petrom was awarded $89 million related to a dispute over oil deliveries in the early 1990s. Glencore has appealed the ruling.

Acquisition related expenses

2014 acquisition related expenses were incurred in connection with prior year acquisitions (see note 24).

Gain/(loss) on bond buy-backs

In 2015, Glencore acquired $564 million of outstanding bonds, at a discount to their carrying values, realising a gain of $35 million (see note 19).

In 2014, Glencore tendered for and cancelled 25% of its outstanding convertible bonds and Canadian dollar bonds originally issued by the Viterra Group (acquired by Glencore in 2012), booking the 'premium' over book carrying value as an expense of $70 million and $25 million respectively.

5. IMPAIRMENTS

US$ million	Notes	**2015**	2014
Property, plant and equipment and intangible assets	7/8	(6,028)	(886)
Investments	10	(209)	(135)
Advances and loans – non current	11	(455)	–
Trade advances and deposits	13	(359)	–
Non-current inventory and other[1]		(69)	(80)
Total impairments[2]		**(7,120)**	**(1,101)**

1 *These items, if classified by function of expense would be recognised in cost of goods sold.*

2 *Impairments recognised during the year are allocated to Glencore's operating segments as follows: Metals and minerals $5,135 million (2014: $791 million), Energy products $1,969 million (2014: $247 million) and Agricultural products $16 million (2014: $63 million).*

As part of a regular portfolio review, Glencore carries out an assessment of whether there is an indication of asset impairment or whether a previously recorded impairment may no longer be required.

The recoverable amounts of the property, plant and equipment and intangible assets were measured based on fair value less costs of disposal ("FVLCD"), determined by discounted cash flow techniques based on the most recent approved financial budgets and three year business plans, which are underpinned and supported by life of mine plans of the respective operations. The valuation models use the most recent reserve and resource estimates, relevant cost assumptions generally based on past experience and where possible, market forecasts of commodity price and foreign exchange rate assumptions discounted using operation specific discount rates ranging from 6% – 12% (2014: 5.5% – 13%). The valuations remain sensitive to price and further deterioration/improvements in the pricing outlook may result in additional impairments/reversals. The determination of FVLCD uses Level 3 valuation techniques for both years.

As a result of the regular impairment assessment, the following significant impairment charges resulted:

2015

Property, plant and equipment and intangible assets

- Following the sharp decline in oil prices in 2015, significant amendments were made to Chad's work programme, with the objective of preserving value for the long term, while reducing cash outlays in the near term. This included changes to the fields' capex and production profiles and significantly reducing the number of drilling rigs in operation. As a result, the carrying value of these fields/blocks (Energy products segment) was impaired by $1,031 million, to their estimated recoverable amount of $2,012 million. The valuation remains sensitive to price and further deterioration in the pricing outlook may result in additional impairment. The short- to long-term oil price assumptions used in the valuation were between $40 – $80 per barrel.
- Upon further review and evaluation of the exploration activities on the Tilapia licence in Cameroon (Energy product segment) it was determined that the technical risk of continuing to evaluate/develop the field was unacceptably high and as a result, the full carrying value of $27 million was impaired.
- As a result of the current subdued coking coal market and resulting weak shorter-term price outlook, the Oaky Creek coking coal operations (Energy products segment) were determined to be impaired by $240 million, to their estimated recoverable amount of $959 million, given the relatively short life of one of the relevant mines. The valuation remains sensitive to coking coal prices and further deterioration in the pricing outlook may result in additional impairment. The short- to long-term coking coal price assumptions used in the valuation were between $81 – $135 per metric tonne.
- In Q4 2015, it was determined, for the foreseeable future, to defer the Blakefield North coal project and place the Ravensworth underground coal operations (Energy products segment) on care and maintenance. As a result, the full carrying value of these projects ($82 million) was impaired.

Notes to the financial statements

5. IMPAIRMENTS (continued)

- Due to continued subdued current and long-term nickel prices and the ongoing operational and technical challenges at the Koniambo processing plant, it was determined, post significant line one furnace redesign/repair work, to operate only one processing line (of two) for an extended period of time until it proves itself to be technically robust. As a result of this updated plan and reflecting the lower nickel price environment, Koniambo (Metal and minerals segment) was written down to its recoverable value of $917 million, resulting in a $3,989 million impairment. The valuation remains sensitive to price and further deterioration in the pricing outlook may result in additional impairment. The short- to long-term nickel prices used in the valuation were between $12,500 – $16,000 per metric tonne.
- Sherwin Alumina (Metal and minerals segment) is an alumina production facility located in Corpus Christi, USA. Adverse market conditions resulted in a decrease in its valuation to an estimated recoverable value of $nil and, as a result, an impairment of $128 million was recognised. Since January 2016, Sherwin has been under United States Chapter 11 proceedings.
- Kabanga (Metal and minerals segment) is an undeveloped nickel deposit in Tanzania, in which Glencore has a 50% interest. Over the past year, a sales process was undertaken to find a potential buyer. No acceptable bids were received and as a result the project was written down to $nil, reflective of the lower nickel price environment noted above, resulting in an impairment of $115 million.
- Following a strategic review of the Komarovskoe (within Kazzinc) gold mining deposit (Metal and minerals segment) it was determined to cease further development and, as a result, the full carrying value of $70 million was impaired.
- Following the placing of Eland Platinum (Metal and minerals segment) on care and maintenance in October 2015 and a further deterioration in platinum prices, it was determined that its recoverable value was $nil and, as a result, an impairment of $77 million was recognised.
- The London Metal Exchange (“LME”) proposed changes to its warehousing regulations in a further attempt to reduce metal queues via increasing load-out rates and capping longer-term rental income streams. These amendments are anticipated to be enacted in H1 2016. As a result, the goodwill of $169 million relating to the Pacorini metals warehousing business (Metals and minerals segment) was impaired by $119 million to a recoverable value of $50 million (see notes 8 and 9).
- The balance of the property, plant and equipment related impairment charges (none of which were individually material) arose due to changes in production and development plans and resulted in impairments of $85 million and $65 million being recognised in our Metals and minerals and Energy products segments respectively.

Investments

Based on lower mid- to long-term aluminium price assumptions, it was determined that the recoverable value of our investment in Century Aluminum Company was $592 million with a resulting impairment of $162 million. The recoverable amount was determined using similar valuation techniques and inputs described above. The valuation remains sensitive to price and further deterioration in the pricing outlook may result in additional impairment. The short- to long-term aluminium prices used in the valuation were between $1,550 – $1,790 per metric tonne.

2014

Property, plant and equipment and intangible assets

- Following the steep decline in iron ore prices and the decision to suspend development at our Mauritanian and Congo iron ore operations (Metals and minerals segment), their carrying values were impaired by $431 million, to their estimated recoverable value of $50 million.
- Upon further review and evaluation of our exploration activities at the Matanda Oil field in Cameroon (Energy product segment), it was determined that the technical risk of continuing to evaluate/develop the field was unacceptably high and as a result, the full carrying value of $212 million was impaired.
- The continued challenging platinum market conditions resulted in the carrying value of our South African platinum operations (Metals and minerals segment) being written down to their estimated recoverable value, resulting in an impairment charge of $146 million being recognised.
- The balance of the property, plant and equipment related impairment charges (none of which were individually material) arose due to changes in production and development plans and resulted in impairments of $53 million, $26 million and $18 million being recognised in our Agricultural products, Energy products and Metals and minerals segments respectively.

Investments

In 2014, our investment in the El Aouj Joint Venture, Mauritania was impaired by $58 million, in relation to iron ore prices and the associated development activity. In addition, an impairment charge of $77 million was recognised related to a copper minority investment, Mineracao Caraiba S.A., in Brazil, due to operational challenges. Post these charges, the estimated recoverable values of these investments amounted to $51 million and $28 million respectively. The recoverable amounts of the investments were determined using similar valuation techniques and inputs as described above.

6. INCOME TAXES

Income taxes consist of the following:

US$ million	2015	2014
Current income tax expense	(443)	(1,447)
Deferred income tax credit/(expense)	345	(362)
Total tax expense	**(98)**	**(1,809)**

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

US$ million	2015	2014
(Loss)/income before income taxes and attribution	**(8,016)**	**4,253**
Less: Share of income from associates and joint ventures	(101)	(638)
Parent Company's and subsidiaries' (loss)/income before income tax and attribution	**(8,117)**	**3,615**
Income tax (expense)/credit calculated at the Swiss income tax rate	1,218	(542)
Tax effects of:		
Different tax rates from the standard Swiss income tax rate	(154)	(971)
Tax exempt income	341	150
Items not tax deductible	(1,042)	(488)
Foreign exchange fluctuations	(307)	(851)
Changes in tax rates	44	(20)
Utilisation and changes in recognition of tax losses and temporary differences[1]	(199)	915
Other	1	(2)
Income tax expense	**(98)**	**(1,809)**

1 2014 includes $636 million of available capital deductions not previously recognised.

Deferred taxes as at 31 December 2015 and 2014 are attributable to the items detailed in the table below:

US$ million	Notes	2015	2014
Deferred tax assets[1]			
Tax losses carried forward		1,680	1,417
Other		166	250
Total		**1,846**	**1,667**
Deferred tax liabilities[1]			
Depreciation and amortisation		(5,483)	(5,894)
Mark-to-market valuations		(238)	(87)
Other		(56)	(454)
Total		**(5,777)**	**(6,435)**
Total deferred tax – net		**(3,931)**	**(4,768)**
Reconciliation of deferred tax – net			
1 January		(4,768)	(4,593)
Recognised in income for the year		345	(362)
Recognised in other comprehensive income		(77)	86
Business combination	24	17	(52)
Disposal and loss of control of subsidiaries	24	205	–
Effect of foreign currency exchange movements		349	156
Other		(2)	(3)
31 December		**(3,931)**	**(4,768)**

1 Asset and liability positions in the same category reflect the impact of tax assets and liabilities arising in local tax jurisdictions that cannot be offset against tax assets and liabilities arising in other tax jurisdictions.

Notes to the financial statements

6. INCOME TAXES (continued)

Deferred tax assets are recognised for tax losses carried forward only to the extent that realisation of the related tax benefit is probable. As at 31 December 2015, $3,736 million (2014: $3,355 million) of deferred tax assets related to available loss carry forwards have been brought to account, of which $1,680 million (2014: $1,417 million) are disclosed as deferred tax assets with the remaining balance being offset against deferred tax liabilities arising in the same respective entity. $1,149 million (2014: $528 million) of net deferred tax assets arise in entities that have been loss making for tax purposes in either 2015 or 2014. In evaluating whether it is probable that taxable profits will be earned in future accounting periods prior to any tax loss expiry as may be the case, all available evidence was considered, including approved budgets, forecasts and business plans and, in certain cases, analysis of historical operating results. These forecasts are consistent with those prepared and used internally for business planning and impairment testing purposes. Following this evaluation, it was determined there would be sufficient taxable income generated to realise the benefit of the deferred tax assets and that no reasonably possible change in any of the key assumptions would result in a material reduction in forecast headroom of tax profits so that the recognised deferred tax asset would not be realised.

Available gross tax losses carried forward and deductible temporary differences, for which no deferred tax assets have been recognised in the consolidated financial statements, are detailed below and will expire as follows:

US$ million	2015	2014
1 year	153	204
2 years	69	49
3 years	534	38
Thereafter[1]	1,717	2,543
Unlimited	1,444	1,022
Total	**3,917**	**3,856**

1 *2015 excludes gross tax losses of $14.5 billion recognised in the standalone entity accounts of Glencore plc.*

As at 31 December 2015, unremitted earnings of $41,285 million (2014: $63,245 million) have been retained by subsidiaries and associates for reinvestment. No provision is made for income taxes that would be payable upon the distribution of such earnings.

7. PROPERTY, PLANT AND EQUIPMENT

US$ million	Notes	Freehold land and buildings	Plant and equipment	Mineral and petroleum rights	Exploration and evaluation	Deferred mining costs	Total
Gross carrying amount:							
1 January 2015		5,568	52,840	23,416	1,285	2,330	**85,439**
Restatement[1]		–	–	(911)	911	–	**–**
1 January 2015 (Restated)		5,568	52,840	22,505	2,196	2,330	**85,439**
Business combination	24	85	201	–	–	–	**286**
Disposals and cessation of control of subsidiaries	24	(125)	(597)	(541)	–	–	**(1,263)**
Additions		121	4,534	428	147	355	**5,585**
Disposals		(34)	(476)	(14)	–	(4)	**(528)**
Effect of foreign currency exchange movements		(131)	(1,300)	(843)	–	–	**(2,274)**
Other movements		(158)	835	(956)	(6)	319	**34**
31 December 2015		**5,326**	**56,037**	**20,579**	**2,337**	**3,000**	**87,279**
Accumulated depreciation and impairment:							
1 January 2015		775	10,405	2,887	681	581	**15,329**
Disposals and cessation of control of subsidiaries	24	(22)	(166)	(89)	–	–	**(277)**
Depreciation		251	4,168	1,028	–	259	**5,706**
Disposals		(6)	(416)	(5)	–	–	**(427)**
Impairments	5	18	5,147	641	74	–	**5,880**
Effect of foreign currency exchange movements		(16)	(227)	(102)	–	–	**(345)**
Other movements		(5)	156	(36)	29	(9)	**135**
31 December 2015		**995**	**19,067**	**4,324**	**784**	**831**	**26,001**
Net book value 31 December 2015		**4,331**	**36,970**	**16,255**	**1,553**	**2,169**	**61,278**

1 *Adjusted for the final fair value adjustments in relation to the acquisition of Caracal (see note 24).*

US$ million	Notes	Freehold land and buildings	Plant and equipment	Mineral and petroleum rights	Exploration and evaluation	Deferred mining costs	Total
Gross carrying amount:							
1 January 2014		5,301	47,782	21,392	823	1,417	**76,715**
Business combination	24	37	302	723	1,115	–	**2,177**
Disposal of subsidiaries	24	(1)	(28)	–	(74)	–	**(103)**
Additions		138	6,847	354	245	487	**8,071**
Disposals		(28)	(348)	(14)	(60)	(3)	**(453)**
Effect of foreign currency exchange movements		(83)	(611)	(329)	–	–	**(1,023)**
Other movements		204	(1,104)	379	147	429	**55**
31 December 2014		**5,568**	**52,840**	**22,505**	**2,196**	**2,330**	**85,439**
Accumulated depreciation and impairment:							
1 January 2014		542	6,835	1,866	130	109	**9,482**
Depreciation		245	3,699	1,144	–	224	**5,312**
Disposal of subsidiaries	24	–	(14)	–	–	–	**(14)**
Disposals		(9)	(231)	–	(58)	(1)	**(299)**
Impairments	5	20	257	39	555	–	**871**
Effect of foreign currency exchange movements		(8)	(83)	(26)	–	–	**(117)**
Other movements		(15)	(58)	(136)	54	249	**94**
31 December 2014		**775**	**10,405**	**2,887**	**681**	**581**	**15,329**
Net book value 31 December 2014		**4,793**	**42,435**	**19,618**	**1,515**	**1,749**	**70,110**

Plant and equipment includes expenditure for construction in progress of $5,011 million (2014: $9,862 million) and a net book value of $596 million (2014: $536 million) of obligations recognised under finance lease agreements. Mineral and petroleum rights include biological assets of $71 million (2014: $98 million). Depreciation expenses included in cost of goods sold are $5,683 million (2014: $5,287 million) and in selling and administrative expenses $23 million (2014: $25 million).

During 2015, $163 million (2014: $348 million) of interest was capitalised, $163 million (2014: $263 million) within property, plant and equipment and $nil within assets held for sale (2014: $85 million). With the exception of project specific borrowings, the rate used to determine the amount of borrowing costs eligible for capitalisation was 2.9% (2014: 3.3%).

Notes to the financial statements

8. INTANGIBLE ASSETS

US$ million	Goodwill	Port allocation rights	Licences, trademarks and software	Royalty and acquired offtake arrangements	Total
Cost:					
1 January 2015	14,122	2,369	365	485	**17,341**
Disposal and cessation of control of subsidiaries[1]	–	(670)	–	(116)	**(786)**
Additions	–	–	26	18	**44**
Disposals	–	–	(2)	(73)	**(75)**
Effect of foreign currency exchange movements	–	(479)	(10)	(9)	**(498)**
Other movements	–	32	15	13	**60**
31 December 2015	**14,122**	**1,252**	**394**	**318**	**16,086**
Accumulated amortisation and impairment:					
1 January 2015	8,124	94	111	146	**8,475**
Disposal and cessation of control of subsidiaries[1]	–	(46)	–	(28)	**(74)**
Amortisation expense[2]	–	42	29	58	**129**
Impairment[3]	119	–	29	–	**148**
Disposals	–	–	(2)	(70)	**(72)**
Effect of foreign currency exchange movements	–	(23)	(7)	(5)	**(35)**
Other movements	–	–	(4)	3	**(1)**
31 December 2015	**8,243**	**67**	**156**	**104**	**8,570**
Net carrying amount 31 December 2015	**5,879**	**1,185**	**238**	**214**	**7,516**

1 *See note 24.*

2 *Recognised in cost of goods sold.*

3 *See note 5.*

US$ million	Goodwill	Port allocation rights	Licences, trademarks and software	Royalty and acquired offtake arrangements	Total
Cost:					
1 January 2014	14,122	2,604	326	438	**17,490**
Business combination[1]	–	–	1	12	**13**
Additions	–	–	17	11	**28**
Disposals	–	–	(26)	(2)	**(28)**
Effect of foreign currency exchange movements	–	(235)	(5)	(3)	**(243)**
Other movements	–	–	52	29	**81**
31 December 2014	**14,122**	**2,369**	**365**	**485**	**17,341**
Accumulated amortisation and impairment:					
1 January 2014	8,124	57	69	82	**8,332**
Amortisation expense[2]	–	44	35	57	**136**
Impairment[3]	–	–	15	–	**15**
Disposals	–	–	(21)	(2)	**(23)**
Effect of foreign currency exchange movements	–	(7)	(1)	–	**(8)**
Other movements	–	–	14	9	**23**
31 December 2014	**8,124**	**94**	**111**	**146**	**8,475**
Net carrying amount 31 December 2014	**5,998**	**2,275**	**254**	**339**	**8,866**

1 *See note 24.*

2 *Recognised in cost of goods sold.*

3 *See note 5.*

Goodwill

The carrying amount of goodwill has been allocated to cash-generating units (CGUs), or groups of CGUs as follows:

US$ million	**2015**	2014
Grain marketing business	829	829
Metals and minerals marketing businesses	3,326	3,326
Coal marketing business	1,674	1,674
Metals warehousing business	50	169
Total	**5,879**	**5,998**

Grain marketing business

Goodwill of $829 million (2014: $829 million) was recognised in previous business combinations attributable to synergies associated with the grain marketing division CGU.

Metals and minerals and coal marketing businesses

Goodwill of $3,326 million and $1,674 million was recognised in connection with previous business combinations and was allocated to the metals and minerals marketing and coal marketing CGUs respectively, based on the annual synergies expected to accrue to the respective marketing departments as a result of increased volumes, blending opportunities and freight and logistics arbitrage opportunities.

Metals warehousing business

As a result of the proposed changes to the LME warehousing regulations, the goodwill balance of $169 million was impaired to $50 million (see note 5).

Port allocation rights

Port allocation rights represent contractual entitlements to export certain amounts of coal on an annual basis from Richard Bay Coal Terminal in South Africa, recognised as part of previous business combinations. The rights are amortised on a straight-line basis over the estimated economic life of the port of 40 years.

Licences, trademarks and software

Intangibles related to internally developed technology and patents were recognised in previous business combinations and are amortised over the estimated economic life of the technology which ranges between 10 – 15 years.

Royalty and acquired offtake arrangements

The fair value of a royalty income stream related to output from the Antamina copper mine was recognised as part of a previous business combination. This amount is amortised on a unit of production basis through to 2027, the expected mine life.

Acquired offtake arrangements represent contractual entitlements acquired from third parties to provide marketing services and receive certain products produced from a mining or processing operation over a finite period of time. These rights are amortised on a straight-line basis over the contractual term which currently ranges between 10 – 15 years.

Notes to the financial statements

9. GOODWILL IMPAIRMENT TESTING

For the purpose of impairment testing, goodwill has been allocated to the CGUs, or groups of CGUs, that are expected to benefit from the synergies of the business combination and which represent the level at which management monitor and manage the goodwill as follows:

US$ million	2015	2014
Grain marketing business	829	829
Metals and minerals marketing businesses	3,326	3,326
Coal marketing business	1,674	1,674
Metals warehousing business (refer to note 5)	50	169
Total	**5,879**	**5,998**

In assessing whether an impairment is required, the carrying value of the CGU is compared with its recoverable amount. The recoverable amount is the higher of its fair value less costs of disposal ("FVLCD") and its value in use ("VIU"). If the recoverable amount of the CGU is less than the carrying amount of the unit, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro-rata basis of the carrying amount of each asset in the unit. Any impairment loss for goodwill is recognised directly in the consolidated statement of income. An impairment loss recognised for goodwill is not reversed in subsequent periods.

Given the nature of each CGU's activities, information on its fair value is usually difficult to obtain unless negotiations with potential purchasers or similar transactions are taking place. Consequently,

- the recoverable amount for each of the marketing CGUs is determined by reference to the FVLCD (compared against a VIU cash flow projection) which utilises a price to earnings multiple approach based on the 2016 approved financial budget which includes factors such as marketing volumes handled and operating, interest and income tax charges, generally based on past experience. The price to earnings multiple of 11.0 times (2014: 11.5 times) is derived from observable market data for broadly comparable businesses; and
- Glencore believes that no reasonably possible change in any of the above key assumptions would cause the recoverable amount to fall below the carrying value of the CGU. The determination of FVLCD for each of the marketing CGUs uses Level 3 valuation techniques in both years.

10. INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS

Investments in associates and joint ventures

US$ million	Notes	2015	2014
1 January		12,274	12,156
Additions		236	372
Disposals		(612)	(38)
Share of income from associates and joint ventures		101	638
Share of other comprehensive income from associates and joint ventures		(26)	(23)
Dividends received		(428)	(1,129)
Impairments	5	(209)	(135)
Reclassification		46	396
Other movements		(45)	37
31 December		**11,337**	**12,274**
Of which:			
Investments in associates		8,166	9,066
Investments in joint ventures		3,171	3,208

As at 31 December 2015, the fair value of listed associates and joint ventures, which have a carrying value of $681 million (2014: $1,487 million), using published price quotations (a Level 1 fair value measurement) was $255 million (2014: $1,394 million). The 2015 balance mainly comprises Century Aluminum ("Century"). The 31 December 2015 carrying value of Century is $592 million (2014: $792 million), following an impairment charge of $162 million recognised in H2 2015 (see note 5). The 2014 balance comprised primarily Century and Lonmin plc, the latter being disposed by way of an in specie distribution in June 2015 (see note 3).

Additions

In June 2015, Glencore completed the acquisition of a 50% stake in the Barcarena grain terminal in northern Brazil for $115 million. With this acquisition, Glencore now owns two key ports in the Northern corridor of Brazil which will give access to fast growing origination areas like Mato Grosso and Matopiba, enabling the Group to increase its marketing of corn and soya beans.

In May 2014, Glencore completed the acquisition of an effective 25.05% economic interest in the Clermont thermal coal mine in Australia for $250 million. The acquisition was effected through a jointly controlled entity owned 50:50 by Glencore and Sumitomo Corporation. Based on the contractual arrangement between Glencore and Sumitomo, the joint investment constitutes a joint arrangement subject to joint control by virtue of the shareholders' agreement as defined under IFRS 11 as unanimous consent is required for all key decisions regarding the relevant activities of the joint investment. As the investment has been structured through a separate legal entity with both Glencore's and Sumitomo's risks equating to their net investment in the entity, the investment is deemed to be a joint venture and therefore accounted for using the equity method required by IFRS 11.

Disposals

Mainly relates to the in specie distribution of the stake in Lonmin plc (see notes 3 and 17).

