GLENCORE

INTERNATIONAL AG
AND SUBSIDIARIES

First Quarter

2010

Table of contents

Page	

Page	
3	Financial highlights
5	Financial review
7	Consolidated financial statements

Financial highlights

Year ended December 31, 2009	Three months ended March 31, 2010	March 31, 2009	US $ million
3 291	1 102	623	Gross income[1]
843	345	160	Share of income from associates[1]
4 146	1 449	787	Business group results[1]
3 929	1 389	725	EBITDA[1]
2 724	886	504	Glencore net income[1, 2]
1 633	1 104	444	Glencore net income (statutory)
3 095	1 017	458	Cash provided by operating activities before working capital
2 333	770	277	Funds from operations (FFO)[3]

March 31, 2010	December 31, 2009	US $ million
67 535	66 276	Total assets
17 088	16 686	Glencore shareholders' funds[4]
10 676	10 186	Net debt[5]
9 296	8 144	Net working capital
17 013	16 997	Current capital employed (CCE)[6]

March 31, 2010	December 31, 2009	
1.33	1.27	Current ratio (times)
1.43	1.37	Adjusted current ratio (times)[7]
		Equity, gearing and coverage ratios:
38.5	37.9	Net debt to net debt plus Glencore shareholders' funds (%)
0.70	0.71	CCE to gross debt (times)
1.26	1.26	CCE plus listed associates (at carrying value) to gross debt (times)
26.5	22.9	FFO[8] to Net debt (%)
2.32	2.59	Net debt to EBITDA[8] (times)
7.47	6.69	EBITDA[8] to net interest (times)

[1] Prior year balances exclude exceptional items as detailed in the respective annual and quarterly financial reports.

[2] First quarter 2010 Glencore net income of $ 886 million consists of income before attribution of $ 1,319 million less attribution to non controlling interests of $ 215 million and net exceptional items of $ 218 million ($ 460 million fair value revaluation accounting gain which arose on consolidation of Vasilkovskoje Gold, offset by $ 147 million of related non controlling interest and $ 95 million of Prodeco call option expense).

[3] Funds from operations comprise cash provided by operating activities before working capital changes less tax and net interest payments plus dividends received.

[4] Glencore shareholders' funds consist of net assets attributable to profit participation shareholders, non controlling interest and equity holders of $ 19,638 million (2009: $ 17,944 million) less non controlling interest of $ 2,550 million (2009: $ 1,258 million).

[5] Net debt consists of total debt less cash and cash equivalents, marketable securities and readily marketable inventories of $ 12,296 million (2009: $ 12,945 million).

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

[7] Current assets over current liabilities, both adjusted to exclude the more temporary impact of other financial liabilities.

[8] 2010 ratio based on last 12 months' FFO and EBITDA; first quarter 2010 EBITDA of $ 1,389 million consists of income before interest, tax and other items of $ 1,214 million plus depreciation of $ 175 million.

Financial review

Income Statement

First quarter 2010 provided a solid start to the year with increases over both the immediate prior quarter and the comparable 2009 quarter as follows:

- Gross income of $ 1,102 million, up 5% over the fourth quarter 2009 and up 77% over the first quarter 2009
- EBITDA of $ 1,389 million, up 7% over the fourth quarter 2009 and up 92% over the first quarter 2009

In conjunction with still volatile financial markets, the global economy continued to exhibit signs of underlying improvement over the first quarter 2010 from its recessionary backdrop in early 2009.

The split of business group results (gross income, share of income from associates and dividend income pre exceptional items) between marketing and industrial activities is as follows:

US $ million		Marketing Activities		Industrial Activities	Business Group Results
1st quarter 2010	47%	688	53%	761	1 449
1st half 2009	74%	1 210	26%	425	1 635
2nd half 2009	46%	1 161	54%	1 350	2 511
Full year 2009	57%	2 371	43%	1 775	4 146

On the back of increased sales volumes of metal and coal, income from marketing activities for the first quarter 2010 increased to $ 688 million, reflecting a 16% improvement compared to 2009's average quarterly results. Against the same measure, income from industrial activities was up 71%, due primarily to the realization of significantly higher average metals prices in copper, zinc and nickel, but further enhanced by increased production following restarts of prior period temporary cutbacks and expansion projects underway.

