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GLENCORE plc

GLENCORE PLC

(*Incorporated in Jersey under the Companies (Jersey) Laws 1991 with registered number 107710)*

(Stock Code: 805)

Release of Half-Year Report of 2016

Glencore plc (the "**Company**") is pleased to release its Half-Year Report of 2016. Please see the attached announcement for more details.

At the request of the Company, trading in its ordinary shares in Hong Kong was halted with effect from 9:00a.m. on Wednesday, 24 August 2016, pending the release of this report. An application will be made by the Company to The Stock Exchange of Hong Kong Limited for resumption of trading in its ordinary shares in Hong Kong with effect from 9:00 a.m. on Thursday, 25 August 2016.

By order of the Board
Glencore plc
Tony Hayward
Chairman

Baar, Switzerland, 24 August 2016

As of the date of this announcement, the executive directors are Mr Ivan Glasenberg (Chief Executive Officer) and the independent non-executive directors are Mr Anthony Hayward (Chairman), Mr Peter Coates, Mr Leonhard Fischer, Mr Peter Grauer, Mr William Macaulay, Mr John Mack and Ms Patrice Merrin.

GLENCORE

NEWS RELEASE
Baar, 24 August 2016

2016 Half-Year Report

Delivering on our debt reduction plan, underpinned by industry-leading cost performance and robust operating cash flows

Glencore's Chief Executive Officer, Ivan Glasenberg, commented: "Since we announced our measures to reduce debt levels last September, we have made considerable progress towards achieving our goals. Supporting these targets, our industrial assets are demonstrating industry-leading cost and cashflow performances, while the resilience of our Marketing business has again been demonstrated, with a 14% increase in its first half Adjusted EBIT to $1.2 billion.

"We have already largely achieved our asset disposals target of $4-5 billion with a diverse and material pool of asset sales' processes also on-going. Our divestment strategy remains one of maximising value for shareholders through identifying assets where overall Glencore franchise positioning, optionality and value is substantially preserved or even enhanced. The Glencore Agri stake sale, for example, positions it for the industry's inevitable consolidation in the years to come. We remain confident and focussed on achieving even lower than previously indicated net funding and net debt levels by the end of this year.

"After a difficult start to the year, the more constructive tone of markets in recent months has helped support the pricing of many of our key commodities. While we are highly cash generative at current spot prices, we remain mindful that underlying markets continue to be volatile. We are alert to and have a high degree of proven flexibility in adapting to changing market conditions."

US$ million	**H1 2016**	H1 2015	Change %	2015
Key statement of income and cash flows highlights[1]:				
Adjusted EBITDA[2]	**4,020**	4,611	(13)	8,694
Adjusted EBIT[2]	**875**	1,412	(38)	2,172
Net income attributable to equity holders of the parent pre-significant items[3]	**300**	882	(66)	1,342
Net loss attributable to equity holders of the parent	**(369)**	(676)	n.m.	(4,964)
Funds from operations (FFO)[4,5]	**2,762**	3,487	(21)	6,615
Capital expenditure	**1,571**	3,189	(51)	5,957

US$ million	**30.06.2016**	31.12.2015	Change %
Key financial position highlights:			
Total assets	**127,854**	128,485	–
Net funding[4,5]	**38,983**	41,245	(5)
Net debt[4,5]	**23,580**	25,889	(9)
Ratios:			
FFO to Net debt[4,5,6]	**24.9%**	25.6%	(3)
Net debt to Adjusted EBITDA[5,6]	**2.91x**	2.98x	(2)
Adjusted EBITDA to net interest[5,6]	**5.41x**	6.24x	(13)

1 Refer to basis of preparation on page 4.
2 Refer to note 3 of the interim financial statements for definition and reconciliation of Adjusted EBIT/EBITDA.
3 Refer to significant items table on page 5.
4 Refer to page 7.
5 Refer to Glossary for definition.
6 H1 2016 ratio based on last 12 months' FFO, Adjusted EBITDA and net interest.

Highlights

- **Strong and improving cash generation despite lower commodity prices and production volumes**
  - 2016 first half Adjusted EBITDA of $4.0 billion, down 13%
  - Funds from operations of $2.8 billion, down 21%
  - Capital expenditure of $1.6 billion, down 51%, comfortably offsetting the reduced FFO
- **Industry-leading cost positions**
  - Outstanding first-half operational unit cost performance in our key commodities: copper 97c/lb, zinc -3c/lb (15c/lb ex-gold), nickel 246c/lb and thermal coal $37/t
  - Full year unit cost estimates have been reduced to reflect stronger than expected cost improvements over the year to date
- **Marketing remains a unique, defensive earnings driver**
  - Marketing Adjusted EBIT increased by 14% to $1.2 billion, supported by strong contributions from Metals & Minerals
  - Full year Adjusted EBIT guidance of $2.4-2.7 billion remains unchanged
- **Continued strong liquidity and balance sheet flexibility**
  - Committed available liquidity of $14.9 billion at 30 June 2016 ($15.2 billion at the end of 2015) comfortably covers our next three years of bond maturities
  - Public market credit spreads and CDS have substantially normalised
- **Targeting even lower Net funding and Net debt of $31-32 billion and $16.5-17.5 billion by the end of 2016**
  - $2.3 billion reduction in Net funding and Net debt during the first half
  - Agreed asset sales of $3.9 billion, well on track to deliver the targeted $4-5 billion
  - A diverse and material pool of asset sales' processes continues
  - Annualised free cash flow generation >$4.5 billion, based on Adjusted EBITDA of c.$10.5 billion at current spot commodity prices

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For further information please contact:

Investors

Martin Fewings	t: +41 41 709 28 80	m: +41 79 737 56 42	martin.fewings@glencore.com
Carlos Francisco Fernandez	t: +41 41 709 23 69	m: +41 79 129 91 95	carlos.fernandez@glencore.com

Media

Charles Watenphul	t: +41 41 709 24 62	m: +41 79 904 33 20	charles.watenphul@glencore.com
Pam Bell	t: +44 20 7412 3471	m: +44 77 3031 9806	pam.bell@glencore.co.uk

www.glencore.com

www.youtube.com/glencorevideos

About Glencore

Glencore is one of the world's largest global diversified natural resource companies and a major producer and marketer of more than 90 commodities. The Group's operations comprise around 150 mining and metallurgical sites, oil production assets and agricultural facilities.

With a strong footprint in both established and emerging regions for natural resources, Glencore's industrial and marketing activities are supported by a global network of more than 90 offices located in over 50 countries.

Glencore's customers are industrial consumers, such as those in the automotive, steel, power generation, oil and food processing. We also provide financing, logistics and other services to producers and consumers of commodities. Glencore's companies employ around 160,000 people, including contractors.

Glencore is proud to be a member of the Voluntary Principles on Security and Human Rights and the International Council on Mining and Metals. We are an active participant in the Extractive Industries Transparency Initiative.

Chief Executive Officer's Review

Background
During the first half of 2016, the commodities' complex ended its five year period of price underperformance, despite concerns persisting about the global economy and China in particular. Although the outperformance was biased towards precious metals, zinc and oil, commodities generally were amongst the strongest performing asset classes. In our view, this reflects the depressed starting point, market positioning and supply/demand fundamentals. After several periods of poor returns and material capital expenditure cuts, producers of many commodities are struggling to maintain existing levels of production, particularly in base metals and coal.

Demand for our commodities has remained healthy and prices are increasingly reflecting the individual supply conditions of each commodity. In meaningfully cutting our own production in coal, copper and zinc, we have contributed to the restoration of balance in the supply fundamentals for these, our core, upstream commodities.

Robust financial performance
Our financial report reveals an outstanding cost performance by our industrial assets and the continued strength of our marketing business.

Despite key metals prices averaging around 20% lower than during the first six months of 2015, Adjusted EBITDA from our metals' industrial assets was essentially flat period-on-period. The inherent quality of our resource base, coupled with our operating efficiencies, has allowed us to produce volumes for our key commodities at cost levels that sit within the first quartile of the cost curve.

Marketing overall has once again performed as expected, taking into account the lower use of working capital. In line with previous guidance, we continue to expect marketing to deliver $2.4-2.7 billion Adjusted EBIT for the full 2016 year.

We have also continued to reduce net funding and net debt in line with our stated targets. We are now guiding to even lower net funding and net debt of $31-32 billion and $16.5-17.5 billion respectively by the end of 2016.

Repositioning the balance sheet
We have continued our efforts to deleverage the balance sheet, successfully transacting $3.9 billion of disposals since March 2016 (subject to customary closing conditions). Debt reduction year-to-date has been underpinned by robust operating cash flows and tightly controlled capital expenditure.

Our deleveraging process is expected to accelerate during the second half of the year as the divestment processes complete and funds are received. At current spot commodity prices, annualised Adjusted EBITDA of approx. $10.5 billion is also expected to translate into free cash flow of >$4.5 billion p.a. As previously announced, our goal is to reposition the balance sheet to achieve and maintain a Net debt to Adjusted EBITDA ratio of closer to 2x, compared to our previous target of <3x.

Corporate governance/Sustainability
We are deeply saddened to report that since the beginning of this year 12 people lost their lives at our assets from four tragic incidents. All of these fatalities took place at our 'focus assets' that are located in challenging geographies and which will continue to be where our greatest efforts on safety will be concentrated. The loss of a life, regardless of location or circumstance, is unacceptable and we continue to believe that our goal of a fatality free workplace is achievable through a relentless focus on safety at all our assets and the sharing of leading practices group-wide.

As part of our ongoing risk reduction programme, we are undertaking further reviews of our priority tailings facilities, which involve third party subject matter experts. All of our tailings facilities are continuously monitored to ensure integrity and structural stability.

In June we distributed two key documents; an analysis of the impacts of climate change on our business, with a particular focus on coal and a country-by-country report on our payments to governments was also published, supporting our commitment to transparency.

Looking forward
Our diversified asset portfolio, based around core Tier 1 assets, combined with our highly resilient marketing business, allows Glencore to generate material cash flows. Going forward, we continue to focus on successfully completing the balance sheet repositioning, first announced in September of 2015 and delivering industry-leading shareholder returns into the future.