Details of material associates and joint ventures

Summarised financial information in respect of Glencore's associates and joint ventures, reflecting 100% of the underlying associate's and joint venture's relevant figures, is set out below.

US$ million	Cerrejón	Antamina	Total material associates	Collahuasi	Total material joint ventures	Total material associates and joint ventures
Non-current assets	2,744	4,279	**7,023**	4,609	**4,609**	**11,632**
Current assets	595	951	**1,546**	1,144	**1,144**	**2,690**
Non-current liabilities	(859)	(948)	**(1,807)**	(986)	**(986)**	**(2,793)**
Current liabilities	(202)	(286)	**(488)**	(273)	**(273)**	**(761)**
The above assets and liabilities include the following:						
Cash and cash equivalents	150	133	**283**	166	**166**	**449**
Current financial liabilities[1]	(5)	(61)	**(66)**	(3)	**(3)**	**(69)**
Non-current financial liabilities[1]	–	(167)	**(167)**	(75)	**(75)**	**(242)**
Net assets 31 December 2015	**2,278**	**3,996**	**6,274**	**4,494**	**4,494**	**10,768**
Glencore's ownership interest	33.33%	33.75%		44.0%		
Acquisition fair value and other adjustments	1,431	2,073	**3,504**	1,194	**1,194**	**4,698**
Carrying value	2,190	3,422	**5,612**	3,171	**3,171**	**8,783**

1 Financial liabilities exclude trade, other payables and provisions.

Summarised profit and loss in respect of Glencore's associates and joint ventures, reflecting 100% of the underlying associate's and joint venture's relevant figures for the year ended 31 December 2015, is set out below.

US$ million	Cerrejón	Antamina	Total of material associates	Collahuasi	Total of material joint ventures	Total of material associates and joint ventures
2015						
Revenue	1,859	2,080	**3,939**	1,991	**1,991**	**5,930**
(Loss)/income for the year	(187)	411	**224**	166	**166**	**390**
Other comprehensive income	–	–	**–**	(9)	**(9)**	**(9)**
Total comprehensive (loss)/income	(187)	411	**224**	157	**157**	**381**
Glencore's share of dividends paid	53	206	**259**	110	**110**	**369**
The above profit for the year includes the following:						
Depreciation and amortisation	(557)	(721)	**(1,278)**	(586)	**(586)**	**(1,864)**
Interest income[1]	–	2	**2**	36	**36**	**38**
Interest expense[2]	(18)	(9)	**(27)**	(10)	**(10)**	**(37)**
Income tax expense	(178)	(233)	**(411)**	(54)	**(54)**	**(465)**

1 Includes foreign exchange gains and other income of $37 million.

2 Includes foreign exchange losses of $7 million.

Notes to the financial statements

10. INVESTMENTS IN ASSOCIATES, JOINT VENTURES AND OTHER INVESTMENTS (continued)

US$ million	Cerrejón	Antamina	Total material associates	Collahuasi	Total material joint ventures	Total material associates and joint ventures
Non-current assets	2,838	4,181	**7,019**	4,918	**4,918**	**11,937**
Current assets	771	952	**1,723**	1,073	**1,073**	**2,796**
Non-current liabilities	(959)	(634)	**(1,593)**	(1,006)	**(1,006)**	**(2,599)**
Current liabilities	(217)	(443)	**(660)**	(451)	**(451)**	**(1,111)**
The above assets and liabilities include the following:						
Cash and cash equivalents	238	228	**466**	124	**124**	**590**
Current financial liabilities[1]	(9)	(270)	**(279)**	(2)	**(2)**	**(281)**
Non-current financial liabilities[1]	(9)	–	**(9)**	(81)	**(81)**	**(90)**
Net assets 31 December 2014	**2,433**	**4,056**	**6,489**	**4,534**	**4,534**	**11,023**
Glencore's ownership interest	33.33%	33.75%		44.0%		
Acquisition fair value and other adjustments	1,494	2,121	**3,615**	1,213	**1,213**	**4,828**
Carrying value	2,305	3,490	**5,795**	3,208	**3,208**	**9,003**

1 Financial liabilities exclude trade, other payables and provisions.

Summarised profit and loss in respect of Glencore's associates and joint ventures, reflecting 100% of the underlying associate's and joint venture's relevant figures for the year ended 31 December 2014, is set out below.

US$ million	Cerrejón	Antamina	Total of material associates	Collahuasi	Total of material joint ventures	Total of material associates and joint ventures
2014						
Revenue	2,263	2,504	**4,767**	2,980	**2,980**	**7,747**
(Loss)/income for the year	(4)	1,319	**1,315**	385	**385**	**1,700**
Other comprehensive income	–	–	**–**	(8)	**(8)**	**(8)**
Total comprehensive (loss)/income	(4)	1,319	**1,315**	377	**377**	**1,692**
Glencore's share of dividends paid	239	343	**582**	440	**440**	**1,022**
The above profit for the year includes the following:						
Depreciation and amortisation	(541)	(565)	**(1,106)**	(543)	**(543)**	**(1,649)**
Interest income	–	1	**1**	1	**1**	**2**
Interest expense	(17)	(2)	**(19)**	(8)	**(8)**	**(27)**
Income tax (expense)/credit	(232)	114	**(118)**	(691)	**(691)**	**(809)**

Aggregate information of associates that are not individually material:

US$ million	**2015**	2014
The Group's share of (loss)/income	(48)	26
The Group's share of other comprehensive loss	(22)	(23)
The Group's share of total comprehensive (loss)/income	(70)	3
Aggregate carrying value of the Group's interests	2,554	3,271

Glencore's share of total comprehensive income did not include joint ventures other than the material joint venture discussed above.

The amount of corporate guarantees in favour of joint ventures as at 31 December 2015 was $337 million (2014: $354 million). Glencore's share of joint ventures' capital commitments amounts to $176 million (2014: $310 million).

Other investments

US$ million	2015	2014
Available for sale		
United Company Rusal plc	407	895
OAO NK Russneft	685	–
Fair value through profit and loss		
Volcan Compania Minera S.A.A.	95	149
Century Aluminum Company cash-settled equity swaps	40	223
Other	78	205
	213	**577**
Total	**1,305**	**1,472**

Russneft

In November 2015, Glencore and OAO NK Russneft ("Russneft") effected a debt to equity conversion which resulted in Glencore exchanging its loan balance and investment in operating subsidiaries carried at $nil for a 46% interest in Russneft (see note 11). Although Glencore holds more than a 20% interest in Russneft, based on historical interactions, it was concluded that Glencore is unable to exercise significant influence over the financial and operating policy decisions of Russneft. As a result, the investment is accounted for as an 'Available for sale' investment carried at fair value with changes in fair value recognised in other comprehensive income.

11. ADVANCES AND LOANS

US$ million	2015	2014
Loans to associates[1]	436	548
Rehabilitation trust fund	152	327
Other non-current receivables and loans	2,417	3,722
Total	**3,005**	**4,597**

1 Loans to associates generally bear interest at applicable floating market rates plus a premium.

Other non-current receivables and loans comprise the following:

US$ million	2015	2014
Counterparty		
Russneft loans	–	984
Secured marketing related financing arrangements[1]	1,004	1,456
Société Nationale d'Électricité (SNEL) power advances	266	232
Chad State National Oil Company	544	426
Société Nationale des Pétroles du Congo	165	–
Other	438	624
Total	**2,417**	**3,722**

1 Various marketing related financing facilities, generally secured against certain assets and/or payable from the future sale of production of the counterparty. The weighted average interest rate of the advances and loans is 10% and on average are to be repaid over a three-year period. In December 2015, an impairment of $155 million was recognised reflecting non-performance of contractual terms and rescheduling of the timing in product supply and a recoverable value provision in respect of other advances and loans (see note 5).

Russneft loans

In November 2015, Glencore and Russneft effected a debt to equity conversion which resulted in Glencore exchanging its loan balance of $984 million and investments in operating subsidiaries carried at $nil for a 46% interest in Russneft. The fair value of the equity received was determined to be $685 million, resulting in a $300 million impairment recognised upon settlement of the loan (see note 5).

Notes to the financial statements

11. ADVANCES AND LOANS (continued)

SNEL power advances

In early 2012, a joint agreement with Société Nationale d'Électricité ("SNEL"), the Democratic Republic of the Congo's ("DRC") national electricity utility, was signed whereby Glencore's operations will contribute $306 million to a major electricity infrastructure refurbishment programme, including transmission and distribution systems. This is expected to facilitate a progressive increase in power availability to 450 megawatts by the end of 2017. Funding commenced in the second quarter of 2012 and will continue until the end of 2017. The loans are being repaid via discounts on electricity purchases, which will accelerate upon completion of the refurbishment programme.

Chad State National Oil Company

Glencore has provided a net $544 million (2014: $512 million) to the Chad State National Oil Company ("SHT") to be repaid through future oil deliveries over seven years. As at 31 December 2015, the advance is net of $905 million (2014: $1,023 million) provided by a syndicate of banks, the repayment terms of which are contingent upon and connected to the receipt of oil due from SHT under the prepayment. Of the net amount advanced, $544 million (2014: $426 million) is receivable after 12 months and is presented within Other non-current receivables and loans and $nil (2014: $86 million) is due within 12 months, such amounts included within Accounts receivable.

Société Nationale des Pétroles du Congo ("SNPC")

In 2015, Glencore advanced a net $218 million to SNPC to be repaid through future oil deliveries over five years. The advance is net of $522 million provided by a syndicate of banks, the repayment terms of which are contingent upon and connected to the receipt of oil due from SNPC under the prepayment. Of the net amount advanced, $165 million is receivable after 12 months and is presented within Other long-term receivables and loans and $53 million is due within 12 months and as such included within Accounts receivable.

12. INVENTORIES

Inventories of $18,303 million (2014: $24,436 million) comprise $10,928 million (2014: $16,297 million) of inventories carried at fair value less costs of disposal and $7,375 million (2014: $8,139 million) valued at the lower of cost or net realisable value.

Fair value of inventories is a Level 2 fair value measurement (see note 27) using observable market prices obtained from exchanges, traded reference indices or market survey services adjusted for relevant location and quality differentials. There are no significant unobservable inputs in the fair value measurement of such inventories.

Glencore has a number of dedicated financing facilities, which finance a portion of its 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 current borrowings (see note 19). As at 31 December 2015, the total amount of inventory secured under such facilities was $1,649million (2014: $1,707 million). The proceeds received and recognised as current borrowings were $1,607 million (2014: $1,558 million).

13. ACCOUNTS RECEIVABLE

US$ million	**2015**	2014
Trade receivables[1]	10,175	14,466
Trade advances and deposits[1,2,3]	4,206	4,596
Associated companies[1]	414	359
Other receivables	2,206	2,035
Total	**17,001**	**21,456**

1 *Collectively referred to as receivables presented net of allowance for doubtful debts.*

2 *Includes advances net of $180 million provided by banks, the repayment terms of which are contingent upon and connected to the future delivery of contractual production over the next 12 months.*

3 *In December 2015, impairments of $359 million were recognised reflecting non-performance of contractual terms and a recoverable value provision in respect of trade advances and deposits (see note 5).*

The average credit period on sales of goods is 27 days (2014: 27 days).

As at 31 December 2015, 6% (2014: 8%) of receivables were between 1 to 60 days overdue, and 5% (2014: 6%) were greater than 60 days overdue. Such receivables, although contractually past their due dates, are not considered impaired as there has not been a significant change in credit quality of the relevant counterparty, and the amounts are still considered recoverable taking into account customary payment patterns and in many cases, offsetting accounts payable balances.

The movement in allowance for doubtful accounts is detailed in the table below:

US$ million	2015	2014
1 January	293	252
Released during the year	(62)	(62)
Charged during the year	80	168
Utilised during the year	(42)	(65)
31 December	**269**	**293**

Glencore has a number of dedicated financing facilities, which finance a portion of its receivables. 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 19). As at 31 December 2015, the total amount of trade receivables secured was $2,205 million (2014: $2,631 million) and proceeds received and classified as current borrowings amounted to $1,937 million (2014: $2,173 million).

14. CASH AND CASH EQUIVALENTS

US$ million	2015	2014
Bank and cash on hand	2,059	2,093
Deposits and treasury bills	648	731
Total	**2,707**	**2,824**

As at 31 December 2015, $22 million (2014: $17 million) was restricted.

15. SHARE CAPITAL AND RESERVES

	Number of shares (thousand)	Share capital (US$ million)	Share premium (US$ million)
Authorised:			
31 December 2015 and 2014 ordinary shares with a par value of $0.01 each	50,000,000	–	–
Issued and fully paid up:			
1 January 2014	13,278,405	133	54,777
Distributions paid (see note 17)	–	–	(2,244)
31 December 2014 – ordinary shares	**13,278,405**	**133**	**52,533**
1 January 2015	13,278,405	133	52,533
Share issuance	1,307,795	13	2,431
Distributions paid (see note 17)	–	–	(2,626)
31 December 2015 – ordinary shares	**14,586,200**	**146**	**52,338**

In September 2015, a total of 1,307,794,600 new ordinary shares in Glencore were placed at a price of 125 pence per share, raising gross proceeds of approximately $2.5 billion. The new shares issued represented approximately 10% of the Company's issued ordinary share capital prior to the placing.

	Treasury Shares		Trust Shares		**Total**	
	Number of shares (thousand)	Share premium (US$ million)	Number of shares (thousand)	Share premium (US$ million)	**Number of shares (thousand)**	**Share premium (US$ million)**
Own shares:						
1 January 2014	–	–	156,790	(767)	**156,790**	**(767)**
Own shares purchased during the year	143,278	(758)	7,000	(37)	**150,278**	**(795)**
Own shares disposed during the year	–	–	(13,328)	69	**(13,328)**	**69**
31 December 2014	**143,278**	**(758)**	**150,462**	**(735)**	**293,740**	**(1,493)**
1 January 2015	143,278	(758)	150,462	(735)	**293,740**	**(1,493)**
Own shares purchased during the year	58,050	(240)	28,843	(41)	**86,893**	**(281)**
Own shares transferred to satisfy employee share awards	(9,869)	50	9,869	(50)	**–**	**–**
Own shares disposed during the year	–	–	(14,770)	62	**(14,770)**	**62**
31 December 2015	**191,459**	**(948)**	**174,404**	**(764)**	**365,863**	**(1,712)**

Notes to the financial statements

15. SHARE CAPITAL AND RESERVES (continued)

Own shares

Own shares comprise shares acquired under the Company's previous share buy-back programme and shares of Glencore plc held by Orbis Trust ("the Trust") to satisfy the potential future settlement of the Group's employee stock plans, primarily assumed as part of previous business combinations.

The Trust also coordinates the funding and manages the delivery of ordinary shares and free share awards under certain of Glencore's share plans. The shares are acquired by either stock market purchases or share issues from the Company. The Trustee is permitted to sell the shares and may hold up to 5% of the issued share capital of the Company at any one time. The Trust has waived the right to receive distributions from the shares that it holds. Costs relating to the administration of the Trust are expensed in the period in which they are incurred.

As at 31 December 2015, 365,863,517 shares (2014: 293,740,462 shares), equivalent to 2.5% (2014: 2.2%) of the issued share capital were held at a cost of $1,712 million (2014: $1,493 million) and market value of $488 million (2014: $1,368 million).

Other reserves

US$ million	Translation adjustment	Equity portion of Convertible bonds	Cash flow hedge reserve	Net unrealised gain/(loss)	Net ownership changes in subsidiaries	Other reserves	**Total**
1 January 2014	(1,317)	89	(356)	–	(844)	10	**(2,418)**
Exchange loss on translation of foreign operations	(846)	–	–	–	–	–	**(846)**
Gain on cash flow hedges, net of tax	–	–	415	–	–	–	**415**
Cash flow hedges transferred to the statement of income, net of tax	–	–	(1)	–	–	–	**(1)**
Gain on available for sale financial instruments	–	–	–	501	–	–	**501**
Equity portion of repaid convertible bond	–	(89)	–	–	–	–	**(89)**
Change in ownership interest in subsidiaries	–	–	–	–	29	–	**29**
31 December 2014	**(2,163)**	**–**	**58**	**501**	**(815)**	**10**	**(2,409)**
1 January 2015	(2,163)	–	58	501	(815)	10	**(2,409)**
Exchange loss on translation of foreign operations	(1,727)	–	–	–	–	–	**(1,727)**
Loss on cash flow hedges, net of tax	–	–	(89)	–	–	–	**(89)**
Loss on available for sale financial instruments	–	–	–	(489)	–	–	**(489)**
Change in ownership interest in subsidiaries	–	–	–	–	(16)	–	**(16)**
Foreign currency translation losses recycled to the statement of income	311	–	–	–	–	–	**311**
31 December 2015	**(3,579)**	**–**	**(31)**	**12**	**(831)**	**10**	**(4,419)**

16. EARNINGS PER SHARE

US$ million	2015	2014
(Loss)/profit attributable to equity holders for basic earnings per share	(4,964)	2,308
Weighted average number of shares for the purposes of basic earnings per share (thousand)	13,317,970	13,098,766
Effect of dilution:		
Equity-settled share-based payments (thousand)[1]	–	52,579
Weighted average number of shares for the purposes of diluted earnings per share (thousand)[1]	–	13,151,345
Basic (loss)/earnings per share (US$)	**(0.37)**	**0.18**
Diluted (loss)/earnings per share (US$)[1]	**(0.37)**	**0.18**

Headline earnings is a Johannesburg Stock Exchange ("JSE") defined performance measure. The calculation of basic and diluted earnings per share, based on headline earnings as determined by the requirements of the Circular 2/2013 as issued by the South African Institute of Chartered Accountants ("SAICA"), is reconciled using the following data:

Headline earnings:

US$ million	2015	2014
(Loss)/profit attributable to equity holders for basic earnings per share	(4,964)	2,308
Net loss/(gain) on disposals[2]	1,061	(790)
Net loss on disposals – non-controlling interest	(31)	–
Net (gain)/loss on disposals – tax	(263)	550
Impairments[3]	6,692	1,101
Impairments – non-controlling interest	(2,611)	(99)
Impairments – tax	(316)	(270)
Headline (loss)/earnings for the year	**(432)**	**2,800**
Headline (loss)/earnings per share (US$)	**(0.03)**	**0.21**
Diluted headline (loss)/earnings per share (US$)[1]	**(0.03)**	**0.21**

1 *In 2015, as both the result attributable to equity holders and to Headline results is a loss, the effect has not been presented as this would be anti-dilutive.*

2 *Comprises losses on disposals and investments of $994 million, loss from metal leak of $60 million and loss on vessel charter contract and net other expenses of $7 million (see notes 3 and 4). 2014 comprises gains on disposal and investments of $715 million and gain on disposal of property, plant and equipment of $75 million.*

3 *Comprises impairments of property, plant and equipment, intangible assets, investments and non-current advances and loans (see note 5).*

17. DISTRIBUTIONS

US$ million	2015	2014
Paid during the year:		
Final distribution for 2014 – $0.12 per ordinary share (2013: $0.111 per ordinary share)	1,551	1,457
Interim distribution for 2015 – $0.06 per ordinary share (2014: $0.06 per ordinary share)	777	787
In specie distribution of Group's 23.9% in Lonmin plc	298	–
Total	**2,626**	**2,244**

As announced on 7 September 2015, the final distribution for 2015 has been suspended. The 2015 interim distribution was paid on 29 September 2015.

Notes to the financial statements

18. SHARE-BASED PAYMENTS

	Number of awards granted (thousand)	Fair value at grant date (US$ million)	**Number of awards outstanding 2015 (thousand)**	Number of awards outstanding 2014 (thousand)	**Expense recognised 2015 (US$ million)**	Expense recognised 2014 (US$ million)
Deferred Bonus Plan						
2013 Series	4,958	24	–	3,717	–	–
2014 Series	3,633	20	2,455	3,633	–	20
2015 Series	15,634	35	15,634	–	35	–
Performance Share Plan						
2012 Series	3,375	18	–	1,049	–	4
2013 Series	11,065	60	4,075	7,472	20	36
2014 Series	15,611	86	11,035	15,611	46	10
2015 Series	44,475	56	44,475	–	–	–
Total			**77,674**	**31,482**	**101**	**70**

Deferred Bonus Plan

Under the Glencore Deferred Bonus Plan ("DBP"), the payment of a portion of a participant's annual bonus is deferred for a period of one to two years as an award of either ordinary shares (a "Bonus Share Award") or cash (a "Bonus Cash Award"). The awards are vested at grant date with no further service conditions, however they are subject to forfeiture for malus events. The Bonus Share Awards may be satisfied, at Glencore's option, 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 or in cash, with a value equal to the market value of the award at settlement, including distributions paid between award and settling. Glencore currently intends to settle these awards in shares. The associated expense is recorded in the statement of income as part of the regular expense for performance bonuses.

Performance share plan

Under the Glencore Performance Share Plan ("PSP"), participants are awarded PSP awards which vest in annual tranches over a specified period, subject to continued employment and forfeiture for malus events. At grant date, each PSP award is equivalent to one ordinary share of Glencore. The awards vest in three or five equal tranches on 30 June, 31 December or 31 January of the years following the year of grant, as may be the case. The fair value of the awards is determined by reference to the market price of Glencore's ordinary shares at grant date. The PSP awards may be satisfied, at Glencore's option, 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 or in cash, with a value equal to the market value of the award at vesting, including distributions paid between award and vesting. Glencore currently intends to settle these awards in shares.

Share-based awards assumed in previous business combinations

	Total options outstanding (thousands)	**Weighted average exercise price (GBP)**
1 January 2014	155,161	3.74
Forfeited	–	–
Lapsed	(42)	4.93
Exercised[1]	(6,557)	1.71
31 December 2014	**148,562**	
1 January 2015	148,562	3.83
Forfeited	–	–
Lapsed	–	–
Exercised[1]	(1,960)	1.69
31 December 2015	**146,602**	

1 The weighted average share price at date of exercise of the share-based awards was GBP2.89 (2014: GBP3.42).

As at 31 December 2015 a total of 146,601,834 options (2014: 148,561,546 options) were outstanding and exercisable, having a range of exercise prices from GBP1.098 to GBP6.880 (2014: GBP1.098 to GBP6.880) and a weighted average exercise price of GBP3.853 (2014: GBP3.825). These outstanding awards have expiry dates ranging from March 2016 to February 2022 (2014: March 2015 to February 2022) and a weighted average contractual life of 2.8 years (2014: 3.4 years). The awards may be satisfied at Glencore's option, 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. Glencore currently intends to settle these awards, when exercised, by the transfer of ordinary shares held in treasury.

19. BORROWINGS

US$ million	Notes	2015	2014
Non-current borrowings			
Capital market notes		28,938	30,877
Committed syndicated revolving credit facilities		2,994	7,933
Finance lease obligations	29	376	425
Other bank loans		624	1,453
Total non-current borrowings		**32,932**	**40,688**
Current borrowings			
Secured inventory/receivables facilities	12/13	3,544	3,731
U.S. commercial paper		15	813
Capital market notes		4,474	3,504
Finance lease obligations	29	88	51
Other bank loans[1]		2,996	3,906
Total current borrowings		**11,117**	**12,005**

1 *Comprises various uncommitted bilateral bank credit facilities and other financings.*

Committed syndicated revolving credit facility

In May 2015, Glencore signed new revolving credit facilities for a total amount of $15.25 billion. These facilities refinanced earlier $15.3 billion of one-year and three-year revolving credit facilities signed in June 2014. Funds drawn under the facilities bear interest at U.S. $ LIBOR plus a margin ranging from 40 to 55 basis points per annum.

The new and amended facilities comprise:

- a $8.45 billion 12 month revolving credit facility with a 12 month term-out option and 12 month extension option; and
- a $6.8 billion 5 year revolving credit facility with two 12 month extension options.