Cash flows/liquidity

Cash flows from operating activities before working capital changes amounted to $ 1,017 million for the first three months of 2010, representing a 10% increase over the fourth quarter 2009 and 122% above the comparable prior year period. Despite the moderately higher quarter over quarter commodity prices, net working capital inflows were $ 222 million during the first quarter of 2010, in part reflecting the sale of inventories previously carried as part of commodity storage opportunities discussed in our 2009 Annual Report.

Investing activities amounted to a net outflow of $ 817 million over the first three months of 2010. The net outflow primarily related to the acquisition of a 51.5% interest in Chemoil for $ 234 million, the purchase by Kazzinc of its remaining 60% in Vasilkovskoje Gold for some $ 200 million in cash and shares, which resulted in Glencore reducing its stake in Kazzinc from 69% to 50.7%, and continued capital expenditure programs in respect of Kazzinc's new copper smelter and production expansion at Katanga and Prodeco.

Financial position/debt coverage

The current ratio as of March 31, 2010, was 1.33 compared with 1.27 at December 31, 2009, while net working capital increased by $ 1,152 million to $ 9,296 million. Consistent with December 31, 2009, 98% of total marketing inventories were contractually sold or hedged (readily marketable inventories) as at March 31, 2010.

Net debt increased moderately from $ 10,186 million at December 31, 2009, to $ 10,676 million at March 31, 2010, however last 12 months' FFO to net debt was 26.5% as at March 31, 2010, a very healthy improvement compared to 22.9% as at December 31, 2009. Glencore shareholders' funds increased by $ 402 million (2%) to $ 17,088 million, taking into account a negative fair value adjustment (through equity reserves) in respect of Glencore's stake in United Company Rusal, following its Hong Kong listing in January. Without such adjustment, Glencore shareholders' funds would have seen an increase in excess of 5% during the quarter.

The net increase in non current assets is largely attributable to the first time consolidation of Vasilkovskoje Gold, following its full acquisition by Kazzinc. As reported in our 2009 Annual Report, Glencore exercised its option to repurchase Prodeco from Xstrata in early March 2010. The transaction completed during April. The underlying Prodeco business continues to be accounted for as 'assets held for sale', pending a final decision related to Glencore's desire to effect some $ 1 billion of asset disposals in connection with such repurchase.

In March 2010, Glencore issued 7 year, 5.25% EUR 1,250 million ($ 1,709 million) bonds accounting for the majority of the increase in non current liabilities.

Capital resources and financing/liquidity

Glencore maintains adequate liquidity via its cash, committed credit facilities, diversified funding sources and fast turning, very liquid working capital. As at March 31, 2010, Glencore had available cash and undrawn committed revolving credit facilities of some $ 5.2 billion, of which $ 2.4 billion had been set aside in respect of April's pending settlement under the Prodeco call option. Furthermore, Glencore obtained a $ 750 million six month acquisition facility (undrawn at March 31, 2010) to conservatively provide additional liquidity headroom.

On May 10, 2010, Glencore replaced the previous 364 day $ 815 million revolving credit facility with a new 364 day $ 1,375 million facility with a one year term out option at the borrower's discretion as well as concluded a debut $ 475 million 364 day Asian tranche, primarily focusing on the Asian bank market.

In addition, Glencore replaced the $ 8,180 million medium term revolver with a new 3 year revolving credit facility of $ 8,370 million and cancelled the $ 6,650 million forward start facility concluded last year. In aggregate the three tranches represent an increase in committed available liquidity of $ 1,225 million, provided by a total of 94 banks, 39 of which are new to the Glencore credit.

As noted in the tables below, Glencore has no material unsecured obligations falling due in the next two years. Some of our secured funding facilities require extensions/renewals during the year, however, we feel very confident in this regard, given the underlying strong collateral and the modest amounts in the context of our overall balance sheet and funding/liquidity levels.