Ivan Glasenberg
Chief Executive Officer

Financial Review

Basis of presentation

The financial information reported in the Financial Review has been prepared on the basis as outlined in note 2 of the interim financial statements with the exception of the accounting treatment applied to certain associates, joint ventures and discontinued operations for which Glencore's attributable share of revenue and expense are presented (see note 3) 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 5) 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 EBIT was $875 million and Adjusted EBITDA was $4,020 million over the first half of 2016, decreases of 38% and 13% respectively compared to 2015, driven primarily by lower commodity prices. We continue to mitigate reduced industrial margin challenges through our relentless focus on operational efficiencies, which has significantly cushioned the net impact from lower commodity prices (negative)/stronger US dollar (positive). Throughout the past 18 months, we also initiated decisive production cut-backs across the portfolio, seeking to accelerate the rebalancing of market supply/demand and preserve resource value for the future. This was notably and successfully done in zinc and coal, whereby markets have generally strengthened in recent months, which augurs well for increased future cashflow generation.

Adjusted EBITDA/EBIT

Adjusted EBITDA by business segment is as follows:

US$ million	Marketing activities	Industrial activities	H1 2016 Adjusted EBITDA	Marketing activities	Industrial activities	H1 2015 Adjusted EBITDA	%
Metals and minerals	**864**	**2,365**	**3,229**	460	2,436	2,896	11
Energy products	**276**	**571**	**847**	509	1,140	1,649	(49)
Agricultural products (Discontinued)	**154**	**29**	**183**	261	71	332	(45)
Corporate and other	**(9)**	**(230)**	**(239)**	(50)	(216)	(266)	n.m.
Total	**1,285**	**2,735**	**4,020**	1,180	3,431	4,611	(13)

Adjusted EBIT by business segment is as follows:

US$ million	Marketing activities	Industrial activities	H1 2016 Adjusted EBIT	Marketing activities	Industrial activities	H1 2015 Adjusted EBIT	%
Metals and minerals	**852**	**485**	**1,337**	444	547	991	35
Energy products	**252**	**(589)**	**(337)**	479	(21)	458	n.m.
Agricultural products (Discontinued)	**122**	**(7)**	**115**	199	31	230	(50)
Corporate and other	**(9)**	**(231)**	**(240)**	(51)	(216)	(267)	n.m.
Total	**1,217**	**(342)**	**875**	1,071	341	1,412	(38)

Marketing Adjusted EBITDA for the period ended 30 June 2016 increased by 9% to $1,285 million, while Marketing Adjusted EBIT was up 14% to $1,217 million. Metals and minerals Adjusted Marketing EBIT was up 92% over H1 2015, due particularly to improved contributions from aluminium and nickel, albeit from a low prior period base, impacted significantly by the collapse in physical aluminium premiums and subdued levels of global stainless steel production. Energy products Adjusted Marketing EBIT was down 47% over 2015, owing to more modest oil marketing conditions, relative to the buoyant comparative prior period and a coal backdrop which continued to be challenging. Agricultural products Adjusted Marketing EBIT was down $77 million compared to the comparative period, in large part due to a lower Viterra Canada contribution, primarily due to the average crop size and lower global prices, which meant that farmers were often reluctant sellers, combined with strong handling competition and weakness in the Canadian dollar.

Industrial Adjusted EBITDA decreased by 20% (Adjusted EBIT was negative $342 million, due to the relatively fixed non-cash depreciation charge) to $2,735 million for the six months ended 30 June 2016. The reduction was driven by weaker average period over period commodity prices, including copper, coal, zinc and nickel, down 21%, 15-20%, 16% and 37% respectively, however the delivery of significant operating cost reductions and productivity improvements somewhat cushioned the lower pricing impact, together with foreign exchange benefits from the stronger US dollar. To this effect, overall metals and minerals' (our largest segment) mining EBITDA margin actually increased from 24% to 28%, with strong improvements recorded in copper and zinc. Also worth noting that in coal, since Q1, Adjusted EBITDA has

sequentially improved each month, which suggests that H1 2016 may have marked the cyclical trough in the energy segment's industrial earnings contribution.

Earnings

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

US$ million	H1 2016	H1 2015
Adjusted EBIT[1]	**875**	1,412
Net finance and income tax expense in certain associates and joint ventures[1]	**(67)**	(85)
Net finance and income tax expense of discontinued operations[2]	**(39)**	(94)
Net finance costs	**(777)**	(626)
Income tax benefit[3]	**62**	134
Non-controlling interests	**246**	141
Income attributable to equity holders of the parent from continuing and discontinued operations pre-significant items	**300**	882
Earnings per share (Basic) pre-significant items (US$)	**0.02**	0.07
Significant items impacting Adjusted EBITDA and Adjusted EBIT		
Share of associates' exceptional items[4]	**(40)**	–
Unrealised intergroup profit elimination[5]	**(92)**	325
Mark to market valuation on certain coal hedging contracts[5]	**(395)**	–
	(527)	325
Other expenses – net[6]	**(131)**	(1,250)
Loss on disposal of investments[7]	**–**	(256)
Income tax expense[3]	**(11)**	(377)
Total significant items	**(669)**	(1,558)
Loss attributable to equity holders of the parent from continuing and discontinued operations	**(369)**	(676)
Loss per share (Basic) (US$)	**(0.03)**	(0.05)

1 See note 3 of the interim financial statements.
2 See note 14 of the interim financial statements.
3 Refer to Glossary for the allocation of the total income tax (expense)/benefit between pre-significant and significant items
4 Recognised within share of income from associates and joint ventures, see note 3 of the interim financial statements.
5 Recognised within cost of goods sold, see note 3 of the interim financial statements.
6 Recognised within other expense – net and discontinued operations, see notes 3, 5 and 14 of the interim financial statements.
7 See note 4 of the interim financial statements.

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.

During the first half of 2016, Glencore recognised a net $669 million of significant items. The net expense comprises primarily $395 million relating to an accounting measurement mismatch between the fair value of coal derivative positions in respect of portfolio risk management/hedging activities initiated in Q2 2016 and the anticipated future revenue to be generated from the sale of future unsold coal production. The derivative positions manage forward sales price exposure relating to some 55 million tonnes of future attributable coal production, substantially all of which is expected to be settled before 30 June 2017. The derivative positions included pre-existing trading contracts for which mark to market movements, up until the time of them being ringfenced for hedging activities, were included in trading results. These transactions were not able to be designated as hedging instruments under IFRS, which would have allowed for the deferment of any income statement effect until performance of the underlying future sale transactions. The fair value movements in the derivative portfolio will be offset against future revenue in the segment information as the related sales (of production) are realised. In addition, significant expenses include $65 million relating to restructuring and closure costs, mainly associated with finalisation of the disposal of Optimum and $40 million representing Glencore's share of exceptional items recognised directly by our associates, primarily due to asset impairments on coal shipping activities.

In the first half of 2015, Glencore recognised a net $1,558 million of significant items, including $377 million of largely foreign exchange related income tax expense. The net expense comprises primarily a $792 million impairment related to the Chad oil operations, following the decision to slow down development in response to the lower and uncertain oil price environment, a $256 million loss resulting from the in-specie distribution of our stake in Lonmin and $235 million of net incremental costs associated with the Line 1 metal leak at Koniambo in December 2014.

See notes 4, 5 and 6 of the interim financial statements for further explanations.

Net finance costs

Net finance costs were $777 million during 2016, compared to $626 million for the comparable prior reporting period. Interest expense for the first half of 2016 was $862 million, an 18% increase from $732 million in the first half of 2015, owing mainly to interest that was required to be capitalised in the prior period, in respect of certain development projects. Interest income over the first half of 2016 was lower than the 2015 period by $21 million.

Income taxes

A net income tax benefit of $51 million was recognised over the first half of 2016, compared to an expense of $243 million over the comparable 2015 period. Adjusting for a net $11 million (2015: $377 million) of income tax expense related to significant items - $62 million (2015: $241 million) due to currency translation effects offset by $51 million of income tax benefits arising from the significant charges, the 2016 pre-significant items income tax benefit was $62 million (2015: $134 million). In 2015, the income tax benefit relating to pre-significant items was estimated as Adjusted EBIT for marketing and industrial assets less an allocated interest expense multiplied by an estimated tax rate of 10% and 25% respectively. Refer to the Glossary for further information and a reconciliation of this calculation.

Assets, leverage and working capital

Total assets were $127,854 million as at 30 June 2016 compared to $128,485 million as at 31 December 2015, a period over which, current assets increased from $42,198 million to $46,811 million, due to the reclassification of the Agricultural segment to held for sale, pending its expected disposal in Q4 2016 and similarly, non-current assets decreased from $86,287 million to $81,043 million. See note 14 of the interim financial statements for further explanations on the expected disposal of a 49.99% interest in the Agriculture products segment (“Glencore Agri”).

Cash flow and net funding/debt

Net funding

US$ million	30.06.2016	31.12.2015
Gross debt	**38,249**	44,049
Associates, joint ventures and discontinued operations net funding[1]	**3,280**	(58)
Cash and cash equivalents and marketable securities	**(2,546)**	(2,746)
Net funding	**38,983**	41,245

Cash and non-cash movements in net funding

US$ million	H1 2016	H1 2015
Cash generated by operating activities before working capital changes	**2,851**	4,066
Coal related hedging, legal settlement and incremental metal leak costs included above (via statement of income)	**395**	264
Associates and joint ventures Adjusted EBITDA[2]	**548**	529
Net interest paid[1]	**(819)**	(749)
Tax paid[1]	**(246)**	(666)
Dividends received from associates[1]	**33**	43
Funds from operations	**2,762**	3,487
Working capital changes (excluding gold and silver streaming proceeds)[1]	**1,561**	4,717
Gold and silver streaming proceeds	**500**	–
Payments of non-current advances and loans	**(472)**	(199)
Acquisition and disposal of subsidiaries	**–**	(130)
Purchase and sale of investments	**6**	(151)
Purchase and sale of property, plant and equipment[1]	**(1,477)**	(3,043)
Net margin receipts/(calls) in respect of financing related hedging activities	**433**	(467)
Distributions paid and proceeds from own shares	**(51)**	(1,839)
Coal related hedging, legal settlement and incremental metal leak costs (refer above)	**(395)**	(264)
Cash movement in net funding	**2,867**	2,111
Foreign currency revaluation of borrowings and other non-cash items	**(605)**	355
Total movement in net funding	**2,262**	2,466
Net funding, beginning of period	**(41,245)**	(49,758)
Net funding, end of period	**(38,983)**	(47,292)
Less: Readily marketable inventories[3]	**15,403**	17,742
Net debt, end of period	**(23,580)**	(29,550)

1 Adjusted to include the impacts of proportionate consolidation of certain associates and joint ventures and discontinued operations as outlined in the Glossary.