In February 2016, Glencore announced that it has signed a new Revolving Credit Facility ("RCF"), which will ultimately refinance and replace the existing $8.45 billion facility. In pre-syndication, $7.7 billion of commitments from 37 banks were signed into and in Q2 2016 the refinancing will be broadened via launch of general syndication to some 30 additional banks. Consistent with the current facility, this new facility remains unsecured, containing a 12 month extension option and 12 month borrower's term-out option, thereby extending the final maturity to May 2018 (see note 33).

U.S. commercial paper

Glencore has in place a standalone U.S. commercial paper programme for $4,000 million rated A2 and P2 respectively by S&P's and Moody's rating agencies. The notes issued under this programme carry interest at floating market rates and mature not more than 397 days from the date of issue. Funds drawn under the facilities bear interest at U.S. $ LIBOR plus a margin ranging from 35 to 70 basis points per annum.

Notes to the financial statements

19. BORROWINGS (continued)

Capital Market Notes

US$ million	Maturity	2015	2014
AUD 500 million 4.500% coupon bonds	Sep 2019	374	424
Euro 1,250 million 1.750% coupon bonds	May 2016	–	1,512
Euro 1,250 million 5.250% coupon bond	Mar 2017	1,281	1,511
Euro 500 million 5.250%, coupon bonds	Jun 2017	556	676
Euro 1,250 million 4.625% coupon bonds	Apr 2018	1,337	1,511
Euro 1,000 million 2.625% coupon bonds	Nov 2018	1,086	1,210
Euro 750 million 3.375% coupon bonds	Sep 2020	801	901
Euro 1,250 million 1.250% coupon bonds	Mar 2021	1,330	–
Euro 600 million 2.750% coupon bonds	Apr 2021	633	719
Euro 700 million 1.625% coupon bonds	Jan 2022	753	837
Euro 400 million 3.700% coupon bonds	Oct 2023	432	479
Euro 750 million 1.750% coupon bonds	Mar 2025	804	–
Euro 500 million 3.750% coupon bonds	Apr 2026	539	599
Eurobonds		**9,552**	**9,955**
JPY 10 billion 1.075% coupon bonds	May 2022	83	–
GBP 650 million 6.500% coupon bonds	Feb 2019	948	1,003
GBP 500 million 7.375% coupon bonds	May 2020	821	886
GBP 500 million 6.000% coupon bonds	Apr 2022	747	792
Sterling bonds		**2,516**	**2,681**
CHF 825 million 3.625% coupon bonds	Apr2016	–	831
CHF 450 million 2.625% coupon bonds	Dec 2018	449	453
CHF 175 million 2.125% coupon bonds	Dec 2019	174	175
CHF 500 million 1.250% coupon bonds	Dec 2020	498	502
Swiss Franc bonds		**1,121**	**1,961**
US$ 500 million LIBOR plus 1.16% coupon bonds	May 2016	–	499
US$ 1,000 million 1.700% coupon bonds	May 2016	–	999
US$ 1,000 million 5.800% coupon bonds	Nov 2016	–	1,076
US$ 700 million 3.600% coupon bonds	Jan 2017	707	724
US$ 250 million 5.500% coupon bonds	Jun 2017	262	270
US$ 1,750 million 2.700% coupon bonds	Oct 2017	1,753	1,771
US$ 250 million LIBOR plus 1.06% coupon bonds	Apr 2018	233	–
US$ 500 million 2.125% coupon bonds	Apr 2018	463	–
US$ 200 million LIBOR plus 1.200% coupon bonds	May 2018	200	200
US$ 500 million LIBOR plus 1.360% coupon bonds	Jan 2019	499	499
US$ 1,500 million 2.500% coupon bonds	Jan 2019	1,474	1,499
US$ 1,000 million 3.125% coupon bonds	Apr 2019	1,006	1,001
US$ 1,000 million 2.875% coupon bonds	Apr 2020	990	–
US$ 400 million 5.950% coupon bonds	Aug 2020	400	400
US$ 1,000 million 4.950% coupon bonds	Nov 2021	1,066	1,076
US$ 250 million LIBOR plus 1.650% coupon bonds	May 2022	250	–
US$ 1,000 million 4.250% coupon bonds	Oct 2022	1,016	1,022
US$ 1,500 million 4.125% coupon bonds	May 2023	1,553	1,537
US$ 1,000 million 4.625% coupon bonds	Apr 2024	1,046	1,041
US$ 500 million 4.000% coupon bonds	Apr 2025	485	–
US$ 250 million 6.200% coupon bonds	Jun 2035	274	275
US$ 500 million 6.900% coupon bonds	Nov 2037	600	602
US$ 500 million 6.000% coupon bonds	Nov 2041	541	542
US$ 500 million 5.550% coupon bonds	Oct 2042	474	474
US$ 350 million 7.500% coupon bonds	Perpetual	–	349
US$ bonds		**15,292**	**15,856**
Total non-current bonds		**28,938**	**30,877**

Capital Market Notes

US$ million	Maturity	2015	2014
Euro 750 million 7.125% coupon bonds	Apr 2015	–	907
Euro 600 million 6.250% coupon bonds	May 2015	–	735
Euro 1,250 million 1.750% coupon bonds	May 2016	1,228	–
Eurobonds		**1,228**	**1,642**
US$ 250 million 5.375% coupon bonds	Jun 2015	–	254
US$ 1,250 million 2.050% coupon bonds	Oct 2015	–	1,255
US$ 341 million 6.000% coupon bonds	Oct 2015	–	353
US$ 500 million LIBOR plus 1.16% coupon bonds	May 2016	489	–
US$ 1,000 million 1.700% coupon bonds	May 2016	1,000	–
US$ 1,000 million 5.800% coupon bonds	Nov 2016	934	–
US$ bonds		**2,423**	**1,862**
CHF 825 million 3.625% coupon bonds	Apr 2016	823	–
Total current bonds		**4,474**	**3,504**

2015 Bond activities

Eurobonds

- In March 2015, Glencore issued in two tranches EUR 2.0 billion of interest bearing notes as follows:
  - 6 year EUR 1,250 million, 1.250% fixed coupon bonds; and
  - 10 year EUR 750 million, 1.750% fixed coupon bonds.

US$ bonds

- In April 2015, Glencore issued in four tranches $2.25 billion of interest bearing notes as follows:
  - 3 year $500 million, 2.125% fixed coupon bonds;
  - 3 year $250 million, LIBOR plus 1.06% floating rate bond;
  - 5 year $1,000 million, 2.875% fixed coupon bonds; and
  - 10 year $500 million, 4.0% fixed coupon bonds.

Japanese Yen bonds

- In June 2015, Glencore issued 7 year JPY 40 billion of 1.075% fixed coupon bonds. In December 2015, Glencore converted JPY 30 billion of such bonds into new 7 year $250 million LIBOR plus 1.650% coupon bonds; the balance of JPY 10 billion of these bonds remains outstanding.

In October 2015, Glencore redeemed (1st call date) its perpetual bonds with a nominal value of $350 million.

In Q4 2015, Glencore repurchased bonds with a nominal value of $564 million, comprising primarily 2016 and 2017 maturities.

Secured facilities

US$ million	Maturity	Borrowing base	Interest	2015	2014
Syndicated committed metals inventory/receivables facilities	Jan[1]/Mar 2016	380	US$ LIBOR + 110/150 bps	350	435
Syndicated uncommitted metals inventory/receivables facilities	Jan 2016[1]	2,910	US$ LIBOR + 50/70/150 bps	2,161	1,818
Syndicated uncommitted Oil receivables facilities	Jan[1]/Oct 2016	550	US$ LIBOR + 70 bps	550	983
Syndicated uncommitted agricultural products inventory/receivables facilities	Jan[1]/Oct 2016	520	US$ LIBOR + 70 bps	483	495
Total		4,360		**3,544**	**3,731**

1 Since year-end, in the ordinary course of business, these maturities have been rolled/extended as required.

Notes to the financial statements

20. DEFERRED INCOME

US$ million	Notes	Unfavourable contracts	Prepayment	Total
1 January 2014		1,320	162	**1,482**
Utilised in the year		(122)	(27)	**(149)**
Effect of foreign currency exchange difference		(60)	–	**(60)**
31 December 2014		**1,138**	**135**	**1,273**
Current		129	24	**153**
Non-current		1,009	111	**1,120**
1 January 2015		1,138	135	**1,273**
Additions		–	900	**900**
Utilised in the year		(146)	(149)	**(295)**
Disposals and loss of control of subsidiaries	24	(212)	–	**(212)**
Effect of foreign currency exchange difference		(127)	–	**(127)**
31 December 2015		**653**	**886**	**1,539**
Current		53	34	**87**
Non-current		600	852	**1,452**

Unfavourable contracts

In previous business combinations, Glencore recognised liabilities related to various assumed contractual agreements to deliver tonnes of coal and zinc concentrates over periods ending between 2017 and 2045 at fixed prices lower than the prevailing market prices on the respective acquisition dates.

These amounts are released to revenue as the underlying commodities are delivered to the buyers over the life of the contracts at rates consistent with the implied forward price curves at the time of the acquisitions.

Prepayment

In December 2015, effective 1 October 2015, Glencore entered into a long-term streaming agreement with Silver Wheaton Corporation ("Silver Wheaton"), for the delivery of the equivalent of 33.75% of the silver produced by the Antamina mine ("Antamina") until 140 million ounces of silver is delivered, at which time, the designated percentage reduces to 22.50% of the silver production from Antamina over the remaining life of mine. In consideration, Silver Wheaton made an up-front advance payment of $900 million and pays an ongoing amount of 20% of the spot silver price for each ounce of silver delivered under the streaming agreement. The arrangement has been accounted for as an executory contract whereby the advance payment has been recorded as deferred revenue. The revenue from the advance payment is being recognised as the silver is delivered to Silver Wheaton at an amount consistent with the implied forward price curve at the time of the transaction along with the ongoing cash payments. An accretion expense, representing the time value of the upfront deposit on the deferred revenue balance, will also be recognised. As at 31 December 2015, 1,340,000 ounces have been delivered under the contract.

21. PROVISIONS

US$ million	Post-retirement employee benefits	Other employee entitlements	Rehabilitation costs	Onerous contracts	Other[1]	Total
1 January 2014	980	363	3,963	1,930	1,151	**8,387**
Provision utilised in the year	(285)	(125)	(369)	(229)	(243)	**(1,251)**
Accretion in the year	–	–	181	9	–	**190**
Assumed in business combination[2]	–	–	10	4	–	**14**
Additional provision in the year	455	72	102	36	283	**948**
Effect of foreign currency exchange difference	(80)	(2)	(51)	(20)	(4)	**(157)**
31 December 2014	**1,070**	**308**	**3,836**	**1,730**	**1,187**	**8,131**
Current	–	–	86	129	361	**576**
Non-current	1,070	308	3,750	1,601	826	**7,555**
1 January 2015	1,070	308	3,836	1,730	1,187	**8,131**
Provision utilised in the year	(249)	(137)	(448)	(447)	(457)	**(1,738)**
Accretion in the year	–	–	178	6	–	**184**
Assumed in business combination[2]	–	–	–	–	21	**21**
Disposals and cessation of control of subsidiaries[2]	(2)	–	(241)	–	(18)	**(261)**
Additional provision in the year	102	52	(302)	189	268	**309**
Effect of foreign currency exchange difference	(118)	(2)	(118)	–	(11)	**(249)**
31 December 2015	**803**	**221**	**2,905**	**1,478**	**990**	**6,397**
Current	–	–	89	155	230	**474**
Non-current	803	221	2,816	1,323	760	**5,923**

1 *Other comprises provisions for possible demurrage, mine concession, tax and construction related claims.*

2 *See note 24.*

Post-retirement employee benefits

The provision for post-retirement employee benefits includes pension plan liabilities of $346 million (2014: $531 million) and post-retirement medical plan liabilities of $457 million (2014: $539 million), see note 22.

Other employee entitlements

The employee entitlement provision represents the value of governed employee entitlements due to employees upon their termination of employment. The associated expenditure will occur in a pattern consistent with when employees choose to exercise their entitlements.

Rehabilitation costs

Rehabilitation provision represents the accrued cost required to provide adequate restoration and rehabilitation upon the completion of production activities. These amounts will be settled when rehabilitation is undertaken, generally at the end of a project's life, which ranges from two to in excess of 50 years with the majority of the costs expected to be incurred in the final years of the underlying operations. The costs are discounted to the present value at operation specific rates ranging from 6% – 12% (2014: 5.5% – 13%).

Onerous contracts

In previous business combinations, Glencore recognised a liability related to assumed contractual take or pay commitments for securing coal logistics capacity at fixed prices and quantities higher than the acquisition date forecasted usage and prevailing market price. The provision is released to costs of goods sold as the underlying commitments are incurred.

Notes to the financial statements

22. PERSONNEL COSTS AND EMPLOYEE BENEFITS

Total personnel costs, which include salaries, wages, social security, other personnel costs and share-based payments, incurred for the years ended 31 December 2015 and 2014, were $5,287 million and $6,011 million, respectively. Personnel costs related to consolidated industrial subsidiaries of $4,344 million (2014: $5,083 million) are included in cost of goods sold. Other personnel costs, including the deferred bonus and performance share plans, are included in selling and administrative expenses.

The Company and certain subsidiaries sponsor various pension schemes in accordance with local regulations and practices. Eligibility for participation in the various plans is either based on completion of a specified period of continuous service, or date of hire. Among these schemes are defined contribution plans as well as defined benefit plans.

Defined contribution plans

Glencore's contributions under these plans amounted to $199 million in 2015 (2014: $235 million).

Post-retirement medical plans

The Company participates in a number of post-retirement medical plans, principally in Canada, which provide coverage for prescription drugs, medical, dental, hospital and life insurance to eligible retirees. Almost all of the post-retirement medical plans in the Group are unfunded.

Defined benefit pension plans

The Company operates defined benefit plans in various countries, the main locations being Canada, Switzerland, UK and the US. Approximately 75% of the present value of obligations accrued to date relates to the defined benefit plans in Canada, which are pension plans that provide benefits to members in the form of a guaranteed level of pension payable for life. Contributions to the Canadian plans are made to meet or exceed minimum funding requirements based on provincial statutory requirements and associated federal taxation rules.

The majority of benefit payments are from trustee-administered funds; however, there are also a number of unfunded plans where Glencore meets the benefit payments as they fall due. Plan assets held in trusts are governed by local regulations and practices in each country. Responsibility for governance of the plans – overseeing all aspects of the plans including investment decisions and contribution schedules – lies with Glencore. Glencore has set up committees to assist in the management of the plans and has also appointed experienced, independent professional experts such as investment managers, actuaries, custodians, and trustees.

The movement in the defined benefit pension and post-retirement medical plans over the year is as follows:

		Defined benefit pension plans		
US$ million	Post-retirement medical plans	Present value of defined benefit obligation	Fair value of plan assets	Net liability for defined benefit pension plans
1 January 2015	**539**	4,185	(3,654)	**531**
Current service cost	9	72	–	72
Past service cost – plan amendments	(1)	1	–	1
Settlement	–	(183)	177	(6)
Interest expense/(income)	20	139	(123)	16
Total expense recognised in consolidated statement of income	**28**	29	54	**83**
Gain on plan assets, excluding amounts included in interest expense – net	–	–	(86)	(86)
Gain from change in demographic assumptions	(1)	(3)	–	(3)
Loss/(gain) from change in financial assumptions	2	(39)	–	(39)
(Gain)/loss from actuarial experience	(5)	10	–	10
Change in asset ceiling, excluding amounts included in interest expense	–	(4)	–	(4)
Actuarial gains recognised in consolidated statement of comprehensive income	**(4)**	(36)	(86)	**(122)**
Employer contributions	–	–	(108)	(108)
Employee contributions	–	2	(2)	–
Benefits paid directly by the Company	(24)	(10)	10	–
Benefits paid from plan assets	–	(217)	217	–
Net cash (outflow)/inflow	**(24)**	(225)	117	**(108)**
Disposal of subsidiaries[1]	–	(3)	1	(2)
Exchange differences	(82)	(545)	509	(36)
Other	**(82)**	(548)	510	**(38)**
31 December 2015	**457**	3,405	(3,059)	**346**

1 *See note 24.*

US$ million	Post-retirement medical plans	Defined benefit pension plans: Present value of defined benefit obligation	Fair value of plan assets	Net liability for defined benefit pension plans
1 January 2014	**584**	4,059	(3,663)	**396**
Current service cost	10	71	–	71
Past service cost – plan amendments	(2)	1	–	1
Settlement	–	(40)	26	(14)
Interest expense/(income)	27	173	(160)	13
Total expense/(income) recognised in consolidated statement of income	**35**	205	(134)	**71**
Gain on plan assets, excluding amounts included in interest expense – net	–	–	(254)	(254)
Loss from change in demographic assumptions	16	73	–	73
(Gain)/loss from change in financial assumptions	(15)	463	–	463
(Gain)/loss from actuarial experience	(10)	12	–	12
Change in asset ceiling, excluding amounts included in interest expense	–	(31)	–	(31)
Actuarial (gains)/losses recognised in consolidated statement of comprehensive income	**(9)**	517	(254)	**263**
Employer contributions	–	–	(164)	(164)
Employee contributions	–	2	(2)	–
Benefits paid directly by the Company	(26)	(13)	13	–
Benefits paid from plan assets	–	(248)	248	–
Net cash (outflow)/inflow	**(26)**	(259)	95	**(164)**
Exchange differences	(45)	(337)	302	(35)
Other	**(45)**	(337)	302	**(35)**
31 December 2014	**539**	4,185	(3,654)	**531**

The Group expects to make a contribution of $116 million to the defined benefit pension and post-retirement medical plans during the next financial year.

The defined benefit obligation accrued to date in Canada represents the majority for the Company. The breakdown below provides details of the Canadian plans for both the balance sheet and the weighted average duration of the defined benefit obligation as at 31 December 2015 and 2014. The defined benefit obligation of any other of the Group's defined benefit plans as at 31 December 2015 does not exceed $195 million (2014: $205 million).

2015 US$ million	**Canada**	**Other**	**Total**
Post-retirement medical plans			
Present value of defined benefit obligation	395	62	**457**
of which: amounts owing to active members	121	21	**142**
of which: amounts owing to pensioners	274	41	**315**
Defined benefit pension plans			
Present value of defined benefit obligation	2,534	871	**3,405**
of which: amounts owing to active members	571	457	**1,028**
of which: amounts owing to not active members	102	197	**299**
of which: amounts owing to pensioners	1,861	217	**2,078**
Fair value of plan assets	(2,454)	(605)	**(3,059)**
Net defined benefit liability at 31 December 2015	**80**	**266**	**346**
Weighted average duration of defined benefit obligation – years	13	18	**14**

Notes to the financial statements

22. PERSONNEL COSTS AND EMPLOYEE BENEFITS (continued)

2014 US$ million	Canada	Other	Total
Post-retirement medical plans			
Present value of defined benefit obligation	468	71	**539**
of which: amounts owing to active members	143	27	**170**
of which: amounts owing to pensioners	325	44	**369**
Defined benefit pension plans			
Present value of defined benefit obligation	3,271	914	**4,185**
of which: amounts owing to active members	746	467	**1,213**
of which: amounts owing to not active members	142	217	**359**
of which: amounts owing to pensioners	2,383	230	**2,613**
Fair value of plan assets	(3,026)	(628)	**(3,654)**
Net defined benefit liability at 31 December 2014	**245**	**286**	**531**
Weighted average duration of defined benefit obligation – years	12	17	**13**

The actual return on plan assets in respect of defined benefit pension plans amounted to a loss of $300 million (2014: gain of $112 million), mainly resulting from foreign exchange movements.

The plan assets consist of the following:

US$ million	**2015**	2014
Cash and short-term investments	88	80
Fixed income	1,605	2,056
Equities	1,180	1,379
Other[1]	186	139
Total	**3,059**	**3,654**

1 *Includes securities in non-active markets in the amount of $58 million (2014: $60 million).*

The fair value of plan assets includes none of Glencore's own financial instruments and no property occupied by or other assets used by Glencore. For many of the plans, representing a large portion of the global plan assets, asset-liability matching strategies are in place, where the fixed-income assets are invested broadly in alignment with the duration of the plan liabilities, and the proportion allocated to fixed-income assets is raised when the plan funding level increases.

Through its defined benefit plans, Glencore is exposed to a number of risks, the most significant of which are detailed below:

Asset volatility: The plan liabilities are calculated using a discount rate set with reference to corporate bond yields; if plan assets underperform this yield, this will create a deficit. The funded plans hold a significant proportion of equities, which are expected to outperform bonds in the long term while contributing volatility and risk in the short term. Glencore believes that due to the long-term nature of the plan liabilities, a level of continuing equity investment is an appropriate element of Glencore's long-term strategy to manage the plans efficiently.

Change in bond yields: A decrease in bond yields will increase plan liabilities, although this will be partially offset by an increase in the value of the plans' bond holdings.

Inflation risk: Some of the plans' benefit obligations are linked to inflation, and higher inflation will lead to higher liabilities, although, in most cases, caps on the level of inflationary increases are in place to protect the plan against extreme inflation.

Life expectancy: The majority of the plans' obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in the plans' liability.

Salary increases: Some of the plans' benefit obligations related to active members are linked to their salaries. Higher salary increases will therefore tend to lead to higher plan liabilities.

The principal weighted-average actuarial assumptions used were as follows:

	Post-retirement medical plans		Defined benefit pension plans	
	2015	2014	**2015**	2014
Discount rate	4.2%	4.2%	3.7%	3.7%
Future salary increases	2.8%	2.9%	2.7%	2.9%
Future pension increases	–	–	0.4%	0.4%
Ultimate medical cost trend rate	4.3%	4.3%	–	–

Mortality assumptions are based on the latest available standard mortality tables for the individual countries concerned. As at 31 December 2015, these tables imply expected future life expectancy, for employees aged 65, 19 to 24 years for males (2014: 16 to 24) and 23 to 26 years for females (2014: 20 to 26). The assumptions for each country are reviewed each year and are adjusted where necessary to reflect changes in fund experience and actuarial recommendations.

The sensitivity of the defined benefit obligation to changes in principal assumptions as at 31 December 2015 is set out below, assuming that all other assumptions are held constant and the effect of interrelationships is excluded.

	Increase/(decrease) in pension obligation		
US$ million	Post-retirement medical plans	Defined benefit pension plans	Total
Discount rate			
Increase by 100 basis points	(59)	(402)	**(461)**
Decrease by 100 basis points	67	485	**552**
Rate of future salary increase			
Increase by 100 basis points	–	45	**45**
Decrease by 100 basis points	–	(42)	**(42)**
Rate of future pension benefit increase			
Increase by 100 basis points	–	36	**36**
Decrease by 100 basis points	–	(30)	**(30)**
Medical cost trend rate			
Increase by 100 basis points	57	–	**57**
Decrease by 100 basis points	(50)	–	**(50)**
Life expectancy			
Increase in longevity by 1 year	11	82	**93**

23. ACCOUNTS PAYABLE

US$ million	**2015**	2014
Trade payables	19,424	22,448
Trade advances from buyers	1,684	1,479
Associated companies	467	473
Other payables and accrued liabilities	2,513	2,481
Total	**24,088**	**26,881**

Trade payables are obligations to pay for goods and services. Trade payables typically have maturities up to 90 days depending on the type of material and the geographic area in which the purchase transaction occurs and the agreed terms. The carrying value of trade payables approximates fair value.