Facility/Program US $ million	Initial issue/ current rollover	Amount issued or outstanding March 31, 2010	 December 31, 2009
2014 144A Notes	950	945	945
Xstrata secured bank loans[1]	2 850	2 284	2 282
2011 Eurobonds (Euro 600 million)	739	771	817
2013 Eurobonds (Euro 850 million)	1 078	1 088	1 154
2015 Eurobonds (Euro 750 million)	1 200	971	1 030
2017 Eurobonds (Euro 1,250 million)	1 709	1 690	0
2019 Sterling bonds (GBP 650 million)	1 242	951	1 013
2014 Convertible bonds	2 100	1 937	1 838
Perpetual notes	700	700	700
Purchase of profit participation certificates	2 181	2 181	2 222
Committed syndicated revolving credit facilities[2]	8 995	4 743	5 890
U.S. commercial paper[3]	2 500	516	214
Committed secured inventory facility[4]	600	200	310
Bilateral uncommitted secured inventory facilities	1 096	1 096	1 353
Bilateral inventory repurchase arrangements	527	527	477
Committed asset backed (receivables) commercial paper program[5]	1 500	1 200	1 300
Other financings[6]	2 674	2 674	2 521
Cash and cash equivalents and marketable securities		– 1 502	– 935
Total		22 972	23 131

Short term debt composition US $ million	March 31, 2010	December 31, 2009
Short term committed syndicated revolving credit facilities[2]	0	1 156
U.S. commercial paper[3]	516	214
Committed secured inventory facility[4]	200	310
Bilateral uncommitted secured inventory facilities	1 096	1 353
Committed asset backed (receivables) commercial paper program[5]	1 200	1 300
Other[6]	1 948	1 812
Total	4 960	6 145

1 Consisting of two loans maturing in September 2011.

2 Refer to note above regarding recent refinancing/extension of these facilities.

3 U.S. commercial paper drawn under a $ 2.5 billion A3/P2 rated program. Amounts drawn under this program cannot be drawn under the medium term committed syndicated revolving credit facility.

4 Funding is secured against certain base metal inventories, with committed funding currently in place until November 2010.

5 Funded via ABCP issued by three Western European banks' multi seller A1+/P1 rated conduits. The programs are structured and rated until 2013, with the backup liquidity facilities provided by the sponsoring banks requiring annual renewal in June 2010.

6 Consisting of numerous credit facilities from a large number of international banks generally at the subsidiary level.

Certain bank debt arrangements require compliance with specific financial covenants related to current ratio and a maximum long term debt to tangible net worth ratio. Significant headroom currently exists under these covenants. None of the credit facilities or funding programs include rating triggers which would accelerate repayment obligations in the event of a credit rating downgrade.

Consolidated financial statements

Consolidated statements of income for
the three months ended March 31, 2010 and 2009

2010 (unaudited)	2009 (unaudited)	US $ million
31 729	19 955	Revenues
– 30 627	– 19 392	Cost of goods sold
1 102	563	Gross income
– 235	– 200	Selling and administrative expenses
345	160	Share of income from associates
2	4	Dividend income
1 214	527	Income before interest, tax and other items
71	22	Interest income
– 257	– 201	Interest expense
384	86	Other income/(expense) – net
1 412	434	Income before income taxes and attribution
– 93	– 15	Income taxes
1 319	419	Income before attribution
– 125	146	Attribution from/(to) hybrid profit participation shareholders
– 684	989	Attribution from/(to) ordinary profit participation shareholders
510	1 554	Income for the period
		Attribution from/(to):
– 215	25	Non controlling interests
– 295	– 1 579	Equity holders

Consolidated statements of financial position as of March 31, 2010 and December 31, 2009