2 See note 3 of the interim financial statements.

3 Refer to Glossary for definition.

The reconciliation in the table above is the method by which management reviews the 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 30 June 2016 decreased to $38,983 million from $41,245 million as at 31 December 2015. In addition to funds from operations, the decrease was aided by $1,561 million of working capital reduction and the receipt of $500 million under a silver and gold streaming arrangement, offset by $1,477 million of net capital expenditure (51% reduction over the prior comparative period) and $472 million of non-current advances in respect of future oil deliveries.

Business and investment acquisitions and disposals

Net inflows from business divestitures and investments was $6 million in H1 2016 compared to an outflow on acquisitions of $281 million in H1 2015.

Liquidity and funding activities

During the first half of 2016, the following significant financing activities took place:

- In February 2016, but effective May 2016, Glencore signed a new one-year revolving credit facility for a total amount of $7.7 billion. This facility refinanced the $8.45 billion one-year revolving credit facility signed in May 2015. The current facilities comprise:
  - a $7.7 billion 12 month revolving credit facility with a 12 month term-out borrower's option (to May 2018) and 12-month extension option; and
  - a $6.8 billion 5 year revolving credit facility (to May 2020) with two 12 month extension options.
- In May 2016, Glencore issued a 5 year CHF 250 million, 2.25% coupon bond.

Going concern

As at 30 June 2016, the Group had available committed undrawn credit facilities and cash amounting to $14.9 billion. Based on these available capital resources and the Group's financial forecasts and projections, which take into account expected purchases and sales of assets, reasonable possible changes in performance and consideration of the principal risks and uncertainties noted below, the directors believe the Group can continue as a going concern for the foreseeable future, a period not less than 12 months from the date of this report.

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 less than 0.2% of equity. Glencore uses a VaR approach based on Monte Carlo simulations and is either a one day or one week time horizon computed at a 95% confidence level with a weighted data history.

Average market risk VaR (1 day 95%) during the first half of 2016 was $36 million, representing less than 0.1% of equity. Average equivalent VaR during the first half of 2015 was $41 million.

Principal risks and uncertainties

The Group is exposed to a number of risks and uncertainties which exist in its business and which may have an impact on the ability to execute its strategy effectively in the remaining six months of the financial year and could cause the actual results to differ materially from expected and historical results. The directors consider that the principal risks and uncertainties as summarised below and detailed in the Glencore plc 2015 Annual Report on pages 28 to 35, copies of which are available at www.glencore.com, remain appropriate for the remainder of 2016.

External risks:

- Fluctuations in the supply of, or demand for, commodities, currency exchange rates and reductions in commodity prices and;
- Geopolitical risk;
- Laws, enforcements, permits and licences to operate; and
- Liquidity risk.

Business risks:

- Counterparty credit and performance risk;
- Sourcing, freight, storage, infrastructure and logistics;
- Development and operating risks and hazards; and
- Cost control.

Sustainable development risks:

- Health, Safety, Environment, including potential catastrophes
- Emissions and climate change;
- Community relations; and
- Employees.

Subsequent events affecting our financial position

In August 2016, Glencore announced that a long-term agreement has been entered into with Evolution Mining (“Evolution”), for delivery of gold and copper calculated by reference to production at the Ernest Henry Mine (“EHM”), located in Australia. Evolution will have a 30% economic interest in the mine and be entitled to 100% of EHM gold production, subject to an agreed life of mine and block model. Evolution will pay AUD880 million upon closing of transaction and will make ongoing cash payments equal to 30% of production and capital costs associated with copper concentrates. In return, Evolution will receive the equivalent of 30% of copper and silver payable (in concentrate) and 100% of gold payable production from EHM. The transaction is subject to customary regulatory approvals and is expected to close by the end of Q4 2016.

Metals and Minerals

US$ million	Marketing activities	Industrial activities	H1 2016	Marketing activities	Industrial activities	H1 2015
Revenue	**20,014**	**10,840**	**30,854**	19,105	12,905	32,010
Adjusted EBITDA	**864**	**2,365**	**3,229**	460	2,436	2,896
Adjusted EBIT	**852**	**485**	**1,337**	444	547	991
Adjusted EBITDA margin	***4.3%***	***21.8%***	***10.5%***	*2.4%*	*18.9%*	*9.0%*

Market conditions

Selected average commodity prices

	H1 2016	H1 2015	Change %
S&P GSCI Industrial Metals Index	257	315	(18)
LME (cash) copper price ($/t)	4,707	5,939	(21)
LME (cash) zinc price ($/t)	1,801	2,132	(16)
LME (cash) lead price ($/t)	1,729	1,873	(8)
LME (cash) nickel price ($/t)	8,669	13,721	(37)
Gold price ($/oz)	1,220	1,206	1
Silver price ($/oz)	16	17	(6)
Metal Bulletin cobalt price 99.3% ($/lb)	11	14	(21)
Metal Bulletin ferrochrome 6-8% C basis 60% Cr, max 1.5% Si (¢/lb)	82	99	(17)
Iron ore (Platts 62% CFR North China) price ($/DMT)	52	60	(13)

Currency table

	Average H1 2016	Spot 30 June 2016	Average H1 2015	Spot 30 June 2015	Change in average %
AUD : USD	**0.73**	**0.75**	0.78	0.77	(6)
USD : CAD	**1.33**	**1.29**	1.23	1.25	8
USD : COP	**3,122**	**2,920**	2,487	2,606	26
EUR : USD	**1.12**	**1.11**	1.12	1.11	–
GBP : USD	**1.43**	**1.33**	1.52	1.57	(6)
USD : CHF	**0.98**	**0.98**	0.95	0.94	3
USD : KZT	**345**	**339**	185	186	86
USD : ZAR	**15.41**	**14.73**	11.92	12.17	29

Marketing

Highlights

Adjusted EBIT for H1 2016 was $852 million, up substantially on the $444 million recorded in the comparable period, reflecting a return to more normal conditions after H1 2015's collapse in aluminium physical premiums and the subdued markets for stainless and carbon steel and their associated raw materials. Compared to H2 2015, EBIT was up 5%, reflecting the underlying strength and consistency of this business.

Metals and Minerals

Financial information

US$ million	H1 2016	H1 2015	Change %
Revenue	**20,014**	19,105	5
Adjusted EBITDA	**864**	460	88
Adjusted EBIT	**852**	444	92

Selected marketing volumes sold

	Units	H1 2016	H1 2015	Change %
Copper metal and concentrates[1]	mt	**1.8**	1.4	29
Zinc metal and concentrates[1]	mt	**1.2**	1.3	(8)
Lead metal and concentrates[1]	mt	**0.5**	0.5	–
Gold	koz	**1,080**	845	28
Silver	moz	**43.8**	40.0	9
Nickel	kt	**114**	104	10
Ferroalloys (incl. agency)	mt	**3.6**	3.0	20
Alumina/aluminium	mt	**5.6**	6.8	(18)
Iron ore	mt	**23.6**	22.9	3

1 Estimated metal unit contained.

Copper

Copper underperformed the base metals complex over the first half of the year, trapped between the forces of speculative bearish Chinese macroeconomic sentiment and institutional fund flows on one side and strong physical Chinese demand on the other.

Indeed, Chinese apparent demand showed an increase of more than 10% over the previous year to June (and remains up 7% year-on-year in July), underpinned by strong orders from the power sector and better demand from the construction sector. Over the same period, Chinese refined copper production was buoyed by strong concentrate imports. Continued global tightness in scrap supply also supported demand for cathodes. Elsewhere, demand in the other major consuming regions was slightly better than H1 2015, with European offtake up a little more than 1% while US demand growth was closer to 2% over the period.

On the supply side, production has proven more steady, despite copper touching fresh cyclical lows in the earlier part of the year. During the period, the much publicised production growth in Peru came on stream, however it has been tempered by contraction in Chilean mine production, its third successive year of lower absolute production. Often unnoticed, the world's largest copper producing country has been struggling with depleting mines and falling grades.

As well as production shutdowns in the African copper belt, we have also seen contraction in Chinese mine supply. As such, we have witnessed very strong concentrate imports into China in the first half of 2016.

Zinc

During the period, recent zinc end of mine-life closures (including Century and Lisheen) and various 2015 actioned production cutbacks started to impact the physical zinc concentrate and metal markets and, inevitably, prices. Tightness in concentrates is primarily evidenced by decreasing TC rates and lower Chinese concentrate imports while, we are also seeing early indications of lower zinc metal output from major producing regions such as China and India.

More specifically, the zinc concentrate annual benchmark TC was lower by $42/dmt (17%), while average spot prices during H1 2016 were down $71/dmt from 2015's average of $198/dmt. Chinese zinc concentrate imports decreased by 30% compared to 1.4 million dmt in H1 2015, reflecting the tight global concentrates market. Chinese domestic TCs have decreased by about 500RMB since the beginning of the year, implying that local zinc concentrate production has not materially responded to the recent zinc metal price increase.

Better than expected demand for zinc metal has come from the Chinese real estate sector and infrastructure end markets, underpinned by domestic government economic growth initiatives. China's lower domestic output of zinc metal led to increased imports (double in H1 2016 from H1 2015) and inventory drawdowns from the LME and SHFE exchanges. Metal imports into India have also surged to cover a shortfall resulting from lower Indian mining/metal production.