Notes to the financial statements

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES

2015 Acquisitions

In 2015, Glencore acquired controlling interests in Prokon Pflanzenöl GmbH, subsequently renamed Glencore Magdeburg GmbH (“Magdeburg”) and Twin Rivers Technologies Enterprises De Transformation De Graines Oléagineuses Du Québec Inc. (“TRT”). The net cash used in the acquisition of subsidiaries and the provisional fair value of assets acquired and liabilities assumed on the acquisition dates are detailed below:

US$ million	Magdeburg	TRT	Total
Non-current assets			
Property, plant and equipment	178	108	**286**
Deferred tax assets	–	39	**39**
	178	147	**325**
Current assets			
Inventories	5	44	**49**
Accounts receivable[1]	6	22	**28**
Other financial assets	1	3	**4**
Cash and cash equivalents	4	5	**9**
	16	74	**90**
Non-current liabilities			
Deferred tax liabilities	(22)	–	**(22)**
Provisions	(21)	–	**(21)**
	(43)	–	**(43)**
Current liabilities			
Accounts payable	(14)	(23)	**(37)**
Other financial liabilities	(3)	(5)	**(8)**
	(17)	(28)	**(45)**
Total fair value of net assets acquired	**134**	**193**	**327**
Less: cash and cash equivalents acquired	(4)	(5)	**(9)**
Net cash used in acquisition of subsidiaries	**130**	**188**	**318**

1 There is no material difference between the gross contractual amounts for loans and advances and accounts receivable and their fair value.

Magdeburg

In March 2015, Glencore completed the acquisition of a 100% interest in Magdeburg for a cash consideration of $134 million. The acquisition of Magdeburg, an integrated oilseeds crushing and biodiesel plant located in Germany, adds further value to and enlarges our crushing portfolio in Europe, allowing Glencore to further optimise around this business sector.

If the acquisition had taken place effective 1 January 2015, the operation would have contributed additional revenue of $15 million and an additional attributable loss of $2 million. From the date of acquisition the operation contributed $161 million and $10 million of revenue and attributable loss, respectively.

TRT

In November 2015, Glencore completed the acquisition of a 100% interest in TRT for a cash consideration of $193 million. TRT owns the largest oilseed crushing and refining plant in Quebec, Canada with a capacity of 1.05 million tonnes per year.

If the acquisition had taken place effective 1 January 2015, the operation would have contributed additional revenue of $237 million and an additional attributable loss of $20 million. From the date of acquisition the operation contributed $65 million and $1 million of revenue and attributable income, respectively.

2015 Disposals

In 2015, Glencore disposed of its controlling interest in Tampakan and Falcondo. Furthermore, upon Optimum Coal commencing business rescue proceedings, Glencore ceased having control over Optimum in August 2015. As a result of such loss of control, Optimum is no longer accounted for as a subsidiary and has been deconsolidated (see note 3).

The carrying value of the assets and liabilities over which control was lost and net cash received from these disposals are detailed below:

US$ million	Tampakan	Falcondo	Optimum[1]	Other	Total
Non-current assets					
Property, plant and equipment	161	11	809	5	**986**
Intangible assets	–	–	712	–	**712**
Loans and advances	1	–	256	–	**257**
	162	11	1,777	5	**1,955**
Current assets					
Inventories	–	45	39	12	**96**
Accounts receivable	21	12	34	12	**79**
Cash and cash equivalents	–	1	15	22	**38**
	21	58	88	46	**213**
Non-controlling interest	(14)	–	(243)	–	**(257)**
Non-current liabilities					
Borrowings	(142)	–	(277)	–	**(419)**
Deferred income	–	–	(150)	–	**(150)**
Deferred tax liabilities	–	(1)	(203)	(1)	**(205)**
Provisions	(8)	(110)	(137)	–	**(255)**
	(150)	(111)	(767)	(1)	**(1,029)**
Current liabilities					
Accounts payable	(3)	(5)	(64)	(42)	**(114)**
Deferred income	–	–	(62)	–	**(62)**
Provisions	–	–	(6)	–	**(6)**
	(3)	(5)	(132)	(42)	**(182)**
Carrying value of net assets/(liabilities) disposed	16	(47)	723	8	**700**
Less: Cash and cash equivalents received	(208)	(40)	–	(2)	**(250)**
Add: Foreign currency translation losses recycled to the statement of income	–	–	311	–	**311**
Net (gain)/loss on disposal	**(192)**	**(87)**	**1,034**	**6**	**761**
Cash and cash equivalents received	**208**	**40**	**–**	**2**	**250**
Less: Cash and cash equivalents disposed	–	(1)	(15)	(22)	**(38)**
Net cash received from disposal	**208**	**39**	**(15)**	**(20)**	**212**

1 Includes associated impairments of $152 million (see note 3).

Notes to the financial statements

24. ACQUISITION AND DISPOSAL OF SUBSIDIARIES (continued)

2014 Acquisitions

In 2014, Glencore acquired controlling interests in Caracal Energy Inc ("Caracal"), Zhairemsky GOK JSC ("Zhairemsky") and other immaterial entities. The net cash used in the acquisition of subsidiaries and the fair value of the assets acquired and liabilities assumed on the acquisition dates are detailed below:

US$ million	Caracal	Zhairemsky	Other	Total
Non-current assets				
Property, plant and equipment	1,799	351	27	**2,177**
Intangible assets	1	–	12	**13**
Advances and loans[1]	–	–	1	**1**
Deferred tax assets	1	–	–	**1**
	1,801	351	40	**2,192**
Current assets				
Inventories	–	9	8	**17**
Accounts receivable[1]	86	8	20	**114**
Cash and cash equivalents	31	17	–	**48**
	117	34	28	**179**
Non-controlling interest[2]	–	–	(8)	**(8)**
Non-current liabilities				
Deferred tax liabilities	–	(52)	–	**(52)**
Other financial liabilities	–	(3)	(5)	**(8)**
Provisions	(1)	(13)	–	**(14)**
	(1)	(68)	(5)	**(74)**
Current liabilities				
Borrowings	(161)	–	–	**(161)**
Accounts payable	(149)	(9)	(53)	**(211)**
	(310)	(9)	(53)	**(372)**
Total fair value of net assets acquired	**1,607**	**308**	**2**	**1,917**
Less: amounts previously recognised through investments and loans	(77)	–	–	**(77)**
Less: cash and cash equivalents acquired	(31)	(17)	–	**(48)**
Net cash used in acquisition of subsidiaries	**1,499**	**291**	**2**	**1,792**

1 *There is no material difference between the gross contractual amounts for loans and advances and accounts receivable and their fair value.*

2 *Non-controlling interest measured at its percentage of net assets acquired.*

Caracal

On 8 July 2014, Glencore completed the acquisition of the remaining issued and outstanding equity of Caracal, an oil and gas exploration and development company with operations in the Republic of Chad, Africa, for a total consideration of $1,607 million. This increased Glencore's ownership from 13.2% to 100% and provides Glencore the ability to exercise control over Caracal.

The acquisition accounting has now been finalised. The final fair value adjustments to the provisionally reported values relate to reclassifications within property, plant and equipment resulting from the refinement of acquisition date pricing forecasts and revisions to assumptions that existed at the acquisition date including corporate cost forecasts, oil quality adjustments and pipeline tariff costs (see note 7).

If the acquisition had taken place effective 1 January 2014, the operation would have contributed additional revenue of $56 million and additional attributable loss of $25 million. From the date of acquisition, the operation contributed $101 million and $80 million of revenue and attributable loss, respectively.

The acquisition of Caracal enlarged Glencore's regional oil portfolio enabling the Group to establish its own African oil operational footprint, from which to seek additional regional commercial/development opportunities, as they arise.

Zhairemsky

On 11 December 2014, Glencore completed the acquisition of a 100% interest in Zhairemsky GOK JSC, located in Kazakhstan, for a cash consideration of $308 million. The acquisition enhances and complements Glencore's existing operations in Kazakhstan, including an expectation that the additional zinc/lead resources will significantly increase Kazzinc's weighted average own-source life of mine.

The acquisition accounting has now been finalised, with no adjustments to the previously reported provisional fair values.

If the acquisition had taken place effective 1 January 2014, the operation would have contributed additional revenue of $78 million and additional attributable loss of $2 million. From the date of acquisition the operation contributed $6 million and $1 million of revenue and attributable loss, respectively.

Other

Other comprises primarily the acquisition of an additional 16.99% interest in Energia Austral, increasing Glencore's ultimate ownership to 65.99%. From the date of acquisition, 1 January 2014, the operations contributed $25 million and $15 million to Glencore's revenue and attributable income, respectively.

2014 Disposals

In 2014, Glencore disposed of its controlling interest in Las Bambas that was acquired as part of the Xstrata business combination in May 2013. Other consists primarily of the disposal of Frieda River, a copper project in Papua New Guinea. The carrying value of the assets and liabilities over which control was lost and net cash received from these disposals are detailed below:

US$ million	Las Bambas	Other	Total
Property, plant and equipment	–	89	**89**
Accounts receivable	–	9	**9**
Assets held for sale	6,884	–	**6,884**
Accounts payable	–	(2)	**(2)**
Liabilities held for sale	(604)	–	**(604)**
Non-controlling interest	–	(16)	**(16)**
Total carrying value of net assets disposed	**6,280**	**80**	**6,360**
Cash and cash equivalents received	6,449	33	**6,482**
Future consideration receivable	15	34	**49**
Total consideration	**6,464**	**67**	**6,531**
Net gain/(loss) on disposal	**184**	**(13)**	**171**

25. FINANCIAL AND CAPITAL RISK MANAGEMENT

Financial risks arising in the normal course of business from Glencore's operations comprise market risk (including commodity price risk, interest rate risk and currency risk), credit risk (including performance risk) and liquidity risk. It is Glencore's policy and practice to identify and, where appropriate and practical, actively manage such risks (except "margin" risk within its extensive and diversified industrial portfolio – refer net present value at risk below) to support its objectives in managing its capital and future financial security and flexibility. Glencore's overall risk management programme focuses on the unpredictability of financial markets and seeks to protect its financial security and flexibility by using derivative financial instruments where possible to substantially hedge these financial risks. Glencore's finance and risk professionals, working in coordination with the commodity departments, monitor, manage and report regularly to senior management and the Board of Directors on the approach and effectiveness in managing financial risks along with the financial exposures facing the Group.

Glencore's objectives in managing its "capital attributable to equity holders" include preserving its overall financial health and strength for the benefit of all stakeholders, maintaining an optimal capital structure in order to provide a high degree of financial flexibility at an attractive cost of capital and safeguarding its ability to continue as a going concern, while generating sustainable long-term profitability. Central to meeting these objectives is maintaining an investment grade credit rating status. Glencore's current credit ratings are Baa3 (stable) from Moody's and BBB- (stable) from S&P.

Distribution policy and other capital management initiatives

In September 2015, the Board determined that no cash distributions would be made in 2016, in an effort to preserve capital and investment grade credit ratings. The Board remains focused on delivery of the Group's debt reduction target, and will consider the resumption of distributions to shareholders when it considers these have been realised. The manner and timing of future distributions will be determined after consultation with shareholders. Distributions are expected to be declared by the Board semi-annually (with the half-year results and the preliminary full-year results). Distributions, when declared, will be paid in US dollars, although shareholders will be able to elect to receive their distribution payments in Pounds Sterling, Euros or Swiss Francs based on the exchange rates in effect around the date of payment. Shareholders on the Hong Kong branch register will receive their distributions in Hong Kong dollars, while shareholders on the JSE will receive their distributions in South African Rand.

Notes to the financial statements

25. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Commodity price risk

Glencore is exposed to price movements for the inventory it holds and the products it produces which are not held to meet priced forward contract obligations and forward priced purchase or sale contracts. Glencore manages a significant portion of this exposure through futures and options transactions on worldwide commodity exchanges or in over the counter ("OTC") markets, to the extent available. Commodity price risk management activities are considered an integral part of Glencore's physical commodity marketing activities and the related assets and liabilities are included in other financial assets from and other financial liabilities to derivative counterparties, including clearing brokers and exchanges. Whilst it is Glencore's policy to substantially hedge its commodity price risks, there remains the possibility that the hedging instruments chosen may not always provide effective mitigation of the underlying price risk. The hedging instruments available to the marketing businesses may differ in specific characteristics to the risk exposure to be hedged, resulting in an ongoing and unavoidable basis risk exposure. Residual basis risk exposures represent a key focus point for Glencore's commodity department teams who actively engage in the management of such.

Value at risk

One of the tools used by Glencore to monitor and limit its primary market risk exposure, principally 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 a threshold for potential loss that could occur on risk positions as a result of movements in risk factors over a specified time horizon, given a specific level of confidence and based on a specific price history. The VaR methodology is a statistically defined, probability based approach that takes into account market volatilities, as well as risk diversification by recognising offsetting positions and correlations between commodities and markets. In this way, risks can be measured consistently across markets and commodities and risk measures can be aggregated to derive a single risk value. Glencore's Board has set a consolidated VaR limit (one day 95% confidence level) of $100 million representing less than 0.5% of total equity, which the Board reviews annually. The consolidated VaR limit of $100 million was not exceeded during the year.

Glencore uses a VaR approach based on Monte Carlo simulations computed at a 95% confidence level and utilising a weighted data history for a one-day time horizon.

Position sheets are regularly distributed and monitored and daily Monte Carlo simulations are applied to the various business groups' net marketing positions to determine potential losses.

Market risk VaR (one-day 95% confidence level) ranges and year-end positions were as follows:

US$ million	**2015**	2014
Year-end position	18	39
Average during the year	35	36
High during the year	52	65
Low during the year	17	16

VaR does not purport to represent actual gains or losses in fair value on earnings to be incurred by Glencore, nor does Glencore claim that these VaR results are indicative of future market movements or representative of any actual impact on its future results. VaR should always be viewed in the context of its limitations; notably, the use of historical data as a proxy for estimating future events, market illiquidity risks and tail risks. Glencore recognises these limitations, and thus complements and continuously refines its VaR analysis by analysing forward looking stress scenarios, benchmarking against an alternative VaR computation based on historical simulations and back testing calculated VaR against the hypothetical portfolio returns arising in the next business day.

Glencore's VaR computation currently covers its business in the key base metals (including aluminium, nickel, zinc, copper and lead), coal, iron ore, oil/natural gas and main risks in the agricultural products business segment (grain, oil seeds, sugar and cotton) and assesses the open priced positions which are subject to price risk, including inventories of these commodities. Due to the lack of a liquid terminal market, Glencore does not include a VaR calculation for products such as alumina, molybdenum, cobalt, freight and some risk associated with concentrates as it does not consider the nature of these markets to be suited to this type of analysis. Alternative measures are used to monitor exposures related to these products.

Net present value at risk

Glencore's future cash flows related to its forecast energy, metals and minerals and agricultural production activities are also exposed to commodity price movements. Glencore manages this exposure through a combination of portfolio diversification, occasional shorter-term hedging via futures and options transactions, insurance products and continuous internal monitoring, reporting and quantification of the underlying operations' estimated cash flows and valuations.

Interest rate risk

Glencore is exposed to various risks associated with the effects of fluctuations in the prevailing levels of market interest rates on its assets and liabilities and cash flows. Matching of assets and liabilities is utilised as the dominant method to hedge interest rate risks; other methods include the use of interest rate swaps and similar derivative instruments. Floating rate debt which is predominantly used to fund fast turning working capital (interest is internally charged on the funding of this working capital) is primarily based on US$ LIBOR plus an appropriate premium. Accordingly, prevailing market interest rates are continuously factored into transactional pricing and terms.

Assuming the amount of floating rate liabilities at the reporting period end were outstanding for the whole year, interest rates were 50 basis points higher/lower and all other variables held constant, Glencore's income and equity for the year ended 31 December 2015 would decrease/increase by $59 million (2014: $95 million).

Currency risk

The US dollar is the predominant functional currency of the Group. Currency risk is the risk of loss from movements in exchange rates related to transactions and balances in currencies other than the US dollar. Such transactions include operating expenditure, capital expenditure and to a lesser extent purchases and sales in currencies other than the functional currency. Purchases or sales of commodities concluded in currencies other than the functional currency, apart from certain limited domestic sales at industrial operations which act as a hedge against local operating costs, are ordinarily hedged through forward exchange contracts. Consequently, foreign exchange movements against the US dollar on recognised transactions would have an immaterial financial impact. Glencore enters into currency hedging transactions with leading financial institutions.

Glencore's debt related payments (both principal and interest) are overwhelmingly denominated in or swapped using hedging instruments into US dollars. Glencore's operating expenses, being a small portion of its revenue base, are incurred in a mix of currencies of which the US dollar, Swiss Franc, Pound Sterling, Canadian dollar, Australian dollar, Euro, Kazakhstan Tenge, Colombian Peso and South African Rand are the predominant currencies.

Glencore has issued Euro, Swiss Franc, Sterling, Yen and Australian dollar denominated bonds (see note 19). Cross currency swaps were concluded to hedge the currency risk on the principal and related interest payments of these bonds. These contracts were designated as cash flow hedges of the foreign currency risks associated with the bonds. The fair value of these derivatives is as follows:

	Notional amounts		Recognised fair values		
US$ million	Buy	Sell	Assets	Liabilities	Average maturity[1]
Cross currency swap agreements – 2015	–	15,541	21	2,471	2020
Cross currency swap agreements – 2014	–	15,762	15	1,727	2019

1 *Refer to note 19 for details.*

Credit risk

Credit risk arises from the possibility that counterparties may not be able to settle obligations due to Glencore within their agreed payment terms. Financial assets which potentially expose Glencore to credit risk consist principally of cash and cash equivalents, receivables and advances, derivative instruments and non-current advances and loans. Glencore's credit management process includes the assessment, monitoring and reporting of counterparty exposure on a regular basis. Glencore's cash and cash equivalents are placed overnight with a diverse group of highly credit rated financial institutions. Credit risk with respect to receivables and advances is mitigated by the large number of customers comprising Glencore's customer base, their diversity across various industries and geographical areas, as well as Glencore's policy to mitigate these risks through letters of credit, netting, collateral and insurance arrangements where appropriate. Additionally, it is Glencore's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable offsetting of balances due to/from a common counterparty in the event of default by the counterparty. Glencore actively and continuously monitors the credit quality of its counterparties through internal reviews and a credit scoring process, which includes, where available, public credit ratings. Balances with counterparties not having a public investment grade or equivalent internal rating are typically enhanced to investment grade through the extensive use of credit enhancement products, such as letters of credit or insurance products. Glencore has a diverse customer base, with no customer representing more than 1.9% (2014: 2.5%) of its trade receivables (on a gross basis taking into account credit enhancements) or accounting for more than 4.7% of its revenues over the year ended 31 December 2015 (2014: 3.5%).

The maximum exposure to credit risk (including performance risk – see below), without considering netting agreements or without taking account of any collateral held or other credit enhancements, is equal to the carrying amount of Glencore's financial assets (see note 26).

Notes to the financial statements

25. FINANCIAL AND CAPITAL RISK MANAGEMENT (continued)

Performance risk

Performance risk (part of the broader credit risk subject matter, discussed above) is inherent in contracts, with agreements in the future, to physically purchase or sell commodities with fixed price attributes, and arises from the possibility that counterparties may not be willing or able to meet their future contractual physical sale or purchase obligations to/from Glencore. Glencore undertakes the assessment, monitoring and reporting of performance risk within its overall credit management process. Glencore's market breadth, diversified supplier and customer base as well as the standard pricing mechanism in the vast majority of Glencore's commodity portfolio which does not fix prices beyond three months, with the main exception being coal, where longer-term fixed price contracts are common, ensure that performance risk is adequately mitigated. The commodity industry has trended towards shorter-term fixed price contract periods, in part to mitigate against such potential performance risk, but also due to the development of more transparent and liquid spot markets, e.g. coal and iron ore and associated derivative products and indexes.

Liquidity risk

Liquidity risk is the risk that Glencore is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments. Prudent liquidity risk management implies maintaining sufficient cash and cash equivalents and availability of adequate committed funding facilities. Glencore has set itself an internal minimum liquidity target to maintain at all times, including via available committed undrawn credit facilities of $3 billion (2014: $3 billion). Glencore's credit profile, diversified funding sources and committed credit facilities, ensure that sufficient liquid funds are maintained to meet its liquidity requirements. As part of its liquidity management, Glencore closely monitors and plans for its future capital expenditure and proposed investments, as well as credit facility refinancing/extension requirements, well ahead of time.

As at 31 December 2015, Glencore had available committed undrawn credit facilities, cash and marketable securities amounting to $15,155 million (2014: $9,620 million). The maturity profile of Glencore's financial liabilities based on the contractual terms is as follows:

2015 US$ million	**After 5 years**	**Due 3–5 years**	**Due 2–3 years**	**Due 1–2 years**	**Due 0–1 year**	**Total**
Borrowings	11,401	10,949	2,823	7,759	11,117	**44,049**
Expected future interest payments	3,965	1,515	796	814	935	**8,025**
Accounts payable	–	–	–	–	24,088	**24,088**
Other financial liabilities	186	–	–	–	4,931	**5,117**
Total	**15,552**	**12,464**	**3,619**	**8,573**	**41,071**	**81,279**
Current assets					42,198	**42,198**

2014 US$ million	After 5 years	Due 3–5 years	Due 2–3 years	Due 1–2 years	Due 0–1 year	Total
Borrowings	13,467	8,122	5,286	13,813	12,005	**52,693**
Expected future interest payments	4,363	1,686	906	992	1,068	**9,015**
Accounts payable	–	–	–	–	26,881	**26,881**
Other financial liabilities	295	342	–	343	3,956	**4,936**
Total	**18,125**	**10,150**	**6,192**	**15,148**	**43,910**	**93,525**
Current assets					53,219	**53,219**

26. FINANCIAL INSTRUMENTS

Fair value of financial instruments

The following tables present the carrying values and fair values of Glencore's financial instruments. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (most advantageous) market at the measurement date under current market conditions. Where available, market values have been used to determine fair values. When market values are not available, fair values have been calculated by discounting expected cash flows at prevailing market interest and exchange rates. The estimated fair values have been determined using market information and appropriate valuation methodologies, but are not necessarily indicative of the amounts that Glencore could realise in the normal course of business.

The financial assets and liabilities are presented by class in the tables below at their carrying values, which generally approximate the fair values with the exception of $44,049 million (2014: $52,693 million) of borrowings, the fair value of which at 31 December 2015 was $39,406 million (2014: $53,285 million) based on observable market prices applied to the borrowing portfolio (a Level 2 fair value measurement).

2015 US$ million	Carrying value[1]	Available for sale	FVtPL[2]	Total
Assets				
Other investments[3]	–	1,092	213	**1,305**
Advances and loans	3,005	–	–	**3,005**
Accounts receivable	17,001	–	–	**17,001**
Other financial assets (see note 27)	–	–	3,701	**3,701**
Cash and cash equivalents and marketable securities[4]	–	–	2,746	**2,746**
Total financial assets	**20,006**	**1,092**	**6,660**	**27,758**
Liabilities				
Borrowings	44,049	–	–	**44,049**
Non-current other financial liabilities (see note 27)	–	–	186	**186**
Accounts payable	24,088	–	–	**24,088**
Other financial liabilities (see note 27)	–	–	4,931	**4,931**
Total financial liabilities	**68,137**	**–**	**5,117**	**73,254**

1 *Carrying value comprises investments, loans, accounts receivable, accounts payable and other liabilities measured at amortised cost.*

2 *FVtPL – Fair value through profit and loss – held for trading.*

3 *Other investments of $568 million are classified as Level 1 measured using quoted market prices with the remaining balance of $737 million being investments in private companies whose fair value cannot be reliably measured which are carried at cost.*

4 *Classified as Level 1, measured using quoted exchange rates and/or market prices.*

2014 US$ million	Carrying value[1]	Available for sale	FVtPL[2]	Total
Assets				
Other investments[3]	–	895	577	**1,472**
Advances and loans	4,597	–	–	**4,597**
Accounts receivable	21,456	–	–	**21,456**
Other financial assets (see note 27)	–	–	4,036	**4,036**
Cash and cash equivalents and marketable securities[4]	–	–	2,855	**2,855**
Total financial assets	**26,053**	**895**	**7,468**	**34,416**
Liabilities				
Borrowings	52,693	–	–	**52,693**
Non-current other financial liabilities (see note 27)	–	–	980	**980**
Accounts payable	26,881	–	–	**26,881**
Other financial liabilities (see note 27)	–	–	3,956	**3,956**
Total financial liabilities	**79,574**	**–**	**4,936**	**84,510**

1 *Carrying value comprises investments, loans, accounts receivable, accounts payable and other liabilities measured at amortised cost.*

2 *FVtPL – Fair value through profit and loss – held for trading.*

3 *Other investments of $1,354 million are classified as Level 1 measured using quoted market prices with the remaining balance of $118 million being investments in private companies whose fair value cannot be reliably measured which are carried at cost.*

4 *Classified as Level 1, measured using quoted exchange rates and/or market prices.*

Notes to the financial statements

26. FINANCIAL INSTRUMENTS (continued)

Offsetting of financial assets and liabilities

In accordance with IAS 32 the Group reports financial assets and liabilities on a net basis in the consolidated statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements as at 31 December 2015 and 2014 were as follows:

	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements				
2015 US$ million	Gross amount	Amounts offset	Net amount	Financial instruments	Financial collateral	Net amount	Amounts not subject to netting agreements	Total as presented in the consolidated statement of financial position
Derivative assets[1]	6,164	(4,282)	**1,882**	(406)	(494)	982	**1,819**	**3,701**
Derivative liabilities[1]	(6,799)	4,282	**(2,517)**	406	1,674	(437)	**(2,414)**	**(4,931)**

1 *Presented within current other financial assets and current other financial liabilities.*

	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements				
2014 US$ million	Gross amount	Amounts offset	Net amount	Financial instruments	Financial collateral	Net amount	Amounts not subject to netting agreements	Total as presented in the consolidated statement of financial position
Derivative assets[1]	19,282	(17,115)	**2,167**	(483)	(497)	1,187	**1,869**	**4,036**
Derivative liabilities[1]	(19,022)	17,115	**(1,906)**	483	924	(499)	**(2,050)**	**(3,956)**

1 *Presented within current other financial assets and current other financial liabilities.*

For the financial assets and liabilities subject to enforceable master netting or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities may be settled on a gross basis, however, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party. Per the terms of each agreement, an event of default includes failure by a party to make payment when due, failure by a party to perform any obligation required by the agreement (other than payment) if such failure is not remedied within periods of 30 to 60 days after notice of such failure is given to the party or bankruptcy.