2010 (unaudited)	2009 (audited)	US $ million Assets
		Non current assets
9 907	6 845	Property, plant and equipment
15 196	14 881	Investments in associates
2 759	3 202	Other investments
2 048	2 535	Long term advances and loans
95	88	Deferred income taxes
30 005	27 551	Total non current assets
		Current assets
12 529	13 179	Marketing inventories
1 893	1 894	Production inventories
15 610	15 243	Accounts receivable
4 580	6 125	Other financial assets
65	75	Marketable securities
1 437	860	Cash and cash equivalents
36 114	37 376	
1 416	1 349	Assets held for sale
37 530	38 725	Total current assets
67 535	66 276	Total assets

Consolidated statements of financial position
as of March 31, 2010 and December 31, 2009

2010 (unaudited)	2009 (audited)	US $ million Liabilities and equity
		Net assets attributable to profit participation shareholders, non controlling interests and equity holders
46	46	Share capital
4 166	4 395	Reserves and retained earnings
2 550	1 258	Non controlling interests
6 762	5 699	
1 587	1 461	Hybrid profit participation shareholders
11 289	10 784	Ordinary profit participation shareholders
19 638	17 944	Total net assets attributable to profit participation shareholders, non controlling interests and equity holders
		Other non current liabilities
17 942	16 403	Long term debt
997	626	Deferred income taxes
724	722	Provisions
19 663	17 751	Total other non current liabilities
		Current liabilities
1 045	1 041	Current portion of long term debt
4 960	6 145	Short term debt
527	477	Commodities sold with agreements to repurchase
2 398	2 303	Prodeco call option arrangement
12 229	11 482	Accounts payable
6 612	8 643	Other financial liabilities
260	254	Income tax payable
28 031	30 345	
203	236	Liabilities held for sale
28 234	30 581	Total current liabilities
67 535	66 276	Total liabilities and equity

Consolidated statements of cash flows
for the three months ended March 31, 2010 and 2009

2010 (unaudited)	2009 (unaudited)	US $ million
		Operating activities
1 412	434	Income before income taxes and attribution
		Adjustments to reconcile income before income taxes and attribution to net cash provided/(used) by operating activities
175	138	Depreciation and amortization
– 345	– 160	Share of income from associates
– 2	– 3	Decrease in long term provisions
– 31	– 41	Unrealized mark to market movements on other investments
– 378	– 89	Impairments and other non cash items
186	179	Interest expense – net
1 017	458	Cash provided by operating activities before working capital changes
		Working capital changes
10	18	(Increase)/decrease in marketable securities
1 279	5 220	(Increase)/decrease in accounts receivable[1]
745	– 1 408	(Increase)/decrease in inventories
– 1 812	– 4 641	Increase/(decrease) in accounts payable[1]
222	– 811	Total working capital changes
1 239	– 353	Cash provided/(used) by operating activities
– 77	0	Income taxes paid
31	15	Interest received
– 207	– 206	Interest paid
986	– 544	Net cash provided/(used) by operating activities

[1] Includes movements in other financial assets and liabilities

Consolidated statements of cash flows
for the three months ended March 31, 2010 and 2009

2010 (unaudited)	2009 (unaudited)	US $ million
		Investing activities
– 142	– 207	Increase in long term advances and loans
– 203	0	Net cash used in acquisition of subsidiaries
– 267	– 135	Purchase of investments
– 335	– 287	Purchase of property, plant and equipment
14	0	Proceeds from sale of investments
110	25	Proceeds from sale of property, plant and equipment
6	10	Dividends received from associates
– 817	– 594	Net cash used by investing activities
		Financing activities
– 1 128	1 183	Net proceeds/(repayment) of short term debt
– 49	– 14	Net proceeds/(repayment) of other long term bank debt
– 221	– 161	Payment of profit participation certificates
97	0	Net proceeds from Convertible Bonds
1 709	– 85	Net proceeds/(repurchase) of Euro and Sterling Bonds
408	923	Net cash provided by financing activities
577	– 215	Increase/(decrease) in cash and cash equivalents
860	826	Cash and cash equivalents, beginning of period
1 437	611	Cash and cash equivalents, end of period

GLENCORE

INTERNATIONAL AG

Baarermattstrasse 3

P. O. Box 777

CH-6341 Baar

Switzerland