The lead market follows a similar trend on the supply side as lead is generally a by-product of zinc. Benchmark TC is down $22/dmt (12%), while spot at June 2016 is down $65/dmt compared to 2015's peak. Chinese lead concentrates imports are also down 13% compared to 770,000 dmt in H1 2015.

We expect the zinc and lead concentrate markets to be tight for the balance of the year.

Nickel

The nickel price ended 2015 at $8,780/t, a level at which we believe ~70% of the market was operating at a loss and reflective of a prolonged period of oversupply, which also resulted in record inventory levels.

Pricing pressure on the global nickel industry was maintained through Q1 2016, with nickel prices trading below $7,600/t. Towards the end of H1 2016, the price materially improved, ending the period at $9,401/t, despite minimal supply curtailments outside China.

During the period, demand growth exceeded consensus expectations, with China particularly strong and reduced stainless steel scrap availability driving additional primary demand. Production from the Philippines, a key supplier of unprocessed ore to China, has underperformed forecasts, with mid- and high-grade supply to China in H1 2016 down 37% on the comparative period. As a consequence of these developments, the market is now tracking towards its first material deficit of this decade, even before considering the increasing risk of a further disruption to ore supply from the Philippines (and resulting finished nickel output in China and Japan), as the country's new government embarks on an audit of environmental compliance across all mines.

Ferroalloys

Weakness in stainless steel demand and raw material inventory destocking at the beginning of H1 2016 resulted in spot ferrochrome prices dropping to their lowest levels since 2009. A subsequent significant increase in Chinese stainless steel output, coupled with a supply deficit of chrome units early in Q2 2016, triggered a sharp recovery in liquidity and prices.

The significant reduction in global manganese ore supply from Q4 2015 into Q1 2016 led to a swift rebound in prices late in Q1, rising 130%. Additional manganese ore units returned to the market in Q2 2016, placing some downward pressure on prices. The reduction in alloy capacity utilisation resulted in alloy prices remaining buoyant due to healthy demand from all regions.

Oversupply of vanadium out of China has kept the modest price increases somewhat under pressure whilst demand remained relatively consistent through H1 2016.

Alumina/Aluminium

During H1 2016 the aluminium market was slightly in deficit, resulting in LME price increases. However, average LME aluminium prices were still 13% lower during H1 2016 than in H1 2015, reflecting record Chinese aluminium production and exports in 2015, which drove down prices over the course of the year and into the first half of 2016. Premium levels during the period were relatively stable, ranging between $65/t and $120/t on an in-warehouse Rotterdam basis. Demand for aluminium remains healthy with further growth expected. On the supply side, due to lower input costs and the strong US dollar, most producers are at least breaking even. As new Chinese production ramp-ups and some restarts are initiated, the market is expected to return to oversupply in H2 2016.

The FOB Australia alumina price opened 2016 at $199/t and closed H1 2016 at $240/t, with a price range of $197/t to $263/t during the first six months of the year. In reaction to the low prices at the start of the year, there were cuts in Chinese alumina production which were later reversed when prices peaked in May.

Iron Ore

The iron ore market endured tremendous price volatility in the first half of 2016, as seen by movements in the Chinese iron ore and rebar futures markets. Despite increased iron ore inventories in China due to continuing surplus production, prices rose dramatically as Chinese steel mills were able to improve their profitability. As overall iron ore prices increased, driven by futures, premiums (especially for the lower grade ores) deteriorated. Furthermore, as iron ore inventories increased, port prices quoted ex warehouse in RMB started trending lower than the equivalent benchmark US dollar prices.

Metals and Minerals

Industrial activities

Highlights

Metals and minerals industrial revenue of $10,840 million was 16% below the comparable period, reflecting lower commodity prices (exception being the relatively stable precious metals gold and silver), particularly in the first quarter. In most commodities, prices have recovered substantially off their inter-period lows, as supply and demand forces converged with a growing realisation/consensus around the impacts of eventual supply constraints, in combination with tepid (but not diminishing) global demand growth. Notwithstanding the decrease in revenues, Adjusted EBITDA was relatively stable at $2,365 million, a 3% reduction versus the comparable period, reflecting the benefits of a portfolio diversified by commodity, activity and geography and our persistent focus on maximising operational efficiencies. To this effect, overall segment mining EBITDA margin increased from 24% to 28%, with strong improvements recorded in copper and zinc.

Financial information

US$ million	H1 2016	H1 2015	Change %
Revenue			
Copper assets			
African copper (Katanga, Mutanda, Mopani)	**837**	1,772	(53)
Collahuasi[1]	**437**	452	(4)
Antamina[1]	**374**	330	13
Other South America (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)	**908**	876	4
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)	**863**	1,034	(17)
Custom metallurgical (Altonorte, Pasar, Horne, CCR)	**2,956**	3,067	(4)
Intergroup revenue elimination	**(122)**	(69)	n.m.
Copper	**6,253**	7,462	(16)
Zinc assets			
Kazzinc	**1,185**	1,131	5
Australia (Mount Isa, McArthur River)	**470**	649	(28)
European custom metallurgical (Portovesme, San Juan de Nieva, Nordenham, Northfleet)	**566**	592	(4)
North America (Matagami, Kidd, Brunswick, CEZ Refinery)	**501**	533	(6)
Other Zinc (AR Zinc, Los Quenuales, Sinchi Wayra, Rosh Pinah, Perkoa)	**230**	324	(29)
Zinc	**2,952**	3,229	(9)
Nickel assets			
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)	**644**	753	(14)
Australia (Murrin Murrin)	**225**	337	(33)
Nickel	**869**	1,090	(20)
Ferroalloys	**759**	926	(18)
Aluminium/Alumina	**7**	198	(96)
Metals and minerals revenue – segmental measure	**10,840**	12,905	(16)
Impact of presenting joint ventures on an equity accounting basis	**(811)**	(782)	n.m.
Metals and minerals revenue – reported measure	**10,029**	12,123	(17)

1 Represents the Group's share of revenue in these JVs.

Metals and Minerals

US$ million	Adjusted EBITDA H1 2016	H1 2015	Change %	Adjusted EBIT H1 2016	H1 2015	Change %
Copper assets						
African copper	**91**	125	(27)	**(134)**	(182)	n.m.
Collahuasi[1]	**223**	193	16	**100**	67	49
Antamina[1]	**266**	226	18	**137**	108	28
Other South America	**376**	355	6	**54**	115	(53)
Australia	**192**	212	(9)	**7**	39	(82)
Custom metallurgical	**196**	171	14	**132**	139	(6)
Copper	**1,344**	1,282	5	**296**	286	3
Adjusted EBITDA mining margin[2]	**34%**	*25%*				
Zinc assets						
Kazzinc	**451**	269	68	**221**	42	426
Australia	**151**	209	(28)	**(3)**	51	n.m.
European custom metallurgical	**90**	91	(1)	**46**	47	(2)
North America	**54**	61	(11)	**15**	9	67
Other Zinc	**24**	37	(35)	**(32)**	(36)	n.m.
Zinc	**770**	667	15	**247**	113	119
Adjusted EBITDA mining margin[2]	**28%**	*22%*				
Nickel assets						
Integrated Nickel Operations	**190**	276	(31)	**(49)**	34	n.m.
Australia	**(22)**	42	n.m.	**(39)**	24	n.m.
Falcondo	**–**	1	(100)	**–**	1	(100)
Nickel	**168**	319	(47)	**(88)**	59	n.m.
Adjusted EBITDA margin	**19%**	*29%*				
Ferroalloys	**97**	144	(33)	**45**	73	(38)
Aluminium/Alumina	**(13)**	28	n.m.	**(13)**	20	n.m.
Iron ore	**(1)**	(4)	n.m.	**(2)**	(4)	n.m.
Metals and minerals Adjusted EBITDA/EBIT – segmental measure	**2,365**	2,436	(3)	**485**	547	(11)
Adjusted EBITDA mining margin[2]	**28%**	*24%*				
Impact of presenting joint ventures on an equity accounting basis	**(338)**	(298)	n.m.	**(86)**	(54)	n.m.
Metals and minerals Adjusted EBITDA/EBIT – reported measure	**2,027**	2,138	(5)	**399**	493	(19)

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.

Metals and Minerals

US$ million	H1 2016			H1 2015		
	Sustaining	Expansion	Total	Sustaining	Expansion	Total
Capex						
Copper assets						
African copper	153	190	343	164	422	586
Collahuasi[1]	75	1	76	39	2	41
Antamina[1]	87	1	88	97	4	101
Other South America	134	16	150	238	49	287
Australia	65	1	66	85	13	98
Custom metallurgical	28	–	28	89	108	197
Copper	542	209	751	712	598	1,310
Zinc assets						
Kazzinc	54	10	64	88	22	110
Australia	75	–	75	177	22	199
European custom metallurgical	24	–	24	39	–	39
North America	30	2	32	30	5	35
Other Zinc	18	–	18	49	–	49
Zinc	201	12	213	383	49	432
Nickel assets						
Integrated Nickel Operations	40	20	60	74	52	126
Australia	3	–	3	10	–	10
Koniambo	–	148	148	–	118	118
Other nickel projects	–	–	–	–	4	4
Nickel	43	168	211	84	174	258
Ferroalloys	42	6	48	51	12	63
Aluminium/Alumina	–	–	–	13	13	26
Capex – segmental measure	828	395	1,223	1,243	846	2,089
Impact of presenting joint ventures on an equity accounting basis	(162)	(2)	(164)	(136)	(6)	(142)
Capex – reported measure	666	393	1,059	1,107	840	1,947

1 Represents the Group's share of these JVs.

Metals and Minerals

Production from own sources – Total[1]

		H1 2016	H1 2015	Change %
Copper	kt	703.0	730.9	(4)
Zinc	kt	506.5	730.3	(31)
Lead	kt	145.3	146.2	(1)
Nickel	kt	57.1	48.9	17
Gold[2]	koz	472	428	10
Silver[2]	koz	18,813	16,573	14
Cobalt	kt	12.7	10.0	27
Ferrochrome	kt	762	756	1
Platinum[2]	koz	81	89	(9)
Palladium[2]	koz	120	115	4
Rhodium[2]	koz	8	10	(20)
Vanadium Pentoxide	mlb	10.1	9.9	2