27. FAIR VALUE MEASUREMENTS

Fair values are primarily determined using quoted market prices or standard pricing models using observable market inputs where available and are presented to reflect the expected gross future cash in/outflows. Glencore classifies the fair values of its financial instruments into a three level hierarchy based on the degree of the source and observability of the inputs that are used to derive the fair value of the financial asset or liability as follows:

Level 1 Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that Glencore can assess at the measurement date; or

Level 2 Inputs other than quoted inputs included in Level 1 that are observable for the assets or liabilities, either directly or indirectly; or

Level 3 Unobservable inputs for the assets or liabilities, requiring Glencore to make market-based assumptions.

Level 1 classifications primarily include futures with a tenor of less than one year and options that are exchange traded, whereas Level 2 classifications primarily include futures with a tenor greater than one year, over the counter options, swaps and physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominantly from models that use broker quotes and applicable market-based estimates surrounding location, quality and credit differentials and financial liabilities linked to the fair value of certain mining operations. In circumstances where Glencore cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is Glencore's policy that transactions and activities in trade related financial instruments be concluded under master netting agreements or long form confirmations to enable balances due to/from a common counterparty to be offset in the event of default, insolvency or bankruptcy by the counterparty.

The following tables show the fair values of the derivative financial instruments including trade related financial and physical forward purchase and sale commitments by type of contract and non-current other financial liabilities as at 31 December 2015 and 2014. Other assets and liabilities which are measured at fair value on a recurring basis are marketing inventories, other investments, cash and cash equivalents and marketable securities. Refer to notes 12 and 26 for disclosures in connection with these fair value measurements. There are no non-recurring fair value measurements.

Other financial assets

2015 US$ million	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	889	246	–	**1,135**
Options	30	15	–	**45**
Swaps	112	556	–	**668**
Physical forwards	–	1,299	224	**1,523**
Financial contracts				
Cross currency swaps	–	189	–	**189**
Foreign currency and interest rate contracts	–	141	–	**141**
Total	**1,031**	**2,446**	**224**	**3,701**

2014 US$ million	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	1,008	183	–	**1,191**
Options	21	27	1	**49**
Swaps	133	771	–	**904**
Physical forwards	21	1,101	339	**1,461**
Financial contracts				
Cross currency swaps	–	158	–	**158**
Foreign currency and interest rate contracts	2	271	–	**273**
Total	**1,185**	**2,511**	**340**	**4,036**

Other financial liabilities

2015 US$ million	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	414	33	–	**447**
Options	40	4	1	**45**
Swaps	197	323	–	**520**
Physical forwards	–	1,156	205	**1,361**
Financial contracts				
Cross currency swaps	–	2,196	–	**2,196**
Foreign currency and interest rate contracts	3	359	–	**362**
Current other financial liabilities	**654**	**4,071**	**206**	**4,931**
Non-current other financial liabilities				
Non-discretionary dividend obligation[1]	–	–	186	**186**
Non-current other financial liabilities	**–**	**–**	**186**	**186**
Total	**654**	**4,071**	**392**	**5,117**

1 *A ZAR denominated derivative liability payable to ARM Coal, one of the Group's principal coal joint operations based in South Africa. The liability arises from ARM Coal's rights as an investor to a share of agreed free cash flows from certain coal operations in South Africa and is valued based on those cash flows using a risk adjusted discount rate. The derivative liability is settled over the life of those operations and has no fixed repayment date and is not cancellable within 12 months.*

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27. FAIR VALUE MEASUREMENTS (continued)

Other financial liabilities

2014 US$ million	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	580	8	–	**588**
Options	199	12	40	**251**
Swaps	118	98	–	**216**
Physical forwards	4	893	264	**1,161**
Financial contracts				
Cross currency swaps	–	1,281	–	**1,281**
Foreign currency and interest rate contracts	–	459	–	**459**
Current other financial liabilities	**901**	**2,751**	**304**	**3,956**
Non-current other financial liabilities				
Non-discretionary dividend obligation[1]	–	–	295	**295**
Put option over non-controlling interest[2]	–	–	685	**685**
Non-current other financial liabilities	**–**	**–**	**980**	**980**
Total	**901**	**2,751**	**1,284**	**4,936**

1 *A ZAR denominated derivative liability payable to ARM Coal, one of the Group's principal coal joint operations based in South Africa. The liability arises from ARM Coal's rights as an investor to a share of agreed free cash flows from certain coal operations in South Africa and is valued based on those cash flows using a risk adjusted discount rate. The derivative liability is settled over the life of those operations and has no fixed repayment date and is not cancellable within 12 months.*

2 *The position related to a put option over the remaining 31% of Mutanda that was exercisable in two equal tranches in July 2016 and July 2018. In June 2015, an agreement was reached to cancel the put/call option and, as such, the liability was released resulting in a corresponding increase in the associated non-controlling interest. Neither party paid consideration to cancel the put/call option.*

The following table shows the net changes in fair value of Level 3 other financial assets and other financial liabilities:

US$ million	Physical forwards	Options	Other	Total Level 3
1 January 2014	215	(716)	(359)	**(860)**
Total gain/(loss) recognised in cost of goods sold	(34)	(39)	–	**(73)**
Non-discretionary dividend obligation	–	–	64	**64**
Realised	(106)	31	–	**(75)**
31 December 2014	**75**	**(724)**	**(295)**	**(944)**
1 January 2015	75	(724)	(295)	**(944)**
Total gain/(loss) recognised in cost of goods sold	36	(1)	–	**35**
Cancellation of put option over non-controlling interest	–	685	–	**685**
Non-discretionary dividend obligation	–	–	109	**109**
Realised	(92)	39	–	**(53)**
31 December 2015	**19**	**(1)**	**(186)**	**(168)**

During the year no amounts were transferred between Level 1 and Level 2 of the fair value hierarchy and no amounts were transferred into or out of Level 3 of the fair value hierarchy for either other financial assets or other financial liabilities.

Some of the Group's financial assets and financial liabilities are measured at fair value at the end of each reporting period. The following table provides information about how the fair values of these financial assets and financial liabilities are determined, in particular, the valuation techniques and inputs used.

Fair value of financial assets/financial liabilities

US$ million			2015	2014
Futures – Level 1		Assets	**889**	1,008
		Liabilities	**(414)**	(580)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Futures – Level 2		Assets	**246**	183
		Liabilities	**(33)**	(8)
Valuation techniques and key inputs:	Discounted cash flow model Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			
Significant unobservable inputs:	None			
Options – Level 1		Assets	**30**	21
		Liabilities	**(40)**	(199)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Options – Level 2		Assets	**15**	27
		Liabilities	**(4)**	(12)
Valuation techniques and key inputs:	Discounted cash flow model Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			
Significant unobservable inputs:	None			
Options – Level 3		Assets	**–**	1
		Liabilities	**(1)**	(40)
Valuation techniques and key inputs:	Standard option pricing model			
Significant unobservable inputs:	Prices are adjusted by differentials, as required, including: – Volatility; and – Credit risk. These significant unobservable inputs generally represent 2% – 20% of the overall value of the instruments. These differentials move in symmetry with each other, e.g. a decrease in volatility leads to a decrease in credit risk, resulting in no material change in the underlying value.			

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27. FAIR VALUE MEASUREMENTS (continued)

Fair value of financial assets/financial liabilities

US$ million			2015	2014
Swaps – Level 1		Assets	**112**	133
		Liabilities	**(197)**	(118)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Swaps – Level 2		Assets	**556**	771
		Liabilities	**(323)**	(98)
Valuation techniques and key inputs:	Discounted cash flow model			
	Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			
Significant unobservable inputs:	None			
Physical Forwards – Level 1		Assets	**–**	21
		Liabilities	**–**	(4)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Physical Forwards – Level 2		Assets	**1,299**	1,101
		Liabilities	**(1,156)**	(893)
Valuation techniques and key inputs:	Discounted cash flow model			
	Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, such as history of non-performance, collateral held and current market developments, as required.			
Significant unobservable inputs:	None			
Physical Forwards – Level 3		Assets	**224**	339
		Liabilities	**(205)**	(264)
Valuation techniques and key inputs:	Discounted cash flow model			
	Valuation of the Group's commodity physical forward contracts categorised within this level is based on observable market prices that are adjusted by unobservable differentials, as required, including: – Quality; – Geographic location; – Local supply & demand; – Customer requirements; and – Counterparty credit considerations.			
	These significant unobservable inputs generally represent 2% – 50% of the overall value of the instruments. These differentials are generally symmetrical with an increase/decrease in one input resulting in an opposite movement in another input, resulting in no material change in the underlying value.			

Fair value of financial assets/financial liabilities

US$ million			2015	2014
Cross currency swaps – Level 2		Assets	**189**	158
		Liabilities	**(2,196)**	(1,281)
Valuation techniques and key inputs:	Discounted cash flow model			
	Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			
Significant unobservable inputs:	None			
Foreign currency and interest rate contracts – Level 1		Assets	**–**	2
		Liabilities	**(3)**	–
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Foreign currency and interest rate contracts – Level 2		Assets	**141**	271
		Liabilities	**(359)**	(459)
Valuation techniques and key inputs:	Discounted cash flow model			
	Inputs include observable quoted prices sourced from exchanges or traded reference indices in active markets for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations, as required.			
Significant unobservable inputs:	None			
Non-discretionary dividend obligation – Level 3		Assets	**–**	–
		Liabilities	**(186)**	(295)
Valuation techniques:	Discounted cash flow model			
Significant observable inputs:	– Forecast commodity prices; and			
	– Discount rates using weighted average cost of capital methodology.			
Significant unobservable inputs:	– Production models;			
	– Operating costs; and			
	– Capital expenditures.			
	The resultant liability is essentially a discounted cash flow valuation of the underlying mining operation. Increases/decreases in forecast commodity prices will result in an increase/decrease to the value of the liability though this will be partially offset by associated increases/decreases in the assumed production levels, operating costs and capital expenditures which are inherently linked to forecast commodity prices. There are no reasonable changes in assumptions which would result in a material change to the fair value of the underlying liability.			
Put option over non-controlling interest – Level 3		Assets	**–**	–
		Liabilities	**–**	(685)
Valuation techniques:	Discounted cash flow model			
Significant observable inputs:	– Forecast commodity prices; and			
	– Discount rates using weighted average cost of capital methodology			
Significant unobservable inputs:	– Production models;			
	– Operating costs; and			
	– Capital expenditures.			
	The resultant liability is essentially a discounted cash flow valuation of the underlying mining operation. Increases/decreases in forecast commodity prices will result in an increase/decrease to the value of the liability though this will be partially offset by associated increases/decreases in the assumed production levels, operating costs and capital expenditures which are inherently linked to forecast commodity prices. There are no reasonable changes in assumptions which would result in a material change to the fair value of the underlying liability.			
	As described above, in June 2015, an agreement was reached to cancel the put option over the non-controlling interest, with nil consideration being paid by either party.			

Notes to the financial statements

28. AUDITORS' REMUNERATION

US$ million	2015	2014
Remuneration in respect of the audit of Glencore's consolidated financial statements	3	4
Other audit fees, primarily in respect of audits of accounts of subsidiaries	19	20
Audit-related assurance services[1]	3	5
Total audit and related assurance fees	**25**	**29**
Corporate finance services	–	1
Taxation compliance services	3	2
Other taxation advisory services	2	2
Other assurance services	1	1
Other services	–	2
Total non-audit fees	**6**	**8**
Total professional fees	**31**	**37**

1 *Audit-related assurance services primarily related to interim reviews of the Group's half year accounts and quarterly accounts of the Group's publicly listed subsidiaries.*

29. 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 31 December 2015, $1,088 million (2014: $2,497 million), of which 77% (2014: 80%) 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 licences require it to spend a minimum amount per year on development activities, a significant portion of which would have been incurred in the ordinary course of operations. As at 31 December 2015, $144 million (2014: $255 million) of such development expenditures are to be incurred, of which 29% (2014: 23%) are for commitments to be settled over the next year.

Glencore procures seagoing vessels/chartering services to meet its overall marketing objectives and commitments. As at 31 December 2015, Glencore has committed to future hire costs to meet future physical delivery and sale obligations and expectations of $894 million (2014: $1,371 million), of which $145 million (2014: $183 million) are with associated companies. 60% (2014: 37%) of the total charters are for services to be received over the next two 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. In addition, Glencore is required to post rehabilitation and pension guarantees in respect of these future obligations. As at 31 December 2015, $18,027 million (2014: $16,307 million) of such commitments have been issued on behalf of Glencore, which will generally be settled simultaneously with the payment for such commodity or rehabilitation and pension obligation.

Glencore has entered into various operating leases mainly as lessee for office and warehouse/storage facilities. Rental expenses for these leases totalled respectively $237 million and $279 million for the years ended 31 December 2015 and 2014. Future net minimum lease payments under non-cancellable operating leases are as follows:

US$ million	2015	2014
Within 1 year	143	142
Between 2 and 5 years	346	275
After 5 years	170	255
Total	**659**	**672**

Glencore has entered into finance leases for various plant and equipment items, primarily vessels and machinery. Future net minimum lease payments under finance leases together with the future finance charges are as follows:

	Undiscounted minimum lease payments		Present value of minimum lease payments	
US$ million	2015	2014	2015	2014
Within 1 year	116	76	88	51
Between 1 and 5 years	267	236	193	173
After 5 years	277	280	183	252
Total minimum lease payments	**660**	**592**	**464**	**476**
Less: amounts representing finance lease charges	196	116	–	–
Present value of minimum lease payments	**464**	**476**	**464**	**476**

30. CONTINGENT LIABILITIES

The amount of corporate guarantees in favour of third parties as at 31 December 2015 was $nil (2014: $nil). Also see note 10.

The Group is subject to various claims which arise in the ordinary course of business as detailed below. These contingent liabilities are reviewed on a regular basis and where practical an estimate is made of the potential financial impact on the Group. As at 31 December 2015 and 2014, it was not practical to make such an assessment.

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 material liability arising from these claims to be remote and that the liability, if any, therefore resulting from any litigation will not have a material adverse effect on its consolidated income, financial position or cash flows.

Environmental contingencies

Glencore's operations 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.

Tax audits

Glencore assesses its liabilities and contingencies for all tax years open to audit based upon the latest information available. For those matters where it is probable that an adjustment will be made, the Group records its best estimate of these tax liabilities, including related interest charges. Inherent uncertainties exist in estimates of tax contingencies due to complexities of interpretation and changes in tax laws. Whilst Glencore believes it has adequately provided for the outcome of these matters, future results may include favourable or unfavourable adjustments to these estimated tax liabilities in the period the assessments are made, or resolved. The final outcome of tax examinations may result in a materially different outcome than assumed in the tax liabilities.

31. RELATED PARTY TRANSACTIONS

In the normal course of business, Glencore enters into various arm's length transactions with related parties, 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 (see notes 11, 13, and 23). 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, associates and joint ventures. In 2015, sales and purchases with associates and joint ventures amounted to $1,196 million (2014: $1,200 million) and $3,562 million (2014: $3,178 million) respectively.

Remuneration of key management personnel

Glencore's key management personnel are the members of the Board of Directors, CEO, CFO and the heads of the operating segments. The remuneration of Directors and other members of key management personnel recognised in the consolidated statement of income including salaries and other current employee benefits amounted to $10 million (2014: $10 million). There were no other long-term benefits or share-based payments provided to key management personnel (2014: $nil). Further details on remuneration of Directors are set out in the Director's remuneration report on page 89.

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32. PRINCIPAL SUBSIDIARIES WITH MATERIAL NON-CONTROLLING INTERESTS

Non-controlling interest is comprised of the following:

US$ million	2015	2014
Kazzinc	1,316	1,404
Koniambo	(2,460)	–
Optimum[1]	–	271
Alumbrera	126	182
Mutanda[2]	713	2
Other[3]	394	1,079
Total	**89**	**2,938**

1 Deconsolidated during 2015 (see note 24).

2 $685 million put option over non-controlling interest was cancelled in June 2015 (see note 27).

3 Other comprises various subsidiaries in which no individual balance attributable to non-controlling interests is material.

Summarised financial information in respect of Glencore's subsidiaries that have material non-controlling interest, reflecting 100% of the underlying subsidiary's relevant figures, is set out below.

US$ million	Kazzinc	Koniambo	Alumbrera	Mutanda
31 December 2015				
Non-current assets	4,796	958	346	4,814
Current assets	872	337	399	440
Total assets	**5,668**	**1,295**	**745**	**5,254**
Non-current liabilities	975	8,878	241	2,028
Current liabilities	344	114	252	255
Total liabilities	**1,319**	**8,992**	**493**	**2,283**
Net assets	**4,349**	**(7,697)**	**252**	**2,971**
Equity attributable to owners of the Company	3,033	(5,237)	126	2,258
Non-controlling interests	1,316	(2,460)	126	713
Non-controlling interests in %	30.3%	51.0%	50.0%	31.0%
2015				
Revenue	2,244	–	503	1,315
Expenses	(2,494)	(4,824)	(616)	(1,232)
Net (loss)/profit for the year	**(250)**	**(4,824)**	**(113)**	**83**
Profit attributable to owners of the Company	(174)	(2,364)	(57)	57
Profit attributable to non-controlling interests	(76)	(2,460)	(56)	26
Other comprehensive income attributable to owners of the Company	–	–	–	–
Other comprehensive income attributable to non-controlling interests	–	–	–	–
Total comprehensive (loss)/income for the year	**(250)**	**(4,824)**	**(113)**	**83**
Dividends paid to non-controlling interests	10	–	–	–
Net cash inflow/(outflow) from operating activities	591	–	(138)	330
Net cash (outflow) from investing activities	(262)	(360)	(50)	(261)
Net cash (outflow)/inflow from financing activities	(319)	404	164	(170)
Total net cash inflow/(outflow)	**10**	**44**	**(24)**	**(101)**

US$ million	Kazzinc	Optimum	Alumbrera	Mutanda
31 December 2014				
Non-current assets	5,085	1,755	458	4,747
Current assets	1,118	77	373	711
Total assets	**6,203**	**1,832**	**831**	**5,458**
Non-current liabilities	1,168	628	299	2,247
Current liabilities	402	346	167	322
Total liabilities	**1,570**	**974**	**466**	**2,569**
Net assets	**4,633**	**858**	**365**	**2,889**
Equity attributable to owners of the Company	3,229	587	183	2,887
Non-controlling interests	1,404	271	182	2
Non-controlling interests in %	30.3%	32.4%	50.0%	31.0%
2014				
Revenue	2,517	592	1,037	1,604
Expenses	(2,552)	(653)	(943)	(1,259)
Net (loss)/profit for the year	**(35)**	**(61)**	**94**	**345**
Profit attributable to owners of the Company	(25)	(41)	47	238
Profit attributable to non-controlling interests	(10)	(20)	47	107
Other comprehensive income attributable to owners of the Company	–	–	–	–
Other comprehensive income attributable to non-controlling interests	–	–	–	–
Total comprehensive (loss)/income for the year	**(35)**	**(61)**	**94**	**345**
Dividends paid to non-controlling interests	(10)	–	(144)	–
Net cash inflow/(outflow) from operating activities	232	(47)	235	484
Net cash (outflow) from investing activities	(714)	(100)	(59)	(241)
Net cash inflow/(outflow) from financing activities	460	141	(166)	(128)
Total net cash (outflow)/inflow	**(22)**	**(6)**	**10**	**115**

33. SUBSEQUENT EVENTS

- In February 2016, Glencore announced that a long-term streaming agreement has been entered into with Franco-Nevada Corporation, for delivery of gold and silver calculated by reference to copper produced at the Antapaccay mine, located in Peru. Franco-Nevada will make an advance payment of $500 million upon closing of the transaction. In return, Glencore will deliver gold and silver by reference to copper production: 300 ounces of gold per 1,000 tonnes of copper in concentrate up until 630,000 ounces of gold have been delivered and 30% of gold production thereafter; and 4,700 ounces of silver per 1,000 tonnes of copper in concentrate up until 10,000,000 ounces of silver have been delivered and 30% of silver production thereafter. Franco-Nevada will make ongoing payments of 20% of the spot gold and silver price per ounce delivered which will increase to 30% of the respective spot prices after 750,000 ounces of gold and 12,800,000 ounces of silver have been delivered under the contact.
- In February 2016, Glencore announced that it has signed a new Revolving Credit Facility (“RCF”), which will ultimately refinance and replace the existing $8.45 billion facility. In pre-syndication, $7.7 billion of commitments from 37 banks were signed into and in Q2 2016 the refinancing will be broadened via launch of general syndication to some 30 additional banks. Consistent with the current facility, this new facility remains unsecured, containing a 12 month extension option and 12 month borrower’s term-out option, thereby extending the final maturity to May 2018.