Production from own sources – Copper assets[1]

			H1 2016	H1 2015	Change %
African Copper (Katanga, Mutanda, Mopani)					
	Copper metal[3]	kt	130.2	232.5	(44)
	Cobalt[4]	kt	10.9	8.1	35
Collahuasi[5]					
	Copper metal	kt	1.5	5.8	(74)
	Copper in concentrates	kt	105.8	89.5	18
	Silver in concentrates	koz	1,650	1,121	47
Antamina[6]					
	Copper in concentrates	kt	76.9	56.8	35
	Zinc in concentrates	kt	21.8	35.2	(38)
	Silver in concentrates	koz	3,677	2,208	67
Other South America (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)					
	Copper metal	kt	39.3	34.8	13
	Copper in concentrates	kt	146.1	113.1	29
	Gold in concentrates and in doré	koz	171	124	38
	Silver in concentrates and in doré	koz	1,067	777	37
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)					
	Copper metal	kt	98.3	102.0	(4)
	Copper in concentrates	kt	26.3	24.8	6
	Gold	koz	36	39	(8)
	Silver	koz	749	763	(2)
Total Copper department					
	Copper	**kt**	**624.4**	**659.3**	**(5)**
	Cobalt	**kt**	**10.9**	**8.1**	**35**
	Zinc	**kt**	**21.8**	**35.2**	**(38)**
	Gold	**koz**	**207**	**163**	**27**
	Silver	**koz**	**7,143**	**4,869**	**47**

Metals and Minerals

Production from own sources – Zinc assets[1]

			H1 2016	H1 2015	Change %
Kazzinc					
	Zinc metal	kt	89.2	89.2	–
	Lead metal	kt	24.1	8.0	201
	Lead in concentrates	kt	7.8	–	n.m.
	Copper metal[3]	kt	25.1	24.0	5
	Gold	koz	243	247	(2)
	Silver	koz	2,098	1,318	59
	Silver in concentrates	koz	202	-	n.m.
Australia (Mount Isa, McArthur River)					
	Zinc in concentrates	kt	231.7	394.0	(41)
	Lead in concentrates	kt	88.4	108.8	(19)
	Silver in concentrates	koz	4,172	4,383	(5)
North America (Matagami, Kidd)					
	Zinc in concentrates	kt	58.3	57.2	2
	Copper in concentrates	kt	24.0	21.0	14
	Silver in concentrates	koz	879	1,140	(23)
Other Zinc (Aguilar, Los Quenuales, Sinchi Wayra, Rosh Pinah, Perkoa)					
	Zinc metal	kt	–	11.9	(100)
	Zinc in concentrates	kt	105.5	142.8	(26)
	Lead metal	kt	6.1	5.9	3
	Lead in concentrates	kt	18.9	23.5	(20)
	Copper in concentrates	kt	0.9	1.1	(18)
	Silver metal	koz	306	276	11
	Silver in concentrates	koz	3,607	4,263	(15)
Total Zinc department					
	Zinc	**kt**	**484.7**	**695.1**	**(30)**
	Lead	**kt**	**145.3**	**146.2**	**(1)**
	Copper	**kt**	**50.0**	**46.1**	**8**
	Gold	**koz**	**243**	**247**	**(2)**
	Silver	**koz**	**11,264**	**11,380**	**(1)**

Metals and Minerals

Production from own sources – Nickel assets[1]

			H1 2016	H1 2015	Change %
Integrated Nickel Operations ("INO") (Sudbury, Raglan, Nikkelverk)					
	Nickel metal	kt	33.5	26.0	29
	Nickel in concentrates	kt	0.3	0.3	–
	Copper metal	kt	8.4	8.1	4
	Copper in concentrates	kt	20.2	17.4	16
	Cobalt metal	kt	0.5	0.4	25
	Gold[2]	koz	21	17	24
	Silver[2]	koz	406	324	25
	Platinum[2]	koz	50	44	14
	Palladium[2]	koz	101	92	10
	Rhodium[2]	koz	3	3	–
Murrin Murrin					
	Nickel metal	kt	17.7	17.7	–
	Cobalt metal	kt	1.3	1.5	(13)
Koniambo	Nickel in ferronickel	kt	5.6	4.9	14
Total Nickel department					
	Nickel	**kt**	**57.1**	**48.9**	**17**
	Copper	**kt**	**28.6**	**25.5**	**12**
	Cobalt	**kt**	**1.8**	**1.9**	**(5)**
	Gold	**koz**	**21**	**17**	**24**
	Silver	**koz**	**406**	**324**	**25**
	Platinum	**koz**	**50**	**44**	**14**
	Palladium	**koz**	**101**	**92**	**10**
	Rhodium	**koz**	**3**	**3**	**–**

Production from own sources – Ferroalloys assets[1]

			H1 2016	H1 2015	Change %
Ferrochrome[7]		kt	762	756	1
PGM[8]	Platinum	koz	31	45	(31)
	Palladium	koz	19	23	(17)
	Rhodium	koz	5	7	(29)
	Gold	koz	1	1	–
	4E	**koz**	**56**	**76**	**(26)**
Vanadium Pentoxide		mlb	10.1	9.9	2

Metals and Minerals

Total production – Custom metallurgical assets[1]

			H1 2016	H1 2015	Change %
Copper (Altonorte, Pasar, Horne, CCR)					
	Copper metal	kt	241.6	216.9	11
	Copper anode	kt	265.1	244.9	8
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet)					
	Zinc metal	kt	394.9	390.1	1
	Lead metal	Kt	110.3	94.5	17
	Silver	koz	7,305	5,143	42
Ferroalloys					
	Ferromanganese	kt	73	69	6
	Silicon Manganese	kt	44	55	(20)

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 attributable 79.5% share of the Glencore-Merafe Chrome Venture.
8 Consolidated 50% of Mototolo and 100% of Eland (placed on care and maintenance from October 2015).

Operating highlights

Copper assets

Own sourced copper production was 703,000 tonnes, 27,900 tonnes (4%) lower than in H1 2015, reflecting the previously announced suspended production at Katanga and reduced volumes at Mopani. Lower volumes were partly offset by higher milling rates at Antapaccay, and grade-related volume increases, particularly at Collahuasi, Alumbrera and Antamina.

African copper

Mutanda's production of 108,900 tonnes of copper was a 3,400 tonne (3%) increase on H1 2015. Cobalt production was 10,900 tonnes, versus 6,300 tonnes in H1 2015, resulting from plant optimisation projects which increased cobalt leach recovery and throughput.

Mopani's own sourced copper production of 21,300 tonnes was 28,500 tonnes (57%) lower than in H1 2015, as operations continue to run at reduced levels for the duration of its key upgrade projects.

Collahuasi

Glencore's share of Collahuasi's copper metal and concentrates production was 107,300 tonnes, a 12,000 tonne (13%) increase on H1 2015, reflecting higher grades and increased milling rates.

Antamina

Glencore's share of Antamina's production was 76,900 tonnes of copper and 21,800 tonnes of zinc, an increase of 20,100 tonnes (35%) and decrease of 13,400 tonnes (38%) respectively on the first half of 2015, due to expected grade variations in the specific areas currently being mined. Zinc production is expected to increase in H2 2016 as higher-grade zinc areas are encountered under the mine plan.

Other South America

Copper production at our other South American operations was 185,400 tonnes, 37,500 tonnes (25%) higher than H1 2015, as a result of the restart of the Tintaya concentrator at Antapaccay (Peru) since May 2015 and higher grades at Alumbrera (Argentina). Gold production of 171,000 ounces was 47,000 ounces (38%) higher than H1 2015, mainly due to higher grades at Alumbrera.

Metals and Minerals

Australia

Own sourced copper production at our Australian operations of 124,600 tonnes was 2,200 tonnes (2%) lower than H1 2015, due to the short-term impact of a derailment in December 2015 between Mount Isa Mines and the Townsville Refinery, partly offset by improved grade, recovery and throughput at Cobar.

Custom metallurgical assets

Cathode production of 241,600 tonnes was an increase of 24,700 tonnes (11%) over H1 2015, reflecting Pasar's ramp-up, following its smelter upgrade.

Anode production of 265,100 tonnes was 20,200 tonnes (8%) higher than H1 2015, reflecting improved mechanical performance at Altonorte (Chile) and increased throughput at the Horne smelter (Canada).

Zinc assets

Own sourced zinc production of 506,500 tonnes represented a 223,800 tonne (31%) reduction on H1 2015, due to the previously announced production cuts principally in Australia and Peru. Own sourced lead production was 145,300 tonnes, in line with H1 2015.

Kazzinc

Own sourced zinc production of 89,200 tonnes was in line with H1 2015, reflecting consistent plant operations with minimal interruptions.

Own sourced lead production of 31,900 tonnes was 23,900 tonnes higher than H1 2015, due to improved lead smelting performance, following maintenance in H1 2015, and the addition of volumes from the Zhairem mine, acquired in 2014.

Own sourced copper production of 25,100 tonnes was 1,100 tonnes (5%) higher than H1 2015, when volumes were impacted by maintenance activities.

Own sourced gold production of 243,000 ounces was 4,000 ounces (2%) lower than H1 2015, due to a temporary stoppage of the gold refinery for a periodic stock count.

Australia

Australian zinc production of 231,700 tonnes and lead production of 88,400 tonnes were 162,300 tonnes (41%) and 20,400 tonnes (19%) lower than H1 2015 respectively and reflect the production cuts announced in October 2015.

North America

North American zinc production of 58,300 tonnes was in line with H1 2015. Copper production of 24,000 tonnes was 3,000 tonnes (14%) higher than H1 2015, due to improved access to mining areas at Matagami and increased milling rates at Kidd.

Other Zinc

Zinc production of 105,500 tonnes was 49,200 tonnes (32%) lower than H1 2015, mainly due to suspension of the Iscaycruz mine in Peru (part of Los Quenuales). Lead production was similarly impacted.

European custom metallurgical assets

European zinc metal production of 394,900 tonnes was in line with H1 2015. Lead metal production of 110,300 tonnes was 15,800 tonnes (17%) higher than H1 2015, reflecting a strong performance at Northfleet in the UK and production impacts from scheduled maintenance during H1 2015 on the lead smelter at Portovesme in Italy.

Nickel assets

Own sourced nickel production of 57,100 tonnes was 8,200 tonnes (17%) higher than H1 2015, reflecting increased treatment of own feed at INO which had been impacted by the smelter shutdown at Sudbury in the comparable period. Own sourced copper production at our nickel assets was 28,600 tonnes, 3,100 tonnes (12%) higher than H1 2015, due to higher copper grades at Nickel Rim South (Sudbury) and increased treatment of own feeds.

Integrated Nickel Operations ("INO")

Own sourced nickel production was 33,800 tonnes, 7,500 tonnes (29%) higher than H1 2015, reflecting increased treatment of own feed at INO which had been impacted by the smelter shutdown at Sudbury in the comparable period. Total production for INO, including third party material, was in line with H1 2015.

INO's own sourced copper production of 28,600 tonnes was 3,100 tonnes (12%) higher than H1 2015, due to higher copper grades at Nickel Rim South and increased treatment of own feeds.

Murrin Murrin

Own sourced nickel production of 17,700 tonnes was in line with H1 2015. Total production including third party material was 1,000 tonnes (5%) higher than H1 2015, reflecting a strong operational performance.

Own sourced cobalt production of 1,300 tonnes was 200 tonnes (13%) lower than in H1 2015, due to some refinery issues, which are currently being addressed.

Koniambo

Production of 5,600 tonnes reflects the ongoing testing and ramp-up activity around the reconstructed DC furnace 1.

Ferroalloys assets

Ferrochrome

Glencore's attributable share of ferrochrome production was 762,000 tonnes, in line with H1 2015.

Platinum Group Metals ("PGM")

Adjusting for placing Eland on care and maintenance in October 2015, 4E production from Mototolo was 56,000 ounces, compared to 50,000 ounces in H1 2015.

Vanadium

Vanadium pentoxide production of 10.1 million pounds was in line with H1 2015.

Manganese

Manganese production of 117,000 tonnes was 7,000 tonnes (6%) lower than H1 2015, reflecting the timing and duration of annual maintenance activities.

Energy Products

US$ million	Marketing activities	Industrial activities	H1 2016	Marketing activities	Industrial activities	H1 2015
Revenue	**36,244**	**3,363**	**39,607**	38,402	4,560	42,962
Adjusted EBITDA	**276**	**571**	**847**	509	1,140	1,649
Adjusted EBIT	**252**	**(589)**	**(337)**	479	(21)	458
Adjusted EBITDA margin	***0.8%***	***17.0%***	***2.1%***	*1.3%*	*25.0%*	*3.8%*

Market conditions

Selected average commodity prices

	H1 2016	H1 2015	Change %
S&P GSCI Energy Index	138	192	(28)
Coal API4 ($/t)	53	62	(15)
Coal Newcastle (6,000) ($/t)	51	60	(15)
Oil price – Brent ($/bbl)	41	59	(31)

Marketing

Highlights

Adjusted EBIT of $252 million was 47% down on H1 2015, primarily reflecting that the comparable period saw exceptionally supportive oil marketing conditions. Compared to H2 2015, Adjusted EBIT was down by 16%. The coal marketing backdrop has been challenging throughout the last 18 months.

Financial information

US$ million	H1 2016	H1 2015	Change %
Revenue	**36,244**	38,402	(6)
Adjusted EBITDA	**276**	509	(46)
Adjusted EBIT	**252**	479	(47)

Selected marketing volumes sold

	Unit	H1 2016	H1 2015	Change %
Thermal coal[1]	mt	**53.5**	43.3	24
Metallurgical coal[1]	mt	**1.0**	1.0	–
Coke[1]	mt	**0.5**	0.3	67
Crude oil	mbbls	**394**	288	37
Oil products	mbbls	**401**	308	30

1 Includes agency volumes

Coal

From the grim lows seen in February, seaborne prices steadily increased throughout H1 2016, driven by reduced export volumes from the US and Indonesia in response to unsustainably low market prices and a lack of investment in new supply. Supply from other seaborne sources, except Russia, which showed a marginal increase year to date, was stable. The net seaborne supply reduction was subsequently aided by the Chinese government introducing a 276 working day rule for coal producers on 1 May, equating to an effective 16% reduction in volumes. By the end of June 2016, supply shortfalls contributed to the Newcastle, API4 and API2 indices rising by 17%, 22% and 26% respectively from their Q1 2016 lows. Prices continued to increase into Q3.

Global seaborne thermal coal demand is expected to remain flat year-on-year, with demand declines in the UK and India offset by increases in China, Vietnam, Philippines, Turkey and the African continent. Demand for premium and index-quality thermal coal remains robust with a significant portion of the supply reductions being of higher energy coals, resulting in even further market segmentation/quality pricing differentials.

The metallurgical coal market is significantly tighter period-on-period due to US supply reductions and higher demand from China.

Energy Products

Oil

In January, oil prices plummeted to a decade low of $28 per barrel for Brent, with volatility at elevated levels throughout most of Q1. Foremost were concerns on oversupply, following the easing of Iranian sanctions, record OPEC production levels, despite attempts to engineer a production freeze, and slowing economic growth in China and other emerging markets. However, as more frequent supply disruptions occurred, and the much anticipated reduction in US production became more evident, there were signs that the oil market would rebalance at a quicker pace, and this in part, fueled a price recovery which peaked at $52 per barrel towards the end of Q2, albeit price reversals since then reflect renewed concerns about excess supply and inventories.

Global inventories continued to build to historically high levels, for both crude and oil products, as we came into 2016 with actual carry costs in line with the premium implied by the forward curve. The premium narrowed in the second quarter as oil prices recovered. The oversupplied environment exerted pressure particularly in the light distillates product market, and as a result, refinery margins came under sustained pressure. The tanker freight market also experienced renewed weakness and lacked the promising returns seen in 2015.

Energy Products

Industrial activities

Highlights

Energy products industrial revenue of $3,363 million was 26% down on H1 2015, reflecting lower coal and oil prices and production decreases, following the various previously announced supply-side discipline initiatives and the deconsolidation of Optimum Coal in Q3 2015. The lower realised coal prices were the main reason for the 50% reduction in Adjusted EBITDA to $571 million compared to H1 2015, mitigated somewhat by the continued delivery of cost efficiencies/savings and foreign exchange benefits from the stronger US dollar. Since Q1 (when energy prices are likely to have recorded their cyclical lows), Adjusted EBITDA has sequentially improved each month, which suggests that H1 2016 may have marked the cyclical trough in this segment's industrial earnings contribution. Furthermore, Prodeco's EBITDA was negatively impacted in H1 2016 by a non-cash working capital adjustment of ~$35 million.

Financial information

US$ million	H1 2016	H1 2015	Change %
Net revenue			
Coal operating revenue			
Coking Australia	210	294	(29)
Thermal Australia	1,559	1,871	(17)
Thermal South Africa	543	812	(33)
Prodeco	479	557	(14)
Cerrejón[1]	242	336	(28)
Coal operating revenue	3,033	3,870	(22)
Coal other revenue			
Coking Australia	1	146	(99)
Thermal Australia	157	271	(42)
Thermal South Africa	2	1	100
Prodeco	1	–	n.m.
Coal other revenue (buy-in coal)	161	418	(61)
Coal total revenue			
Coking Australia	211	440	(52)
Thermal Australia	1,716	2,142	(20)
Thermal South Africa	545	813	(33)
Prodeco	480	557	(14)
Cerrejón[1]	242	336	(28)
Coal total revenue	3,194	4,288	(26)
Oil	169	272	(38)
Energy products revenue – segmental measure	3,363	4,560	(26)
Impact of presenting joint ventures on an equity accounting basis	(242)	(336)	n.m.
Energy products revenue – reported measure	3,121	4,224	(26)

1 Represents the Group's share of this JV.

Energy Products

US$ million	Adjusted EBITDA H1 2016	Adjusted EBITDA H1 2015	Adjusted EBITDA Change %	Adjusted EBIT H1 2016	Adjusted EBIT H1 2015	Adjusted EBIT Change %
Coking Australia	**(38)**	86	n.m.	**(102)**	18	n.m.
Thermal Australia	**354**	459	(23)	**(314)**	(39)	n.m.
Thermal South Africa	**135**	230	(41)	**25**	40	(38)
Prodeco	**(4)**	143	n.m.	**(84)**	58	n.m.
Cerrejón[1]	**59**	110	(46)	**(26)**	15	n.m.
Total Coal	**506**	1,028	(51)	**(501)**	92	n.m.
Adjusted EBITDA margin[2]	***17%***	*27%*				
Oil	**65**	112	(42)	**(88)**	(113)	n.m.
Adjusted EBITDA margin	***38%***	*41%*				
Energy products Adjusted EBITDA/ EBIT – segmental measure	**571**	1,140	(50)	**(589)**	(21)	n.m.
Adjusted EBITDA margin[2]	***18%***	*28%*				
Impact of presenting joint ventures on an equity accounting basis	**(66)**	(126)	n.m.	**19**	(31)	n.m.
Energy products Adjusted EBITDA/ EBIT – reported measure	**505**	1,014	(50)	**(570)**	(52)	n.m.