Notes to the financial statements

34. PRINCIPAL OPERATING, FINANCE AND INDUSTRIAL SUBSIDIARIES AND INVESTMENTS

	Country of incorporation	**% interest 2015**	% interest 2014	Main activity
Principal subsidiaries				
Metals and minerals				
Allied Alumina Inc. (Sherwin)	USA	100.0	100.0	Alumina production
Minera Alumbrera Limited[1]	Antigua	50.0	50.0	Copper production
Cobar Group	Australia	100.0	100.0	Copper production
Ernest Henry Mining Pty Ltd.	Australia	100.0	100.0	Copper production
Compania Minera Lomas Bayas	Chile	100.0	100.0	Copper production
Complejo Metalurgico Altonorte S.A.	Chile	100.0	100.0	Copper production
Minera Altos de Punitaqui Limitada	Chile	100.0	100.0	Copper production
Compania Minera Antapaccay S.A.	Peru	100.0	100.0	Copper production
Pasar Group	Philippines	78.2	78.2	Copper production
Glencore Recycling Inc.	USA	100.0	100.0	Copper production
Mopani Copper Mines plc	Zambia	73.1	73.1	Copper production
Sable Zinc Kabwe Limited	Zambia	100.0	100.0	Copper production
Sagittarius Mines Inc (Tampakan)	Philippines	0.0	62.5	Copper production
Katanga Mining Limited[2]	Canada	75.3	75.3	Copper/Cobalt production
Mutanda Group	DRC	69.0	69.0	Copper/Cobalt production
Mount Isa Mines Limited	Australia	100.0	100.0	Copper/Zinc/Lead production
Kazzinc Ltd.	Kazakhstan	69.7	69.7	Copper/Zinc/Lead production
Zhairemsky GOK JSC	Kazakhstan	69.7	69.7	Copper/Zinc/Lead production
Vasilkovskoye Gold	Kazakhstan	69.7	69.7	Gold production
Energia Austral Joint Venture	Chile	66.6	66.6	Hydroelectric project
African Carbon Producers (Pty) Ltd	South Africa	100.0	100.0	Char production
African Fine Carbon (Pty) Ltd	South Africa	100.0	100.0	Char production
Char Technology (Pty) Ltd	South Africa	100.0	100.0	Char production
Sphere Minerals Limited	Australia	97.5	88.2	Iron Ore production
Britannia Refined Metals Limited	UK	100.0	100.0	Lead production
Glencore Manganese Group	France/Norway	100.0	100.0	Manganese furnace
Pacorini Group	Switzerland	100.0	100.0	Metals warehousing
Murrin Murrin Group	Australia	100.0	100.0	Nickel production
Falconbridge Dominican S.A. (Falcondo)	Dominican Rep.	0.0	85.3	Nickel production
Koniambo Nickel S.A.S.[3]	New Caledonia	49.0	49.0	Nickel production
Glencore Nikkelverk AS	Norway	100.0	100.0	Nickel production
Eland Platinum Mines (Pty) Limited	South Africa	74.0	74.0	Platinum production
McArthur River Mining Pty Ltd	Australia	100.0	100.0	Zinc production
Perkoa Group	Burkina Faso	90.0	90.0	Zinc production
Nordenhammer Zinkhütte GmbH	Germany	100.0	100.0	Zinc production
Asturiana de Zinc S.A.	Spain	100.0	100.0	Zinc production

1 *This investment is treated as a subsidiary as the Group is entitled to elect the chairman of the Board who has the casting vote where any vote is split equally between the four board positions. Minera Alumbrera Limited's principal place of business is Argentina.*

2 *Publicly traded on the Toronto Stock Exchange under the symbol KAT.TO and principal place of business is DRC. Glencore owns 1,435,848,228 shares.*

3 *The Group has control of Koniambo Nickel SAS as a result of the ability to direct the key activities of the operation and to appoint key management personnel provided by the terms of the financing arrangements underlying the Koniambo project.*

	Country of incorporation	% interest 2015	% interest 2014	Main activity
Metals and minerals (continued)				
AR Zinc Group	Argentina	100.0	100.0	Zinc/Lead production
Portovesme S.r.L.	Italy	100.0	100.0	Zinc/Lead production
Rosh Pinah Zinc Corporation (Pty) Limited	Namibia	80.1	80.1	Zinc/Lead production
Empresa Minera Los Quenuales S.A.	Peru	97.6	97.6	Zinc/Lead production
Sinchi Wayra Group	Bolivia	100.0	100.0	Zinc/Tin production
Energy products				
Cumnock No. 1 Colliery Pty Ltd	Australia	100.0	100.0	Coal production
Enex Foydell Limited	Australia	100.0	100.0	Coal production
Enex Liddell Pty Ltd	Australia	100.0	100.0	Coal production
Oakbridge Pty Ltd	Australia	78.0	78.0	Coal production
Glencore Coal Queensland Pty Limited	Australia	100.0	100.0	Coal production
Jonsha Pty Limited	Australia	100.0	100.0	Coal production
Mangoola Coal Operations Pty Limited	Australia	100.0	100.0	Coal production
Oceanic Coal Australia Pty Limited	Australia	100.0	100.0	Coal production
Ravensworth Operations Pty Ltd	Australia	100.0	100.0	Coal production
Ulan Coal Mines Limited	Australia	90.0	90.0	Coal production
United Collieries Pty Ltd	Australia	95.0	95.0	Coal production
Prodeco Group	Colombia	100.0	100.0	Coal production
Optimum Coal Holdings (Pty) Limited[4]	South Africa	67.6	67.6	Coal production
Shanduka Coal (Pty) Ltd[5]	South Africa	49.9	49.9	Coal production
Umcebo Mining (Pty) Ltd[6]	South Africa	48.7	48.7	Coal production
Tavistock Collieries (Pty) Limited	South Africa	100.0	100.0	Coal production
Topley Corporation	B.V.I.	100.0	100.0	Ship owner
Glencore Exploration Cameroon Ltd.	Bermuda	100.0	100.0	Oil production
Glencore Exploration (EG) Ltd.	Bermuda	100.0	100.0	Oil production
Petrochad (Mangara) Limited	Bermuda	100.0	100.0	Oil exploration/production
Chemoil Energy Limited	Hong Kong	100.0	100.0	Oil storage and bunkering
Agricultural products				
Glencore Magdeburg GmbH	Germany	100.0	0.0	Biofuel production
Glencore Biofuels AG	Switzerland	100.0	100.0	Biofuel production
Moreno Group	Argentina	100.0	100.0	Edible oil production
Usti Oilseed Group	Czech Republic	100.0	100.0	Edible oil production
Pannon Vegetable Oil Manufacturing LLC	Hungary	100.0	100.0	Edible oil production
Zaklady Tluszczowe w Bodaczowie Sp.z.o.o.	Poland	100.0	100.0	Edible oil production
Viterra Group (incl. TRT)	Canada/Australia	100.0	100.0	Grain handling
Glencane Bioenergia S.A.	Brazil	100.0	100.0	Sugar cane/ethanol production
Correcta Industria e Comercio Ltdo.	Brazil	100.0	100.0	Wheat flour milling

4 *Although Glencore holds 67.6% of the voting rights in Optimum, it has not been able to exercise control since August 2015, see note 3.*

5 *Although Glencore holds less than 50% of the voting rights, it has the ability to exercise control over Shanduka through the ability to direct the key activities of the operation and to appoint key management personnel provided by the terms of the shareholders agreement.*

6 *Although Glencore holds less than 50% of the voting rights, it has the ability to exercise control over Umcebo as a result of shareholder agreements which provide Glencore the ability to control the Board of Directors.*

Notes to the financial statements

34. PRINCIPAL OPERATING, FINANCE AND INDUSTRIAL SUBSIDIARIES AND INVESTMENT (continued)

	Country of incorporation	**% interest 2015**	% interest 2014	Main activity
Other operating and finance				
Xstrata Limited	UK	100.0	100.0	Holding
Glencore Australia Investment Holdings Pty Ltd	Australia	100.0	100.0	Holding
Glencore Operations Australia Pty Limited	Australia	100.0	100.0	Holding
Glencore Queensland Limited	Australia	100.0	100.0	Holding
Glencore Investment Pty Ltd	Australia	100.0	100.0	Holding
Glencore Australia Holdings Pty Ltd	Australia	100.0	100.0	Finance
Glencore Finance (Bermuda) Ltd	Bermuda	100.0	100.0	Finance
Glencore Canada Financial Corp	Canada	100.0	100.0	Finance
Glencore Finance (Europe) S.A.	Luxembourg	100.0	100.0	Finance
Finges Investment B.V.	Netherlands	100.0	100.0	Finance
Glencore (Schweiz) AG	Switzerland	100.0	100.0	Finance
Glencore Group Funding Limited	UAE	100.0	100.0	Finance
Glencore Funding LLC	USA	100.0	100.0	Finance
Glencore Canada Corporation	Canada	100.0	100.0	Operating
Glencore Grain B.V.	Netherlands	100.0	100.0	Operating
Glencore Singapore Pte Ltd	Singapore	100.0	100.0	Operating
ST Shipping & Transport Pte Ltd	Singapore	100.0	100.0	Operating
Glencore AG	Switzerland	100.0	100.0	Operating
Glencore International AG	Switzerland	100.0	100.0	Operating
Glencore Commodities Ltd	UK	100.0	100.0	Operating
Glencore Energy UK Ltd	UK	100.0	100.0	Operating
Glencore UK Ltd	UK	100.0	100.0	Operating
Principal joint ventures[7]				
Clermont Coal Mines Limited[8]	Australia	25.1	25.1	Coal production
Compania Minera Dona Ines de Collahuasi	Chile	44.0	44.0	Copper production
El Aouj Joint Venture	Mauritania	44.0	44.0	Iron Ore production
Principal joint operations[9]				
Pentland Joint Venture	Australia	75.0	75.0	Coal exploration
Redrock Joint Venture	Australia	75.0	75.0	Coal exploration
Togara North Joint Venture	Australia	70.0	70.0	Coal exploration
Wandoan Joint Venture	Australia	75.0	75.0	Coal exploration
Bulga Joint Venture	Australia	68.3	68.3	Coal production
Cumnock Joint Venture	Australia	90.0	90.0	Coal production
Foybrook Joint Venture	Australia	67.5	67.5	Coal production
Liddell Joint Venture	Australia	67.5	67.5	Coal production
Macquarie Coal Joint Venture	Australia	80.0	80.0	Coal production
Newlands, Collinsville, Abbot Point Joint Venture	Australia	55.0	55.0	Coal production
Oaky Creek Coal Joint Venture	Australia	55.0	55.0	Coal production
Ravensworth Underground Mine Joint Venture	Australia	70.0	70.0	Coal production
Rolleston Joint Venture	Australia	75.0	75.0	Coal production
Ulan Coal Mines Joint Venture	Australia	90.0	90.0	Coal production
United Joint Venture	Australia	95.0	95.0	Coal production

7 The principal joint arrangements are accounted for as joint ventures as the shareholder agreements do not provide the Group the ability to solely control the entities.

8 The Group's effective 25.05% economic interest in Clermont Coal is held through GS Coal Pty Ltd, a 50:50 joint venture with Sumitomo Corporation.

9 Classified as joint operations under IFRS 11, as these joint arrangements are not structured through separate vehicles.

	Country of incorporation	% interest 2015	% interest 2014	Main activity
Principal joint operations (continued)				
ARM Coal (Pty) Ltd.	South Africa	49.0	49.0	Coal production
Goedgevonden Joint Venture	South Africa	74.0	74.0	Coal production
Merafe Pooling and Sharing Joint Venture	South Africa	79.5	79.5	Ferroalloys production
Kabanga Joint Venture	Tanzania	50.0	50.0	Nickel production
Mototolo Joint Venture	South Africa	37.0	37.0	Platinum production
Rhovan Pooling and Sharing Joint Venture	South Africa	74.0	74.0	Vanadium production
Principal associates				
Renova S.A.	Argentina	50.0	50.0	Biofuel production
Carbones del Cerrejon LLC	Colombia	33.3	33.3	Coal production
Port Kembla Coal Terminal Limited	Australia	29.7	29.7	Coal terminal
Port Waratah Coal Services Ltd	Australia	15.5	15.5	Coal terminal
Richards Bay Coal Terminal Company Limited	South Africa	26.7	26.7	Coal terminal
Polymet Mining Corp.	Canada	28.4	28.6	Copper production
Century Aluminum Company[10]	USA	47.5	46.5	Diversified production
Terminal de Grãos Ponta da Montanha (Barcarena)	Brazil	49.9	0.0	Grain terminal
Russneft Group[11]	Russia	0.0	40.0 – 49.0	Oil production
Lonmin plc[12]	UK	0.0	24.5	Platinum production
Noranda Income Fund	Canada	25.0	25.0	Zinc production
Compania Minera Antamina S.A.	Peru	33.8	33.8	Zinc/Copper production
Recylex S.A.	France	32.2	32.2	Zinc/Lead production
Other investments				
United Company Rusal plc	Jersey	8.8	8.8	Aluminium production
OAO NK Russneft[11]	Russia	46.0	0.0	Oil production
Volcan Compania Minera S.A.A.	Peru	7.3	7.3	Zinc production

10 Represents the Group's economic interest in Century, comprising 42.9% (2014: 41.8%) voting interest and 4.6% non-voting interest (2014: 4.7%). Century is publicly traded on NASDAQ under the symbol CENX.

11 In November 2015, Glencore effected the debt to equity conversion with respect to Russneft, see notes 10 and 11. Although the Group holds more than 20% of the voting rights in Russneft, it is unable to exercise significant influence over the financial and operating policy decisions of Russneft.

12 In June 2015, Glencore completed an in specie distribution of the stake in Lonmin plc, see note 3.

Additional information

In this section

Glossary

Available committed liquidity[1]

US$ million	2015	2014
Cash and cash equivalents and marketable securities	2,914	3,066
Headline committed syndicated revolving credit facilities	15,250	15,300
Amount drawn under syndicated revolving credit facilities	(2,994)	(7,933)
Amounts drawn under U.S. commercial paper programme	(15)	(813)
Total	**15,155**	**9,620**

1 Presented on an adjusted reported measure basis.

Current capital employed

Current capital employed is current assets less accounts payable, current deferred income, current provisions, current other financial liabilities and income tax payable.

Funds from operations ("FFO")

FFO comprises cash provided by operating activities before working capital changes, less tax and net interest payments plus dividends received and certain other expenses, comprising a legal settlement and net incremental metal leak costs incurred in 2015.

Readily marketable inventories

Readily marketable inventories ("RMI"), comprising the core inventories which underpin and facilitate Glencore's marketing activities, represent inventories, that in Glencore's assessment, are readily convertible into cash in the short term due to their liquid nature, widely available markets and the fact that price risk is covered either by a forward physical sale or hedge transaction. Glencore regularly assesses the composition of these inventories and their applicability, relevance and availability to the marketing activities. As at 31 December 2015, $15,356 million (2014: $19,226 million) of inventories were considered readily marketable. This comprises $10,928 million (2014: $16,297 million) of inventories carried at fair value less costs of disposal and $4,428 million (2014: $2,929 million) carried at the lower of cost or net realisable value. During 2015, Glencore reassessed the RMI categorisation and eligibility of certain inventories held by the Group's metals' smelting operations. Given the highly liquid nature of these inventories, which represent a significant share of current assets, the Group believes it is appropriate to consider them together with cash equivalents in analysing Group net debt levels and computing certain debt coverage ratios and credit trends.

Glossary

Reconciliation of selected reported financial information to those applying the proportionate consolidation method to certain associates and joint ventures

For internal reporting and analysis, management evaluates the performance of Antamina copper/zinc mine (34% owned), Cerrejón coal mine (33% owned) and the Collahuasi copper mine (44% owned) under the proportionate consolidation method reflecting Glencore's proportionate share of the revenues, expenses, assets and liabilities of these investments. Below are reconciliations of selected reported financial information to those of applying the proportionate consolidation method to these investments.

Cash flow related adjustments

US$ million	Reported measure	Adjustment for proportionate consolidation	**Adjusted reported measure**
Cash generated by operating activities before working capital changes	7,454	–	**7,454**
Addback EBITDA of certain associates and joint ventures	–	995	**995**
Cash generated by operating activities before working capital changes	7,454	995	**8,449**
Legal settlement and incremental metal leak costs included above (via statement of income – refer to note 5)	264	–	**264**
Income taxes paid	(865)	(207)	**(1,072)**
Interest received	119	–	**119**
Interest paid	(1,203)	(1)	**(1,204)**
Dividend received from associates and joint ventures	428	(369)	**59**
Funds from operations (FFO)	**6,197**	**418**	**6,615**
Net working capital changes (excluding silver streaming proceeds)	6,625	(40)	**6,585**
Silver streaming proceeds	900	–	**900**
Payments of non-current advances and loans	188	(87)	**101**
Net cash used in acquisition of subsidiaries	(318)	–	**(318)**
Net cash received from disposal of subsidiaries	212	–	**212**
Purchase of investments	(236)	–	**(236)**
Proceeds from sale of investments	41	–	**41**
Purchase of property, plant and equipment	(5,372)	(298)	**(5,670)**
Payments for exploration and evaluation	(147)	–	**(147)**
Proceeds from sale of property, plant and equipment	115	14	**129**
Net margin call in respect of financing related hedging activities	(618)	–	**(618)**
Return of capital/distributions to non-controlling interests	(95)	–	**(95)**
Purchases of own shares	(272)	–	**(272)**
Share issuance	2,444	–	**2,444**
Distributions paid to equity holders of the parent	(2,328)	–	**(2,328)**
Legal settlement and incremental metal leak costs (refer above)	(264)	–	**(264)**
Cash movement in net funding	**7,072**	**7**	**7,079**

Net funding/debt at 31 December 2015

US$ million	Reported measure	Adjustment for proportionate consolidation	**Adjusted reported measure**
Non-current borrowings	32,932	89	**33,021**
Current borrowings	11,117	21	**11,138**
Total borrowings	**44,049**	**110**	**44,159**
Less: cash and cash equivalents and marketable securities	(2,746)	(168)	**(2,914)**
Net funding	**41,303**	**(58)**	**41,245**
Less: Readily marketable inventories	(15,356)	–	**(15,356)**
Net debt	**25,947**	**(58)**	**25,889**

Net funding/debt at 31 December 2014

US$ million	Reported measure	Adjustment for proportionate consolidation	**Adjusted reported measure**
Non-current borrowings	40,688	39	**40,727**
Current borrowings	12,005	92	**12,097**
Total borrowings	**52,693**	**131**	**52,824**
Less: cash and cash equivalents and marketable securities	(2,855)	(211)	**(3,066)**
Net funding	**49,838**	**(80)**	**49,758**
Less: Readily marketable inventories	(19,226)	–	**(19,266)**
Net debt	**30,612**	**(80)**	**30,532**

Glossary

Reconciliation of net exceptional and significant charges attributable to equity holders 2015

US$ million	Gross significant charges	Non-controlling interests' share	**Equity holders' share**
(Losses)/Gains on disposals and investments[1]	(994)	–	**(994)**
Impairments[2]	(7,120)	2,651	**(4,469)**
Loss on metal leak[2]	(235)	94	**(141)**
Legal settlement[2]	(89)	–	**(89)**
Other expenses including restructuring and closure costs[2]	(154)	44	**(110)**
Net exceptional charges attributable to equity holders	**(8,592)**	**2,789**	**(5,803)**
Other significant items including FX movements, mark-to-market movements on investments and taxation adjustments	(503)	–	**(503)**
Total significant items	**(9,095)**	**2,789**	**(6,306)**

1 See note 3 of the financial statements.

2 See note 4 of the financial statements.

Reconciliation of tax expense 2015

US$ million	Marketing activities	Industrial activities	**Total**
Adjusted EBIT, pre-significant items	2,464	(292)	**2,172**
Interest expense allocation	(153)	(1,432)	**(1,585)**
Adjustments for:			
Certain associates and joint ventures' net finance costs	–	(3)	**(3)**
Share of income in associates and dividend income	(110)	45	**(65)**
Allocated profit before tax for the basis of tax calculation	2,201	(1,682)	**519**
Applicable tax rate	10.0%	25.0%	**(38.5%)**
Pre-significant tax expense/(credit)	**220**	**(420)**	**(200)**

US$ million	Pre-significant tax expense	Significant items tax	**Total tax expense**
Tax (credit)/expense on a proportionate consolidation basis	(200)	460	**260**
Adjustment in respect of certain associates and joint ventures' tax	(162)	–	**(162)**
Tax (credit)/expense on the basis of the income statement	**(362)**	**460**	**98**

Reconciliation of tax expense 2014

US$ million	Marketing activities	Industrial activities	**Total**
Adjusted EBIT, pre-significant items	2,790	3,916	**6,706**
Interest expense allocation	(227)	(1,465)	**(1,692)**
Adjustments for:			
Certain associates and joint ventures' net finance costs	–	(14)	**(14)**
Share of income in associates and dividend income	(35)	(83)	**(118)**
Allocated profit before tax for the basis of tax calculation	2,528	2,354	**4,882**
Applicable tax rate	10.0%	25.0%	**17.2%**
Pre-significant tax expense	**253**	**589**	**842**

US$ million	Pre-significant tax expense	Las Bambas disposal	Other significant items	**Total tax expense**
Tax expense on a proportionate consolidation basis	842	531	779	**2,152**
Adjustment in respect of certain associates and joint ventures' tax	(343)	–	–	**(343)**
Tax expense on the basis of the income statement	**499**	**531**	**779**	**1,809**

Production by quarter – Q4 2014 to Q4 2015

Metals and minerals

Production from own sources – Total[1]

		Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Total Copper	kt	397.4	350.7	380.2	396.6	374.7	1,502.2	1,546.0	(3)	(6)
Total Zinc	kt	388.8	356.2	374.1	396.8	317.7	1,444.8	1,386.5	4	(18)
Total Lead	kt	84.2	75.8	70.4	82.3	69.2	297.7	307.5	(3)	(18)
Total Nickel	kt	25.9	23.8	25.1	19.8	27.5	96.2	100.9	(5)	6
Total Gold[2]	koz	276	208	220	261	275	964	992	(3)	–
Total Silver[2]	koz	9,552	8,197	8,376	10,040	9,979	36,592	35,530	3	4
Total Cobalt	kt	5.0	4.4	5.6	6.8	6.2	23.0	20.7	11	24
Total Ferrochrome	kt	356	385	371	316	390	1,462	1,295	13	10
Total Platinum[2]	koz	46	42	47	36	33	158	173	(9)	(28)
Total Palladium[2]	koz	52	55	60	42	45	202	199	2	(13)
Total Rhodium[2]	koz	4	5	5	5	3	18	19	(5)	(25)
Total Vanadium Pentoxide	mlb	5.6	5.3	4.6	5.5	5.5	20.9	20.8	–	(2)

Production from own sources – Copper assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change Q4 15 vs Q4 14 %	Change 2015 vs 2014 %
African Copper (Katanga, Mutanda, Mopani, Sable)											
Katanga	Copper metal[3]	kt	42.8	37.1	40.1	36.5	–	113.7	158.0	(28)	(100)
	Cobalt	kt	0.9	0.9	0.9	1.1	–	2.9	2.8	4	(100)
Mutanda	Copper metal[3]	kt	46.5	51.6	53.9	55.5	55.1	216.1	197.1	10	18
	Cobalt[4]	kt	3.2	2.6	3.7	4.9	5.3	16.5	14.4	15	66
Mopani	Copper metal	kt	31.4	22.0	27.8	29.5	12.8	92.1	109.9	(16)	(59)
African Copper – total production including third party feed											
Mopani	*Copper metal*	*kt*	*52.9*	*51.5*	*51.0*	*51.4*	*30.9*	*184.8*	*185.1*	*–*	*(42)*
Sable	*Copper metal*	*kt*	*–*	*–*	*–*	*–*	*–*	*–*	*4.9*	*(100)*	*n.m.*
	Cobalt[4]	*kt*	*0.1*	*–*	*–*	*–*	*–*	*–*	*0.5*	*(100)*	*(100)*
	Total Copper metal[3]	**kt**	**120.7**	**110.7**	**121.8**	**121.5**	**67.9**	**421.9**	**465.0**	**(9)**	**(44)**
	Total Cobalt[4]	**kt**	**4.1**	**3.5**	**4.6**	**6.0**	**5.3**	**19.4**	**17.2**	**13**	**29**
Collahuasi[5]	**Copper metal**	**kt**	**4.0**	**2.9**	**2.9**	**2.6**	**1.4**	**9.8**	**11.0**	**(11)**	**(65)**
	Copper in concentrates	**kt**	**48.6**	**43.1**	**46.4**	**40.9**	**60.2**	**190.6**	**196.0**	**(3)**	**24**
	Silver in concentrates	**koz**	**591**	**534**	**587**	**621**	**1,086**	**2,828**	**2,476**	**14**	**84**
Antamina[6]	**Copper in concentrates**	**kt**	**28.3**	**27.8**	**29.0**	**36.4**	**38.6**	**131.8**	**116.4**	**13**	**36**
	Zinc in concentrates	**kt**	**19.4**	**16.2**	**19.0**	**24.5**	**19.6**	**79.3**	**71.2**	**11**	**1**
	Silver in concentrates	**koz**	**984**	**969**	**1,239**	**1,961**	**1,818**	**5,987**	**4,049**	**48**	**85**
Other South America (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)											
Alumbrera	Copper in concentrates	kt	33.0	11.2	10.0	14.8	25.8	61.8	102.6	(40)	(22)
	Gold in concentrates and in doré	koz	110	42	41	45	68	196	317	(38)	(38)
	Silver in concentrates and in doré	koz	251	105	86	117	190	498	766	(35)	(24)
Lomas Bayas	Copper metal	kt	15.9	17.2	17.6	16.8	19.5	71.1	66.6	7	23

Production by quarter – Q4 2014 to Q4 2015

Metals and minerals

Production from own sources – Copper assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Antapaccay	Copper in concentrates	kt	37.9	37.8	49.4	65.0	49.9	202.1	167.1	21	32
	Gold in concentrates	koz	15	14	27	45	36	122	69	77	140
	Silver in concentrates	koz	234	232	298	428	357	1,315	1,048	25	53
Punitaqui	Copper in concentrates	kt	2.8	2.7	2.0	1.4	2.0	8.1	11.4	(29)	(29)
	Silver in concentrates	koz	28	28	28	24	25	105	87	21	(11)
Punitaqui – total production including third party feed											
	Copper in concentrates	*kt*	*2.9*	*2.8*	*2.2*	*2.7*	*2.6*	*10.3*	*11.6*	*(11)*	*(10)*
	Silver in concentrates	*koz*	*29*	*30*	*30*	*35*	*28*	*123*	*89*	*38*	*(3)*
	Total Copper metal	**kt**	**15.9**	**17.2**	**17.6**	**16.8**	**19.5**	**71.1**	**66.6**	**7**	**23**
	Total Copper in concentrates	**kt**	**73.7**	**51.7**	**61.4**	**81.2**	**77.7**	**272.0**	**281.1**	**(3)**	**5**
	Total Gold in concentrates and in doré	**koz**	**125**	**56**	**68**	**90**	**104**	**318**	**386**	**(18)**	**(17)**
	Total Silver in concentrates and in doré	**koz**	**513**	**365**	**412**	**569**	**572**	**1,918**	**1,901**	**1**	**12**
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)											
Mount Isa, Ernest Henry, Townsville	Copper metal	kt	55.9	51.3	50.7	48.6	55.0	205.6	209.5	(2)	(2)
	Gold	koz	16	21	18	27	24	90	62	45	50
	Silver	koz	222	261	263	291	412	1,227	941	30	86
Mount Isa, Ernest Henry, Townsville – total production including third party feed											
	Copper metal	*kt*	*73.5*	*70.5*	*73.3*	*72.4*	*72.5*	*288.7*	*292.2*	*(1)*	*(1)*
	Gold	*koz*	*23*	*28*	*38*	*44*	*37*	*147*	*80*	*84*	*61*
	Silver	*koz*	*480*	*550*	*637*	*498*	*455*	*2,140*	*2,744*	*(22)*	*(5)*
Cobar	Copper in concentrates	kt	14.4	12.8	12.0	12.3	13.7	50.8	49.6	2	(5)
	Silver in concentrates	koz	121	113	126	124	133	496	445	11	10
	Total Copper	**kt**	**55.9**	**51.3**	**50.7**	**48.6**	**55.0**	**205.6**	**209.5**	**(2)**	**(2)**
	Total Copper in concentrates	**kt**	**14.4**	**12.8**	**12.0**	**12.3**	**13.7**	**50.8**	**49.6**	**2**	**(5)**
	Total Gold	**koz**	**16**	**21**	**18**	**27**	**24**	**90**	**62**	**45**	**50**
	Total Silver	**koz**	**343**	**374**	**389**	**415**	**545**	**1,723**	**1,386**	**24**	**59**
Total Copper department											
	Total Copper	**kt**	**361.5**	**317.5**	**341.8**	**360.3**	**334.0**	**1,353.6**	**1,395.2**	**(3)**	**(8)**
	Total Cobalt	**kt**	**4.1**	**3.5**	**4.6**	**6.0**	**5.3**	**19.4**	**17.2**	**13**	**29**
	Total Zinc	**kt**	**19.4**	**16.2**	**19.0**	**24.5**	**19.6**	**79.3**	**71.2**	**11**	**1**
	Total Gold	**koz**	**141**	**77**	**86**	**117**	**128**	**408**	**448**	**(9)**	**(9)**
	Total Silver	**koz**	**2,431**	**2,242**	**2,627**	**3,566**	**4,021**	**12,456**	**9,812**	**27**	**65**

Production from own sources – Zinc assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Kazzinc											
	Zinc metal	**kt**	**52.3**	**46.2**	**43.0**	**52.8**	**51.4**	**193.4**	**199.3**	**(3)**	**(2)**
	Lead metal	**kt**	**7.5**	**4.9**	**3.1**	**10.2**	**8.1**	**26.3**	**25.7**	**2**	**8**
	Copper metal	**kt**	**12.3**	**11.2**	**12.8**	**13.3**	**14.6**	**51.9**	**46.8**	**11**	**19**
	Gold	**koz**	**126**	**122**	**125**	**135**	**138**	**520**	**506**	**3**	**10**
	Silver	**koz**	**1,178**	**755**	**563**	**1,289**	**1,046**	**3,653**	**4,273**	**(15)**	**(11)**
Kazzinc – total production including third party feed											
	Zinc metal	*kt*	*77.2*	*75.1*	*75.5*	*76.6*	*77.3*	*304.5*	*304.5*	*–*	*–*
	Lead metal	*kt*	*32.0*	*29.2*	*23.4*	*32.6*	*34.6*	*119.8*	*126.5*	*(5)*	*8*
	Copper metal	*kt*	*16.1*	*13.7*	*15.0*	*15.9*	*17.6*	*62.2*	*58.2*	*7*	*9*
	Gold	*koz*	*186*	*158*	*163*	*174*	*179*	*674*	*675*	*–*	*(4)*
	Silver	*koz*	*7,776*	*7,422*	*6,780*	*8,008*	*7,839*	*30,049*	*25,018*	*20*	*1*
Australia (Mount Isa, McArthur River)											
Mount Isa	Zinc in concentrates	kt	130.9	126.2	128.0	127.7	96.3	478.2	437.3	9	(26)
	Lead in concentrates	kt	45.6	41.1	42.4	44.9	34.6	163.0	170.2	(4)	(24)
	Silver in concentrates	koz	1,877	1,770	1,817	1,510	1,427	6,524	6,858	(5)	(24)
McArthur River	Zinc in concentrates	kt	70.1	66.8	73.0	78.9	54.0	272.7	224.3	22	(23)
	Lead in concentrates	kt	13.4	12.6	12.7	15.4	12.3	53.0	46.2	15	(8)
	Silver in concentrates	koz	489	437	359	500	428	1,724	1,461	18	(12)
	Total Zinc in concentrates	**kt**	**201.0**	**193.0**	**201.0**	**206.6**	**150.3**	**750.9**	**661.6**	**13**	**(25)**
	Total Lead in concentrates	**kt**	**59.0**	**53.7**	**55.1**	**60.3**	**46.9**	**216.0**	**216.4**	**–**	**(21)**
	Total Silver in concentrates	**koz**	**2,366**	**2,207**	**2,176**	**2,010**	**1,855**	**8,248**	**8,319**	**(1)**	**(22)**
North America (Matagami, Kidd, Brunswick, CEZ Refinery)											
Matagami	Zinc in concentrates	kt	18.9	11.1	14.5	12.0	14.4	52.0	74.8	(30)	(24)
	Copper in concentrates	kt	1.9	1.5	1.8	2.2	2.7	8.2	8.8	(7)	42
Kidd	Zinc in concentrates	kt	15.6	16.9	14.7	16.8	14.8	63.2	61.0	4	(5)
	Copper in concentrates	kt	9.2	8.5	9.2	10.5	11.9	40.1	38.5	4	29
	Silver in concentrates	koz	712	619	521	659	569	2,368	2,066	15	(20)
	Total Zinc in concentrates	**kt**	**34.5**	**28.0**	**29.2**	**28.8**	**29.2**	**115.2**	**135.8**	**(15)**	**(15)**
	Total Copper in concentrates	**kt**	**11.1**	**10.0**	**11.0**	**12.7**	**14.6**	**48.3**	**47.3**	**2**	**32**
	Total Silver in concentrates	**koz**	**712**	**619**	**521**	**659**	**569**	**2,368**	**2,066**	**15**	**(20)**

Production by quarter – Q4 2014 to Q4 2015

Metals and minerals

Production from own sources – Zinc assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
North America – total production including third party feed											
Brunswick Smelter	*Lead metal*	*kt*	*21.5*	*13.5*	*17.7*	*18.7*	*20.9*	*70.8*	*74.6*	*(5)*	*(3)*
	Silver metal	*koz*	*6,125*	*4,650*	*5,597*	*5,950*	*5,157*	*21,354*	*15,824*	*35*	*(16)*
CEZ Refinery[7]	*Zinc metal*	*kt*	*17.8*	*17.0*	*16.7*	*16.5*	*18.0*	*68.2*	*65.5*	*4*	*1*
Other Zinc (AR Zinc, Los Quenuales, Sinchi Wayra, Rosh Pinah, Perkoa)											
	Zinc metal	**kt**	**5.0**	**3.4**	**8.5**	**8.5**	**5.7**	**26.1**	**23.2**	**13**	**14**
	Zinc in concentrates	**kt**	**76.6**	**69.4**	**73.4**	**75.6**	**61.5**	**279.9**	**295.4**	**(5)**	**(20)**
	Lead metal	**kt**	**3.2**	**2.4**	**3.5**	**3.3**	**3.5**	**12.7**	**11.7**	**9**	**9**
	Lead in concentrates	**kt**	**14.5**	**14.8**	**8.7**	**8.5**	**10.7**	**42.7**	**53.7**	**(20)**	**(26)**
	Copper in concentrates	**kt**	**0.4**	**0.5**	**0.6**	**0.7**	**0.6**	**2.4**	**2.7**	**(11)**	**50**
	Silver metal	**koz**	**173**	**123**	**153**	**205**	**210**	**691**	**613**	**13**	**21**
	Silver in concentrates	**koz**	**2,581**	**2,105**	**2,158**	**2,176**	**2,127**	**8,566**	**9,825**	**(13)**	**(18)**
Other Zinc – total production including third party feed											
	Zinc metal	*kt*	*7.8*	*4.5*	*9.3*	*9.9*	*6.6*	*30.3*	*29.1*	*4*	*(15)*
	Zinc in concentrates	*kt*	*76.6*	*69.4*	*73.4*	*75.6*	*61.5*	*279.9*	*295.4*	*(5)*	*(20)*
	Lead metal	*kt*	*3.2*	*2.4*	*3.5*	*3.3*	*3.5*	*12.7*	*11.7*	*9*	*9*
	Lead in concentrates	*kt*	*14.5*	*14.8*	*8.7*	*8.5*	*10.7*	*42.7*	*53.7*	*(20)*	*(26)*
	Copper in concentrates	*kt*	*0.4*	*0.5*	*0.6*	*0.7*	*0.6*	*2.4*	*2.7*	*(11)*	*50*
	Silver metal	*koz*	*173*	*123*	*153*	*205*	*210*	*691*	*613*	*13*	*21*
	Silver in concentrates	*koz*	*2,581*	*2,105*	*2,158*	*2,176*	*2,128*	*8,567*	*9,825*	*(13)*	*(18)*
Total Zinc department											
	Total Zinc	**kt**	**369.4**	**340.0**	**355.1**	**372.3**	**298.1**	**1,365.5**	**1,315.3**	**4**	**(19)**
	Total Lead	**kt**	**84.2**	**75.8**	**70.4**	**82.3**	**69.2**	**297.7**	**307.5**	**(3)**	**(18)**
	Total Copper	**kt**	**23.8**	**21.7**	**24.4**	**26.7**	**29.8**	**102.6**	**96.8**	**6**	**25**
	Total Gold	**koz**	**126**	**122**	**125**	**135**	**138**	**520**	**506**	**3**	**10**
	Total Silver	**koz**	**7,010**	**5,809**	**5,571**	**6,339**	**5,807**	**23,526**	**25,096**	**(6)**	**(17)**

Production from own sources – Nickel assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)											
	Nickel metal	**kt**	**12.5**	**13.5**	**12.5**	**7.6**	**15.5**	**49.1**	**51.3**	**(4)**	**24**
	Nickel in concentrates	**kt**	**0.2**	**0.2**	**0.1**	**0.1**	**0.1**	**0.5**	**0.6**	**(17)**	**(50)**
	Copper metal	**kt**	**3.8**	**4.1**	**4.0**	**2.9**	**3.9**	**14.9**	**15.7**	**(5)**	**3**
	Copper in concentrates	**kt**	**8.3**	**7.4**	**10.0**	**6.7**	**7.0**	**31.1**	**38.3**	**(19)**	**(16)**
	Cobalt metal	**kt**	**0.2**	**0.2**	**0.2**	**0.2**	**0.2**	**0.8**	**0.8**	**–**	**–**
	Gold[2]	**koz**	**9**	**8**	**9**	**9**	**9**	**35**	**37**	**(5)**	**–**
	Silver[2]	**koz**	**111**	**146**	**178**	**135**	**151**	**610**	**622**	**(2)**	**36**
	Platinum[2]	**koz**	**22**	**22**	**22**	**15**	**17**	**76**	**82**	**(7)**	**(23)**
	Palladium[2]	**koz**	**39**	**44**	**48**	**30**	**35**	**157**	**149**	**5**	**(10)**
	Rhodium[2]	**koz**	**1**	**2**	**1**	**1**	**1**	**5**	**4**	**25**	**–**
Integrated Nickel Operations – total production including third party feed											
	Nickel metal	*kt*	*23.1*	*22.5*	*22.6*	*22.9*	*23.2*	*91.2*	*90.5*	*1*	*–*
	Nickel in concentrates	*kt*	*0.1*	*0.2*	*0.2*	*0.1*	*0.1*	*0.6*	*0.7*	*(14)*	*–*
	Copper metal	*kt*	*9.5*	*8.9*	*9.1*	*9.6*	*7.9*	*35.5*	*35.8*	*(1)*	*(17)*
	Copper in concentrates	*kt*	*10.1*	*9.3*	*11.8*	*8.3*	*8.8*	*38.2*	*48.0*	*(20)*	*(13)*
	Cobalt metal	*kt*	*0.9*	*0.7*	*0.8*	*0.7*	*0.9*	*3.1*	*3.6*	*(14)*	*–*
	Gold[2]	*koz*	*12*	*11*	*13*	*13*	*13*	*50*	*54*	*(7)*	*8*
	Silver[2]	*koz*	*177*	*247*	*302*	*244*	*253*	*1,046*	*1,058*	*(1)*	*43*
	Platinum[2]	*koz*	*31*	*30*	*30*	*20*	*26*	*106*	*116*	*(9)*	*(16)*
	Palladium[2]	*koz*	*61*	*63*	*70*	*50*	*59*	*242*	*243*	*–*	*(3)*
	Rhodium[2]	*koz*	*2*	*2*	*1*	*2*	*1*	*6*	*6*	*–*	*(50)*
Murrin Murrin											
	Total Nickel metal	**kt**	**9.2**	**7.9**	**9.8**	**9.3**	**10.5**	**37.5**	**36.4**	**3**	**14**
	Total Cobalt metal	**kt**	**0.7**	**0.7**	**0.8**	**0.6**	**0.7**	**2.8**	**2.7**	**4**	**–**
Murrin Murrin – total production including third party feed											
	Total Nickel metal	*kt*	*11.2*	*9.5*	*12.4*	*12.0*	*12.8*	*46.7*	*44.1*	*6*	*14*
	Total Cobalt metal	*kt*	*0.7*	*0.7*	*0.9*	*0.8*	*0.9*	*3.3*	*2.9*	*14*	*29*
Koniambo	**Nickel in ferronickel**	**kt**	**4.0**	**2.2**	**2.7**	**2.8**	**1.4**	**9.1**	**12.6**	**(28)**	**(65)**
Total Nickel department											
	Total Nickel	**kt**	**25.9**	**23.8**	**25.1**	**19.8**	**27.5**	**96.2**	**100.9**	**(5)**	**6**
	Total Copper	**kt**	**12.1**	**11.5**	**14.0**	**9.6**	**10.9**	**46.0**	**54.0**	**(15)**	**(10)**
	Total Cobalt	**kt**	**0.9**	**0.9**	**1.0**	**0.8**	**0.9**	**3.6**	**3.5**	**3**	**–**
	Total Gold	**koz**	**9**	**8**	**9**	**9**	**9**	**35**	**37**	**(5)**	**–**
	Total Silver	**koz**	**111**	**146**	**178**	**135**	**151**	**610**	**622**	**(2)**	**36**
	Total Platinum	**koz**	**22**	**22**	**22**	**15**	**17**	**76**	**82**	**(7)**	**(23)**
	Total Palladium	**koz**	**39**	**44**	**48**	**30**	**35**	**157**	**149**	**5**	**(10)**
	Total Rhodium	**koz**	**1**	**2**	**1**	**1**	**1**	**5**	**4**	**25**	**–**

Production by quarter – Q4 2014 to Q4 2015

Metals and minerals

Production from own sources – Ferroalloys assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Ferrochrome[8]		kt	356	385	371	316	390	1,462	1,295	13	10
PGM[9]	Platinum	koz	24	20	25	21	16	82	91	(10)	(33)
	Palladium	koz	13	11	12	12	10	45	50	(10)	(23)
	Rhodium	koz	3	3	4	4	2	13	15	(13)	(33)
	Gold	koz	–	1	–	–	–	1	1	–	n.m.
	4E	**koz**	**40**	**35**	**41**	**37**	**28**	**141**	**157**	**(10)**	**(30)**
Vanadium Pentoxide		mlb	5.6	5.3	4.6	5.5	5.5	20.9	20.8	–	(2)

Total production – Custom metallurgical assets[1]

			Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Copper (Altonorte, Pasar, Horne, CCR)											
	Copper metal	kt	117.8	115.7	101.2	95.1	121.7	433.7	433.8	–	3
	Copper anode	kt	126.7	125.1	119.8	134.8	123.1	502.8	493.7	2	(3)
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet)											
	Zinc metal	kt	196.1	194.3	195.8	197.9	200.8	788.8	781.8	1	2
	Lead metal	kt	39.8	50.0	44.5	53.8	50.9	199.2	177.4	12	28
	Silver	koz	2,106	2,597	2,546	2,735	3,342	11,220	9,482	18	59
Ferroalloys											
	Ferromanganese	kt	29	35	34	33	44	146	116	26	52
	Silicon Manganese	kt	28	28	27	25	18	98	108	(9)	(36)
Aluminium (Sherwin Alumina)											
	Alumina	kt	291	300	281	282	312	1,175	1,382	(15)	7

1 Controlled industrial assets and joint ventures only. Production is on a 100% basis, except as stated.

2 INO produces gold, silver and PGM, incidental to its main products of nickel and copper, which were previously excluded from Glencore production reports. Details have now been included to provide a better understanding of the business and historical periods have been updated accordingly.

3 Copper metal includes copper contained in copper concentrates and blister.

4 Cobalt contained in concentrates and hydroxides.

5 The Group's pro-rata share of Collahuasi production (44%).

6 The Group's pro-rata share of Antamina production (33.75%).

7 The Group's pro-rata share of CEZ production (25%).

8 The Group's attributable 79.5% share of the Glencore-Merafe Chrome Venture.

9 Consolidated 100% of Eland and 50% of Mototolo.

Energy Products

Production from own sources – Coal assets[1]

		Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Australian coking coal	mt	1.4	1.5	1.2	1.5	1.7	5.9	6.0	(2)	21
Australian semi-soft coal	mt	1.0	1.0	0.8	0.9	0.9	3.6	3.5	3	(10)
Australian thermal coal (export)	mt	12.2	12.5	11.7	14.6	13.6	52.4	54.6	(4)	11
Australian thermal coal (domestic)	mt	1.2	0.8	0.9	1.2	1.0	3.9	5.4	(28)	(17)
South African thermal coal (export)	mt	6.0	5.7	5.3	5.2	3.5	19.7	23.4	(16)	(42)
South African thermal coal (domestic)	mt	5.7	5.7	5.6	4.3	1.7	17.3	22.7	(24)	(70)
Prodeco	mt	4.4	5.4	4.7	3.8	3.7	17.6	19.5	(10)	(16)
Cerrejón[2]	mt	3.0	3.0	2.9	2.5	2.7	11.1	11.2	(1)	(10)
Total Coal department	**mt**	**34.9**	**35.6**	**33.1**	**34.0**	**28.8**	**131.5**	**146.3**	**(10)**	**(17)**

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

2 The Group's pro-rata share of Cerrejón production (33.3%).

Production from own sources – Oil assets

		Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Glencore entitlement interest basis										
Equatorial Guinea	kbbl	1,267	1,216	1,263	1,220	1,238	4,937	5,072	(3)	(2)
Chad	kbbl	968	1,352	1,463	1,520	1,297	5,632	2,279	147	34
Total Oil department	**kbbl**	**2,235**	**2,568**	**2,726**	**2,740**	**2,535**	**10,569**	**7,351**	**44**	**13**
Gross basis										
Equatorial Guinea	kbbl	6,064	5,598	5,849	5,841	5,651	22,939	24,232	(5)	(7)
Chad	kbbl	1,326	1,849	2,000	2,077	1,773	7,699	4,284	80	34
Total Oil department	**kbbl**	**7,390**	**7,447**	**7,849**	**7,918**	**7,424**	**30,638**	**28,516**	**7**	**–**

Agricultural Products

Processing/production data

		Q4 2014	Q1 2015	Q2 2015	Q3 2015	Q4 2015	2015	2014	Change 2015 vs 2014 %	Change Q4 15 vs Q4 14 %
Farming	kt	190	33	99	448	124	704	762	(8)	(35)
Crushing	kt	1,471	955	1,747	1,740	1,627	6,069	5,664	7	11
Long-term toll agreement	kt	–	–	130	92	62	284	206	38	n.m.
Biodiesel	kt	205	109	139	164	144	556	757	(27)	(30)
Rice milling	kt	30	47	44	83	32	206	230	(10)	7
Wheat milling	kt	231	236	250	254	236	976	1,013	(4)	2
Sugarcane processing	kt	416	–	702	1,273	776	2,751	2,231	23	87
Total Agricultural products	**kt**	**2,543**	**1,380**	**3,111**	**4,054**	**3,001**	**11,546**	**10,863**	**6**	**18**

Resources and reserves

The resource and reserve data in the following tables comprise summary extracts of the Glencore Resources and Reserves report as at 31 December 2015, as published on the Glencore website on 11 February 2016. The Glencore Resources and Reserves report was publicly reported, as appropriate for individual components, in accordance with the 2012 edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code), the 2007 edition (as amended July 2009) of the South African Code for Reporting of Mineral Resources and Mineral Reserves (SAMREC), the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) Standards on Mineral Resources and Reserves (2014 edition) and the Petroleum Resources Management System (PRMS) for reporting of oil and natural gas reserves and resources.

Data is reported as at 31 December 2015, unless otherwise noted. For comparison purposes, data for 2014 has been included. Metric units are used throughout, and all data is presented on a 100% asset basis with the exception of Oil assets which are shown on a working interest basis. All tonnage information has been rounded to reflect the relative uncertainty in the estimates; there may therefore be small differences in the totals.