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	H1 2016 Sustaining	H1 2016 Expansion	H1 2016 Total	H1 2015 Sustaining	H1 2015 Expansion	H1 2015 Total
Capex						
Australia (thermal and coking)	**83**	**37**	**120**	114	86	200
Thermal South Africa	**53**	**8**	**61**	46	84	130
Prodeco	**7**	**2**	**9**	12	5	17
Cerrejón[1]	**13**	**1**	**14**	13	6	19
Total Coal	**156**	**48**	**204**	185	181	366
Oil	**29**	**–**	**29**	288	145	433
Capex – segmental measure	**185**	**48**	**233**	473	326	799
Impact of presenting joint ventures on an equity accounting basis	**(13)**	**(1)**	**(14)**	(13)	(6)	(19)
Capex – reported measure	**172**	**47**	**219**	460	320	780

1 Represents the Group's share of this JV.

Energy Products

Production from own sources

Coal assets[1]

		H1 2016	H1 2015	Change %
Australian coking coal	mt	2.0	2.7	(26)
Australian semi-soft coal	mt	2.2	1.8	22
Australian thermal coal (export)	mt	24.1	24.2	–
Australian thermal coal (domestic)	mt	3.2	1.7	88
South African thermal coal (export)	mt	8.4	11.0	(24)
South African thermal coal (domestic)	mt	5.7	11.3	(50)
Prodeco	mt	8.3	10.1	(18)
Cerrejón[2]	mt	4.9	5.9	(17)
Total Coal department	**mt**	**58.8**	**68.7**	**(14)**

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

		H1 2016	H1 2015	Change %
Glencore entitlement interest basis				
Equatorial Guinea	kbbl	2,100	2,479	(15)
Chad	kbbl	2,250	2,815	(20)
Total Oil department	kbbl	4,350	5,294	(18)
Gross basis				
Equatorial Guinea	kbbl	9,641	11,447	(16)
Chad	kbbl	3,076	3,849	(20)
Total Oil department	kbbl	12,717	15,296	(17)

Energy Products

Operating highlights

Coal assets

Total coal production of 58.8 million tonnes was 9.9 million tonnes (14%) lower than in H1 2015, mainly due to the part-closure of the Optimum Coal division, prior to it being placed into business rescue in Q3 2015.

Australian coking

Australian coking coal production of 2.0 million tonnes was 0.7 million tonnes (26%) lower than H1 2015, reflecting geological issues at Oaky Creek and production at Tahmoor temporarily delayed by longwall preparatory work.

Australian thermal and semi-soft

Total Australian thermal and semi-soft coal of 29.5 million tonnes was 1.8 million tonnes (6%) higher than H1 2015, a period in which, poor ground conditions at Bulga Underground and a longwall move at Ulan West impacted volumes.

South African thermal

Production of 14.1 million tonnes was 8.2 million tonnes (37%) lower than H1 2015, mainly due to the suspension of certain production within Optimum Coal and the closures of the Middelkraal and South Witbank mines.

Prodeco

Prodeco's production was 8.3 million tonnes, 1.8 million tonnes (18%) lower than H1 2015, primarily due to volumes being proactively reduced in response to market conditions.

Cerrejón

Attributable production from Cerrejón of 4.9 million tonnes was 1.0 million tonnes (17%) lower than H1 2015, mainly due to environmental restrictions introduced to improve the management of dust emissions and unusually heavy rainfall in May and June.

Oil assets

Glencore's share of production was 4.4 million barrels, 0.9 million barrels (18%) lower than H1 2015, as the existing fields deplete at expected rates. New drilling activity has been curbed, in order to preserve the resource for an improved price/margin environment.

Agricultural Products

US$ million	Marketing activities	Industrial activities	H1 2016	Marketing activities	Industrial activities	H1 2015
Revenue	**9,728**	**1,562**	**11,290**	10,742	1,109	11,851
Adjusted EBITDA	**154**	**29**	**183**	261	71	332
Adjusted EBIT	**122**	**(7)**	**115**	199	31	230
Adjusted EBITDA margin	***1.6%***	***1.9%***	***1.6%***	*2.4%*	*6.4%*	*2.8%*

The entire Agricultural products business segment is presented as a discontinued operation in the condensed interim consolidated financial statements, following the agreed sale of a 49.99% interest in Glencore Agri, subject to regulatory approvals. Until completion of the sale, Glencore continues to evaluate the performance of this segment under the full consolidation method consistent with prior periods. The balances as presented in this section's tables therefore include the results from discontinued operations.

Market conditions

Selected average commodity prices

	H1 2016	H1 2015	Change %
S&P GSCI Agriculture Index	294	299	(2)
CBOT wheat price (US¢/bu)	468	513	(9)
CBOT corn no.2 price (US¢/bu)	377	375	1
CBOT soya beans (US¢/bu)	971	977	(1)
ICE cotton price (US¢/lb)	61	63	(3)
ICE sugar # 11 price (US¢/lb)	16	13	23

Highlights

Both grain and oilseed marketing performed satisfactorily, given the generally abundant crops, the low priced environment and, in the case of grain, a lack of volatility. Procurement margins were consistently narrow and arbitrage opportunities limited. On account of lower global prices, despite strong regional exports, port throughput rates declined in the former Soviet Union area which impacted our business in this region.

Viterra Canada's results were substantially below H1 2015. The smaller stock carry-over, average crop size and lower prices meant that farmers were often reluctant sellers. Combined with strong competition amongst the handling industry and continued weakness in the Canadian dollar, this led to reduced US dollar procurement margins, particularly for wheat. Other negatives included quality issues in durum wheat, China's objections to levels of canola imports, disruption in pulses shipments to India and an increase in domestic rail rates. Australian performance was negatively impacted by a smaller South Australian crop, a slower export pace as Australian wheat lacked world market competitiveness and the weaker Australian dollar. Crops in both countries are currently progressing well and, if above average crops materialise, this would be helpful for H2 2016 results.

Marketing

Financial information

US$ million	H1 2016	H1 2015	Change %
Revenue	**9,728**	10,742	(9)
Adjusted EBITDA	**154**	261	(41)
Adjusted EBIT	**122**	199	(39)

Selected marketing volumes sold

Million tonnes	H1 2016	H1 2015	Change %
Grains	**21.5**	22.1	(3)
Oil/oilseeds	**13.5**	10.8	25
Cotton	**0.2**	0.2	–
Sugar	**0.3**	0.4	(25)

Agricultural Products

Operating highlights

Agricultural Products processed/produced 6.4 million tonnes, 2 million tonnes (43%) more than in H1 2015, mainly as a result of the increased crushing volumes following the acquisition in Q4 2015 of two plants (Warden in the US and Becancour in Canada) as well as stronger crush volumes in Argentina and an earlier start to the sugarcane processing season in Brazil.

The smaller EU rapeseed crop, lower prices, reluctant farmer selling and continued energy market weakness combined to create a very difficult EU oilseed processing and biodiesel environment with gross margins barely covering variable cost. Owing to some competitor capacity closures, we expect an improvement in H2 2016.

Oilseed processing in Argentina was satisfactory but would have been better had it not been for exceptional rains during the harvest which reduced the crop size and impacted bean quality. Biodiesel benefitted from the return of a large export program to the USA.

Wheat milling in Brazil suffered early in the period from weak domestic demand, but improved as the year progressed.

Sugar processing performed in line with expectation. Processed volumes benefitted from the early and rapid harvest. The rise in sugar prices, if sustained, improves the longer term outlook.

Financial information

US$ million	H1 2016	H1 2015	Change %
Revenue	**1,562**	1,109	41
Adjusted EBITDA	**29**	71	(59)
Adjusted EBIT	**(7)**	31	n.m.
Adjusted EBITDA margin	***1.9%***	*6.4%*	
Sustaining capex	**13**	17	(24)
Expansionary capex	**11**	33	(67)
Total capex	**24**	50	(52)

Processing/production data

		H1 2016	H1 2015	Change %
Farming	kt	189	132	43
Crushing	kt	3,761	2,702	39
Long term toll agreement	kt	355	130	173
Biodiesel	kt	277	248	12
Rice milling	kt	115	91	26
Wheat milling	kt	480	486	(1)
Sugarcane processing	kt	1,265	702	80
Total agricultural products	**kt**	**6,442**	**4,491**	**43**

Responsibility Statement

We confirm that to the best of our knowledge:

- the condensed set of consolidated financial statements has been prepared in accordance with IAS 34 *Interim Financial Reporting* as endorsed and adopted by the European Union;
- the interim report includes a fair review of the information required by DTR 4.2.7R (being an indication of important events that have occurred during the first six months of the financial year, and their impact on the interim report and a description of the principal risks and uncertainties for the remaining six months of the financial year); and
- the interim report includes a fair review of the information required by DTR 4.2.8R (being disclosure of related party transactions that have taken place in the first six months of the current financial year and that have materially affected the financial position or the performance of the Group during that period and any changes in the related party transactions described in the last annual report that could have a material effect on the financial position or performance of the Group in the first six months of the current financial year).

By order of the Board,

Steven Kalmin
Chief Financial Officer

23 August 2016

Independent review report to Glencore plc

We have been engaged by Glencore plc ("the Company") to review the condensed interim consolidated financial statements in the half-year financial report for the six months ended 30 June 2016 which comprises the condensed consolidated statements of (loss)/income, comprehensive (loss)/income, financial position, cash flows and changes in equity and related notes 1 to 27. We have read the other information contained in the half-year financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

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

Directors' responsibilities

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

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

Our responsibility

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

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements in the half-year financial report for the six months ended 30 June 2016 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Conduct Authority.

Deloitte LLP
Chartered Accountants and Recognized Auditor

London, United Kingdom

23 August 2016

Condensed consolidated statement of (loss)/income

For the six months ended 30 June (unaudited)

US$ million	Notes	**2016**	2015 Restated[1]
Revenue		**69,425**	73,857
Cost of goods sold		**(68,824)**	(72,044)
Selling and administrative expenses		**(549)**	(558)
Share of income from associates and joint ventures	10	**114**	165
Loss on disposals and investments	4	**–**	(256)
Other expense – net	5	**(87)**	(1,223)
Dividend income		**–**	2
Interest income		**85**	106
Interest expense		**(862)**	(732)
Loss before income taxes		**(698)**	(683)
Income tax credit/(expense)	7	**51**	(243)
Loss for the period from continuing operations		**(647)**	(926)
Income from discontinued operations, net of tax	14	**32**	109
Loss for the period		**(615)**	(817)
Attributable to:			
Non-controlling interests		**(246)**	(141)
Equity holders of the parent		**(369)**	(676)
Loss per share – continuing operations:			
Basic (US$)	16	**(0.03)**	(0.06)
Diluted (US$)	16	**(0.03)**	(0.06)
Loss per share – continuing and discontinued operations:			
Basic (US$)	16	**(0.03)**	(0.05)
Diluted (US$)	16	**(0.03)**	(0.05)

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations (see note 14), and therefore do not correspond to the condensed consolidated statement of (loss)/income for the six months ended 30 June 2015.