Copper mineral resources

		Measured Mineral Resources		Indicated Mineral Resources		Measured and Indicated Resources		Inferred Mineral Resources	
Name of operation	Commodity	**2015**	2014	**2015**	2014	**2015**	2014	**2015**	2014
African copper									
Katanga	(Mt)	**14**	31	**194**	242	**207**	273	**200**	168
	Copper (%)	**3.53**	4.23	**3.53**	3.94	**3.53**	3.98	**3.81**	2.41
	Cobalt (%)	**0.49**	0.58	**0.52**	0.45	**0.52**	0.46	**0.43**	0.31
Mutanda	(Mt)	**242**	226	**197**	151	**439**	377	**221**	209
	Copper (%)	**1.57**	1.60	**1.06**	1.21	**1.34**	1.45	**0.79**	0.89
	Cobalt (%)	**0.63**	0.56	**0.39**	0.49	**0.52**	0.53	**0.23**	0.32
Mopani	(Mt)	**199**	184	**71**	65	**270**	249	**80**	86
	Copper (%)	**2.11**	2.11	**1.99**	1.85	**2.08**	2.04	**2.08**	2.08
	Cobalt (%)	**0.08**	0.09	**0.09**	0.09	**0.08**	0.09	**0.09**	0.07
Collahuasi	(Mt)	**791**	712	**4,310**	4,183	**5,102**	4,896	**4,876**	5,060
	Copper (%)	**0.81**	0.81	**0.82**	0.82	**0.82**	0.82	**0.80**	0.80
	Molybdenum (%)	**0.02**	0.02	**0.02**	0.02	**0.02**	0.02	**0.02**	0.02
Antamina	(Mt)	**256**	274	**841**	862	**1,097**	1,136	**1,273**	1,280
	Copper (%)	**0.93**	0.90	**0.90**	0.88	**0.91**	0.89	**0.90**	0.84
	Zinc (%)	**0.70**	0.71	**0.82**	0.86	**0.79**	0.82	**0.68**	0.66
	Silver (g/t)	**10.6**	10.4	**10.8**	10.7	**10.7**	10.6	**11.1**	11.4
	Molybdenum (%)	**0.027**	0.027	**0.020**	0.020	**0.021**	0.022	**0.017**	0.017
Other South America	(Mt)	**673**	776	**2,104**	2,027	**2,777**	2,803	**870**	859
	Copper (%)	**0.39**	0.42	**0.40**	0.41	**0.40**	0.42	**0.37**	0.37
	Gold (g/t)	**0.11**	0.10	**0.04**	0.04	**0.06**	0.06	**0.05**	0.07
	Silver (g/t)	**0.5**	0.5	**0.7**	0.7	**0.6**	0.7	**0.6**	0.6
Australia	(Mt)	**119**	131	**182**	169	**301**	301	**161**	161
	Copper (%)	**1.89**	1.94	**1.36**	1.39	**1.57**	1.63	**1.1**	1.1
	Gold (g/t)	**0.10**	0.10	**0.24**	0.24	**0.18**	0.18	**0.03**	0.03
	Silver (g/t)	**0.6**	0.5	**0.3**	0.4	**0.5**	0.4	**0.8**	0.9

Copper mineral resources (continued)

Name of operation	Commodity	Measured Mineral Resources 2015	Measured Mineral Resources 2014	Indicated Mineral Resources 2015	Indicated Mineral Resources 2014	Measured and Indicated Resources 2015	Measured and Indicated Resources 2014	Inferred Mineral Resources 2015	Inferred Mineral Resources 2014
Other projects[1]	(Mt)	**534**	530	**1,549**	1,545	**2,083**	2,075	**2,479**	2,670
(El Pachon, West Wall)	Copper (%)	**0.67**	0.67	**0.51**	0.51	**0.55**	0.55	**0.44**	0.43
	Gold (g/t)	**–**	–	**0.02**	0.02	**0.01**	0.01	**0.02**	0.02
	Silver (g/t)	**2.4**	2.4	**1.4**	1.4	**1.7**	1.6	**1.1**	1.3
	Molybdenum (%)	**0.01**	0.01	**0.01**	0.01	**0.01**	0.01	**0.01**	0.01

Copper ore reserves

Name of operation	Commodity	Proved Ore Reserves 2015	Proved Ore Reserves 2014	Probable Ore Reserves 2015	Probable Ore Reserves 2014	Total Ore Reserves 2015	Total Ore Reserves 2014
African copper							
Katanga	(Mt)	**10**	18	**88**	70	**99**	88
	Copper (%)	**3.62**	3.51	**3.94**	4.14	**3.91**	4.01
	Cobalt (%)	**0.41**	0.56	**0.49**	0.47	**0.48**	0.49
Mutanda	(Mt)	**114**	138	**43**	63	**157**	201
	Copper (%)	**2.14**	1.96	**1.77**	1.53	**2.04**	1.82
	Cobalt (%)	**0.85**	0.73	**0.69**	0.67	**0.81**	0.71
Mopani	(Mt)	**114**	120	**30**	32	**144**	152
	Copper (%)	**1.90**	1.95	**1.92**	1.68	**1.90**	1.89
	Cobalt (%)	**0.08**	0.08	**0.07**	0.07	**0.08**	0.08
Collahuasi	(Mt)	**516**	482	**2,607**	2,773	**3,123**	3,255
	Copper (%)	**0.99**	0.96	**0.82**	0.78	**0.85**	0.80
	Molybdenum (%)	**0.02**	0.03	**0.02**	0.02	**0.02**	0.02
Antamina	(Mt)	**191**	210	**407**	437	**598**	647
	Copper (%)	**1.04**	1.02	**0.91**	0.90	**0.95**	0.94
	Zinc (%)	**0.79**	0.80	**1.06**	1.07	**0.97**	0.98
	Silver (g/t)	**11.0**	11.2	**10.5**	10.4	**10.6**	10.7
	Molybdenum (%)	**0.028**	0.027	**0.020**	0.021	**0.023**	0.023
Other South America	(Mt)	**490**	665	**740**	725	**1,230**	1,390
	Copper (%)	**0.42**	0.42	**0.35**	0.36	**0.37**	0.38
	Gold (g/t)	**0.07**	0.12	**0.05**	0.05	**0.06**	0.09
	Silver (g/t)	**0.6**	0.6	**0.7**	0.7	**0.6**	0.7
Australia	(Mt)	**34**	35	**59**	69	**93**	104
	Copper (%)	**2.17**	2.29	**1.30**	1.26	**1.63**	1.61
	Gold (g/t)	**0.19**	0.19	**0.42**	0.40	**0.34**	0.33
	Silver (g/t)	**1.6**	1.5	**0.8**	0.5	**1.1**	0.9

1 Tampakan was sold in 2015.

Resources and reserves

Zinc mineral resources

Name of operation	Commodity	Measured Mineral Resources 2015	Measured Mineral Resources 2014	Indicated Mineral Resources 2015	Indicated Mineral Resources 2014	Measured and Indicated Resources 2015	Measured and Indicated Resources 2014	Inferred Mineral Resources 2015	Inferred Mineral Resources 2014
Kazzinc									
Kazzinc Gold	(Mt)	**61.5**	85.6	**22**	48	**83**	133	**36**	15
	Gold (g/t)	**2.2**	1.9	**2.2**	1.9	**2.2**	1.9	**1.6**	1.7
Kazzinc Polymetallic	(Mt)	**27.7**	36.8	**152**	89	**180**	126	**94**	160
	Zinc (%)	**3.42**	4.50	**2.8**	1.5	**2.9**	2.4	**3**	3
	Lead (%)	**0.89**	1.26	**1.1**	0.3	**1.1**	0.5	**0.7**	0.8
	Copper (%)	**1.20**	1.21	**0.2**	0.3	**0.3**	0.6	**0.3**	0.2
	Silver (g/t)	**36.0**	41.4	**17**	15	**20**	23	**28**	14
	Gold (g/t)	**1.42**	1.56	**0.6**	0.9	**0.7**	1.1	**2**	1
Australia									
Mount Isa	(Mt)	**141**	133	**330**	330	**470**	460	**210**	250
	Zinc (%)	**6.86**	6.87	**5.2**	5.1	**5.7**	5.6	**5**	5
	Lead (%)	**4.26**	4.18	**2.9**	2.9	**3.3**	3.3	**3**	3
	Silver (g/t)	**80.3**	78.1	**57**	56	**64**	62	**50**	50
McArthur River	(Mt)	**118**	126	**60**	61	**180**	190	**–**	–
	Zinc (%)	**10.2**	10.0	**9.4**	9.3	**9.9**	9.8	**–**	–
	Lead (%)	**4.81**	4.45	**4.4**	4.0	**4.7**	4.3	**–**	–
	Silver (g/t)	**48.6**	44.6	**46**	42	**48**	44	**–**	–
North America									
Zinc North America	(Mt)	**25.8**	27.5	**36**	36	**62**	63	**60**	60
	Zinc (%)	**4.42**	4.51	**4.9**	4.9	**4.7**	4.7	**4**	4
	Lead (%)	**0.41**	0.39	**0.5**	0.5	**0.5**	0.5	**0.5**	0.5
	Copper (%)	**1.62**	1.68	**0.7**	0.7	**1.1**	1.1	**0.5**	0.5
	Silver (g/t)	**48.2**	49.5	**107**	107	**83**	82	**140**	140
	Gold (g/t)	**0.35**	0.33	**0.4**	0.4	**0.4**	0.4	**0.2**	0.2
Copper North America	(Mt)	**75.0**	75.0	**255**	255	**330**	330	**120**	120
	Copper (%)	**0.39**	0.39	**0.4**	0.4	**0.4**	0.4	**0.4**	0.4
	Gold (g/t)	**0.16**	0.16	**0.2**	0.2	**0.2**	0.2	**0.1**	0.1
Other Zinc	(Mt)	**10.8**	10.6	**37**	29	**48**	40	**59**	80
	Zinc (%)	**9.75**	9.36	**6.1**	6.9	**6.9**	7.5	**7**	6
	Lead (%)	**2.61**	2.11	**1.0**	1.7	**1.4**	1.8	**1**	1
	Copper (%)	**0.06**	0.08	**0.16**	0.15	**0.14**	0.13	**0.1**	0.1
	Silver (g/t)	**89.7**	111	**81**	99	**83**	102	**24**	55

Zinc ore reserves

Name of operation	Commodity	Proved Ore Reserves 2015	Proved Ore Reserves 2014	Probable Ore Reserves 2015	Probable Ore Reserves 2014	Total Ore Reserves 2015	Total Ore Reserves 2014
Kazzinc							
Kazzinc Gold	(Mt)	**64.2**	70.7	**23**	23	**87**	94
	Gold (g/t)	**2.0**	2.20	**2.0**	2.2	**2.0**	2.2
Kazzinc Polymetallic	(Mt)	**14.4**	18.1	**15**	17	**30**	36
	Zinc (%)	**2.80**	3.35	**5.5**	5.4	**4.2**	4.4
	Lead (%)	**0.72**	0.71	**0.6**	0.7	**0.7**	0.7
	Copper (%)	**0.95**	1.07	**0.8**	0.8	**0.9**	0.9
	Silver (g/t)	**32.3**	34.1	**27**	26	**29**	30
	Gold (g/t)	**1.15**	1.12	**0.8**	0.9	**1.0**	1.0
Australia							
Mount Isa	(Mt)	**30.5**	40.8	**47**	45	**78**	86
	Zinc (%)	**8.27**	7.55	**7.1**	7.2	**7.5**	7.4
	Lead (%)	**4.49**	3.96	**3.7**	3.4	**4.0**	3.6
	Silver (g/t)	**77.9**	67.5	**64**	58	**69**	63
McArthur River	(Mt)	**49.4**	54.6	**53**	49	**102**	103
	Zinc (%)	**12.1**	11.8	**8.3**	8.4	**10**	10
	Lead (%)	**5.66**	5.39	**4.0**	3.9	**4.8**	4.7
	Silver (g/t)	**57.5**	54.1	**41**	38	**49**	47
North America	(Mt)	**8.20**	8.59	**7.5**	5.5	**16**	14
	Zinc (%)	**4.38**	4.49	**5.9**	4.9	**5.1**	4.6
	Copper (%)	**1.91**	1.95	**1.4**	1.6	**1.7**	1.8
	Silver (g/t)	**45.1**	49.3	**35**	39	**40**	45
	Gold (g/t)	**0.05**	0.04	**0.4**	0.1	**0.2**	0.1
Other Zinc	(Mt)	**3.49**	4.76	**16**	17	**20**	22
	Zinc (%)	**11.4**	9.14	**7.4**	7.6	**8.1**	8.0
	Lead (%)	**3.26**	2.57	**1.1**	1.5	**1.5**	1.7
	Copper (%)	**0.02**	0.08	**0.1**	0.1	**0.1**	0.1
	Silver (g/t)	**80.1**	88.4	**69**	64	**71**	69

Resources and reserves

Nickel mineral resources

Name of operation	Commodity	Measured Mineral Resources 2015	Measured Mineral Resources 2014	Indicated Mineral Resources 2015	Indicated Mineral Resources 2014	Measured and Indicated Resources 2015	Measured and Indicated Resources 2014	Inferred Mineral Resources 2015	Inferred Mineral Resources 2014
INO	(Mt)	**15.6**	16.2	**31.4**	27.7	**47.0**	43.9	**33**	39
	Nickel (%)	**2.59**	2.35	**2.76**	2.69	**2.70**	2.56	**2.5**	2.6
	Copper (%)	**1.56**	1.70	**1.08**	1.14	**1.24**	1.34	**1.8**	1.6
	Cobalt (%)	**0.05**	0.05	**0.06**	0.07	**0.06**	0.06	**0.1**	0.1
	Platinum (g/t)	**1.00**	0.98	**0.69**	0.66	**0.79**	0.78	**1.0**	1.0
	Palladium (g/t)	**1.54**	1.48	**1.30**	1.15	**1.37**	1.28	**1.8**	1.7
Australia[1]	(Mt)	**167.3**	184.1	**79.0**	72.2	**246.3**	256.3	**18**	12
	Nickel (%)	**1.01**	1.03	**0.99**	0.99	**1.00**	1.02	**0.94**	0.94
	Cobalt (%)	**0.071**	0.073	**0.083**	0.077	**0.075**	0.074	**0.067**	0.059
Koniambo	(Mt)	**18.1**	20.0	**29.1**	46.0	**47.2**	66.0	**95**	84
	Nickel (%)	**2.48**	2.55	**2.42**	2.44	**2.44**	2.48	**2.5**	2.5
Other Nickel[2]	(Mt)	**13.8**	13.8	**23.4**	23.4	**37.2**	37.2	**21**	21
(Kabanga)	Nickel (%)	**2.49**	2.49	**2.72**	2.72	**2.63**	2.63	**2.6**	2.6
	Copper (%)	**0.34**	0.34	**0.36**	0.36	**0.35**	0.35	**0.3**	0.3
	Cobalt (%)	**0.21**	0.21	**0.19**	0.19	**0.20**	0.20	**0.2**	0.2
	Platinum (g/t)	**0.16**	0.16	**0.42**	0.42	**0.32**	0.32	**0.3**	0.3
	Palladium (g/t)	**0.19**	0.19	**0.28**	0.28	**0.25**	0.25	**0.3**	0.3

Nickel ore reserves

Name of operation	Commodity	Proved Ore Reserves 2015	Proved Ore Reserves 2014	Probable Ore Reserves 2015	Probable Ore Reserves 2014	Total Ore Reserves 2015	Total Ore Reserves 2014
INO	(Mt)	**10.9**	12.9	**10.6**	7.1	**21.4**	20.0
	Nickel (%)	**1.95**	1.94	**2.47**	2.25	**2.21**	2.05
	Copper (%)	**1.60**	1.66	**0.78**	0.80	**1.20**	1.36
	Cobalt (%)	**0.04**	0.04	**0.05**	0.05	**0.04**	0.04
	Platinum (g/t)	**1.02**	1.01	**0.67**	0.66	**0.85**	0.88
	Palladium (g/t)	**1.44**	1.45	**1.40**	1.06	**1.43**	1.31
Australia	(Mt)	**151.6**	160.4	**39.9**	40.0	**191.6**	200.4
	Nickel (%)	**0.97**	0.97	**0.96**	0.96	**0.97**	0.97
	Cobalt (%)	**0.070**	0.069	**0.069**	0.067	**0.069**	0.069
Koniambo	(Mt)	**14.2**	16.2	**20.9**	42.5	**35.1**	58.7
	Nickel (%)	**2.33**	2.50	**2.29**	2.30	**2.30**	2.35

1. Cosmos was sold in June 2015.

2. Falcondo was sold in August 2015.
Araguaia was sold in September 2015.

Ferroalloys mineral resources

Name of operation	Commodity	Measured Mineral Resources 2015	Measured Mineral Resources 2014	Indicated Mineral Resources 2015	Indicated Mineral Resources 2014	Measured and Indicated Resources 2015	Measured and Indicated Resources 2014	Inferred Mineral Resources 2015	Inferred Mineral Resources 2014
Chrome	(Mt)	**122**	126	**98**	90	**220**	215	**300**	238
	Cr_2O_3 (%)	**41.2**	41.3	**41.1**	41.2	**41.2**	41.2	**40**	41
Vanadium	(Mt)	**48.85**	24.89	**38.7**	20.2	**87.6**	45.1	**95**	84
	V_2O_5 (%)	**0.48**	0.52	**0.5**	0.5	**0.5**	0.5	**0.5**	0.5
PGM	(Mt)	**85**	89	**26**	26	**111**	115	**83**	83
	3PGE + Gold (g/t)	**4.37**	4.36	**3.09**	3.09	**4.09**	4.09	**4.3**	4.3
Silica	(Mt)	**–**	–	**23.81**	24.34	**23.81**	24.34	**–**	–
	SiO_2 (%)	**–**	–	**91**	91	**91**	91	**–**	–

Ferroalloys ore reserves

Name of operation	Commodity	Proved Ore Reserves 2015	Proved Ore Reserves 2014	Probable Ore Reserves 2015	Probable Ore Reserves 2014	Total Ore Reserves 2015	Total Ore Reserves 2014
Chrome	(Mt)	**49**	52	**17**	14	**65**	66
	Cr_2O_3 (%)	**33.5**	33.8	**32.6**	31.0	**33.3**	33.2
Vanadium	(Mt)	**26.66**	6.88	**12.9**	13.4	**39.6**	20.3
	V_2O_5 (%)	**0.48**	0.52	**0.5**	0.5	**0.5**	0.5
PGM	(Mt)	**19**	26	**–**	0.1	**19**	26
	3PGE + Gold (g/t)	**3.82**	3.33	**–**	3.10	**3.82**	3.32
Silica	(Mt)	**–**	–	**2.15**	2.38	**2.15**	2.38
	SiO_2 (%)	**–**	–	**91**	91	**91**	91

Resources and reserves

Iron ore mineral resources

Name of operation	Commodity	Measured Mineral Resources 2015	Measured Mineral Resources 2014	Indicated Mineral Resources 2015	Indicated Mineral Resources 2014	Measured and Indicated Resources 2015	Measured and Indicated Resources 2014	Inferred Mineral Resources 2015	Inferred Mineral Resources 2014
El Aouj Mining Company S.A.	(Mt)	**470**	470	**1,435**	1,435	**1,905**	1,905	**2,520**	2,520
	Iron (%)	**36**	36	**36**	36	**36**	36	**35**	35
Sphere Mauritania S.A.	(Mt)	**215**	215	**190**	190	**405**	405	**251**	251
(Askaf)	Iron (%)	**36**	36	**35**	35	**36**	36	**35**	35
Sphere Lebtheinia S.A.	(Mt)	**–**	–	**2,180**	2,180	**2,180**	2,180	**560**	560
	Iron (%)	**–**	–	**32**	32	**32**	32	**32**	32
Jumelles Limited	(Mt)	**2,300**	2,300	**2,500**	2,500	**4,800**	4,800	**2,100**	2,100
(Zanaga)	Iron (%)	**34**	34	**30**	30	**32**	32	**31**	31

Iron ore reserves

Name of operation	Commodity	Proved Ore Reserves 2015	Proved Ore Reserves 2014	Probable Ore Reserves 2015	Probable Ore Reserves 2014	Total Ore Reserves 2015	Total Ore Reserves 2014
El Aouj Mining Company S.A.	(Mt)	**380**	370	**551**	385	**931**	755
	Iron (%)	**35**	35	**35**	35	**35**	35
Sphere Mauritania S.A.	(Mt)	**–**	140	**–**	92	**–**	232
(Askaf)	Iron (%)	**–**	36	**–**	34	**–**	35
Jumelles Limited	(Mt)	**770**	770	**1,290**	1,290	**2,070**	2,070
(Zanaga)	Iron (%)	**37**	37	**32**	32	**34**	34

Coal resources

Name of operation	Commodity	Measured Coal Resources 2015	Measured Coal Resources 2014	Indicated Coal Resources 2015	Indicated Coal Resources 2014	Inferred Coal Resources 2015	Inferred Coal Resources 2014
Australia							
New South Wales	Coking/Thermal Coal (Mt)	**3,170**	3,242	**2,869**	2,678	**5,271**	5,121
Queensland	Coking/Thermal Coal (Mt)	**3,028**	3,008	**3,373**	3,234	**8,269**	8,190
South Africa[1]	Thermal Coal (Mt)	**2,914**	2,916	**1,151**	1,148	**435**	436
Prodeco	Thermal Coal (Mt)	**185**	200	**220**	240	**70**	70
Cerrejón	Thermal Coal (Mt)	**2,950**	3,300	**1,150**	1,100	**800**	700
Canada projects (Suska, Sukunka)	Coking/Thermal Coal (Mt)	**45**	45	**113**	113	**130**	130

Coal reserves

Name of operation	Commodity	Coal Reserves Proved 2015	Coal Reserves Probable 2015	Marketable Coal Reserves Proved 2015	Marketable Coal Reserves Probable 2015	Total Marketable Coal Reserves 2015	Total Marketable Coal Reserves 2014
Australia							
New South Wales	Thermal Coal (Mt)	**1,003**	**176**	**719**	**120**	**839**	871
	Coking Coal (Mt)	**20**	**40**	**13**	**27**	**40**	42
Queensland	Thermal Coal (Mt)	**1,132**	**412**	**894**	**326**	**1,220**	1,376
	Coking Coal (Mt)	**102**	**62**	**67**	**41**	**108**	164
South Africa[1]	Thermal Coal (Mt)	**748**	**334**	**477**	**193**	**670**	701
Prodeco	Thermal Coal (Mt)	**120**	**80**	**120**	**80**	**200**	270
Cerrejón	Thermal Coal (Mt)	**530**	**100**	**520**	**90**	**610**	650

1 Optimum Coal was placed in business rescue proceedings in August 2015, resulting in the Group ceasing to have control over Optimum. In December, the business rescue practitioners reached agreement to sell the business, which is expected to close by H1 2016. Applicable coal resources and reserves have been removed from this report.

Resources and reserves

Oil net reserves (Proven and Probable)[1]

	Working Interest Basis								
	Equatorial Guinea		Chad		Cameroon		Total		
	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	**Oil mmbbl**	**Gas bcf**	**Combined mmboe**
31 December 2014	25	–	150	–	–	–	**175**	**–**	**175**
Revisions	–	–	1	–	–	–	**1**	**–**	**1**
Acquisitions/ Divestments	–	–	–	–	–	–	**–**	**–**	**–**
Discoveries	–	–	21	–	–	–	**21**	**–**	**21**
Production	(6)	–	(6)	–	–	–	**(12)**	**–**	**(12)**
31 December 2015	19	–	166	–	–	–	**185**	**–**	**185**

Net contingent resources (2C)[1]

	Working Interest Basis								
	Equatorial Guinea		Chad		Cameroon		Total		
	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	Oil mmbbl	Gas bcf	**Oil mmbbl**	**Gas bcf**	**Combined mmboe**
31 December 2014	23	562	9	–	53	714	**85**	**1,276**	**305**
Revisions	–	–	–	–	–	–	**–**	**–**	**–**
Acquisitions/ Divestments	–	–	–	–	(6)	(119)	**(6)**	**(119)**	**(26)**
Discoveries	–	–	–	–	–	–	**–**	**–**	**–**
31 December 2015	23	562	9	–	47	595	**79**	**1,157**	**278**

1 "Net" reserves or resources are equivalent to Glencore's working interest in the asset/property.

Shareholder information

Glencore plc is registered in Jersey, with headquarters in Switzerland and operations around the world.

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