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

Condensed consolidated statement of comprehensive (loss)/income

For the six months ended 30 June (unaudited)

US$ million	Notes	2016	2015 Restated[1]
Loss for the period		**(615)**	(817)
Other comprehensive (loss)/income			
Items not to be reclassified to the statement of income in subsequent periods:			
Defined benefit plan actuarial losses, net of tax of $45 million (2015: $2 million)		**(124)**	(19)
Net items not to be reclassified to the statement of income in subsequent periods		**(124)**	(19)
Items that are or may be reclassified to the statement of income in subsequent periods:			
Exchange gain/(loss) on translation of foreign operations		**212**	(274)
Gains/(losses) on cash flow hedges, net of tax of $1 million (2015: $9 million)		**216**	(205)
Share of comprehensive income/(loss) from associates and joint ventures	10	**5**	(10)
Loss on available for sale financial instruments	10	**(11)**	(233)
Discontinued operations		**67**	(174)
Net items that are or may be reclassified to the statement of income in subsequent periods		**489**	(896)
Other comprehensive income/(loss)		**365**	(915)
Total comprehensive loss		**(250)**	(1,732)
Attributable to:			
Non-controlling interests		**(226)**	(178)
Equity holders of the parent		**(24)**	(1,554)

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations (see note 14), and therefore do not correspond to the condensed consolidated statement of comprehensive (loss)/income for the six months ended 30 June 2015.

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

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Condensed consolidated statement of financial position

As at 30 June 2016 and 31 December 2015

US$ million	Notes	2016 (unaudited)	2015 (audited)
Assets			
Non-current assets			
Property, plant and equipment	8	**57,378**	61,278
Intangible assets	9	**6,687**	7,516
Investments in associates and joint ventures	10	**10,621**	11,337
Other investments	10	**1,300**	1,305
Advances and loans	11	**3,408**	3,005
Deferred tax assets		**1,649**	1,846
		81,043	86,287
Current assets			
Inventories	12	**16,017**	18,303
Accounts receivable	13	**15,533**	17,001
Other financial assets	23	**2,199**	3,701
Prepaid expenses and other assets		**351**	447
Marketable securities		**11**	39
Cash and cash equivalents		**2,535**	2,707
		36,646	42,198
Assets of disposal group	14	**10,165**	–
		46,811	42,198
Total assets		**127,854**	128,485
Equity and liabilities			
Capital and reserves – attributable to equity holders			
Share capital	15	**146**	146
Reserves and retained earnings		**41,124**	41,108
		41,270	41,254
Non-controlling interests		**(231)**	89
Total equity		**41,039**	41,343
Non-current liabilities			
Borrowings	18	**29,586**	32,932
Deferred income	19	**1,897**	1,452
Deferred tax liabilities		**5,439**	5,777
Other financial liabilities	23	**171**	186
Provisions		**5,929**	5,923
		43,022	46,270
Current liabilities			
Borrowings	18	**8,663**	11,117
Accounts payable	20	**23,510**	24,088
Deferred income	19	**81**	87
Provisions		**361**	474
Other financial liabilities	23	**4,470**	4,931
Income tax payable		**147**	175
		37,232	40,872
Liabilities of disposal group	14	**6,561**	–
		43,793	40,872
Total equity and liabilities		**127,854**	128,485

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

Condensed consolidated statement of cash flows

For the six months ended 30 June (unaudited)

US$ million	Notes	2016[1]	2015
Operating activities			
Loss before income taxes from continuing operations		**(698)**	(683)
Income before income taxes from discontinued operations		**38**	156
Adjustments for:			
Depreciation and amortisation		**2,808**	2,860
Share of income from associates and joint ventures	10	**(123)**	(176)
Decrease in other long term liabilities		**(10)**	(69)
Loss on disposals and investments	4	**–**	256
Unrealised mark to market movements on other investments	5	**(6)**	100
Impairments	6	**–**	792
Other non-cash items – net[2]		**32**	157
Interest expense – net		**810**	673
Cash generated by operating activities before working capital changes		**2,851**	4,066
Working capital changes			
(Increase)/decrease in accounts receivable[3]		**(516)**	1,729
(Increase)/decrease in inventories		**(24)**	919
Increase in accounts payable[4]		**2,197**	2,084
Proceeds from gold and silver streaming	19	**500**	–
Total working capital changes		**2,157**	4,732
Income taxes paid		**(205)**	(543)
Interest received		**54**	25
Interest paid		**(872)**	(774)
Net cash generated by operating activities		**3,985**	7,506
Investing activities			
Increase in long term advances and loans		**(485)**	(187)
Net cash used in acquisition of subsidiaries	21	**–**	(130)
Purchase of investments		**–**	(188)
Proceeds from sale of investments		**6**	37
Purchase of property, plant and equipment		**(1,360)**	(2,608)
Payments for exploration and evaluation	8	**–**	(322)
Proceeds from sale of property, plant and equipment		**54**	48
Dividends received from associates and joint ventures	10	**275**	247
Net cash used by investing activities		**(1,510)**	(3,103)

1 Includes results from discontinued operations.
2 Includes certain non-cash items as disclosed in note 5.
3 Includes movements in other financial assets, prepaid expenses and other assets.
4 Includes movements in other financial liabilities, provisions and deferred income.

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

Condensed consolidated statement of cash flows (continued)

For the six months ended 30 June (unaudited)

US$ million	Notes	2016[1]	2015
Financing Activities[2]			
Proceeds from issuance of capital market notes	18	**258**	4,721
Repayment of capital market notes		**(3,837)**	(2,389)
Repayment of other non-current borrowings		**(370)**	(1,436)
Margin receipts/(payments) in respect of financing related hedging activities		**433**	(467)
Proceeds from/(repayment of) current borrowings		**1,073**	(2,755)
Return of capital/distributions to non-controlling interests		**(54)**	(50)
Repurchase of own shares		**–**	(248)
Proceeds from own share		**3**	10
Distributions paid to equity holders of the parent	17	**–**	(1,551)
Net cash used by financing activities		**(2,494)**	(4,165)
(Decrease)/increase in cash and cash equivalents		**(19)**	238
Cash and cash equivalents, beginning of period		**2,707**	2,824
Cash and cash equivalents, end of period		**2,688**	3,062
Cash and cash equivalents reported in the statement of financial position		**2,535**	3,062
Cash and cash equivalents attributable to discontinued operations	14	**153**	–

1 Includes results from discontinued operations.

2 Presented net of directly attributable issuance costs where applicable.

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

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Condensed consolidated statement of changes in equity

For the six months ended 30 June (unaudited)

US$ million	(Deficit)/ retained earnings	Share premium	Other reserves	Own shares	Total reserves and (deficit)/ retained earnings	Share capital	Total equity attributable to equity holders of the parent	Non-controlling interests	Total equity
1 January 2015	**(222)**	**52,533**	**(2,409)**	**(1,493)**	**48,409**	**133**	**48,542**	**2,938**	**51,480**
Loss for the period	(676)	–	–	–	(676)	–	(676)	(141)	(817)
Other comprehensive loss	(31)	–	(847)	–	(878)	–	(878)	(37)	(915)
Total comprehensive loss	**(707)**	**–**	**(847)**	**–**	**(1,554)**	**–**	**(1,554)**	**(178)**	**(1,732)**
Own share purchases	–	–	–	(240)	(240)	–	(240)	–	(240)
Own share disposal	(43)	–	–	55	12	–	12	–	12
Equity settled share-based expenses	44	–	–	–	44	–	44	–	44
Change in ownership interest in subsidiaries	–	–	–	–	–	–	–	(2)	(2)
Cancellation of put option	–	–	–	–	–	–	–	685	685
Distributions paid[1]	–	(1,849)	–	–	(1,849)	–	(1,849)	(50)	(1,899)
30 June 2015	**(928)**	**50,684**	**(3,256)**	**(1,678)**	**44,822**	**133**	**44,955**	**3,393**	**48,348**
1 January 2016	**(5,099)**	**52,338**	**(4,419)**	**(1,712)**	**41,108**	**146**	**41,254**	**89**	**41,343**
Loss for the period	(369)	–	–	–	(369)	–	(369)	(246)	(615)
Other comprehensive (loss)/income	(165)	–	510	–	345	–	345	20	365
Total comprehensive (loss)/income	**(534)**	**–**	**510**	**–**	**(24)**	**–**	**(24)**	**(226)**	**(250)**
Own share disposal	(9)	–	–	12	3	–	3	–	3
Equity settled share-based expenses	37	–	–	–	37	–	37	–	37
Discontinued operations[2]	–	–	–	–	–	–	–	(40)	(40)
Distributions paid[1]	–	–	–	–	–	–	–	(54)	(54)
30 June 2016	**(5,605)**	**52,338**	**(3,909)**	**(1,700)**	**41,124**	**146**	**41,270**	**(231)**	**41,039**

1 See note 17.

2 See note 14.

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

Notes to the unaudited condensed interim consolidated financial statements

For the six months ended 30 June (unaudited)

1. 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 unaudited condensed interim consolidated financial statements for the six months ended 30 June 2016 were authorised for issue in accordance with a resolution of the directors on 23 August 2016.

2. Accounting policies

Basis of preparation

These unaudited condensed interim consolidated financial statements have been prepared in accordance with IAS 34 *Interim Financial Reporting* issued by the International Accounting Standards Board (IASB) and interpretations of the IFRS Interpretations Committee (IFRIC), IAS 34 *Interim Financial Reporting* as adopted by the European Union (EU), and the Disclosure and Transparency Rules of the Financial Conduct Authority effective for Glencore's reporting for the six months ended 30 June 2016. These unaudited condensed interim consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the audited 2015 Annual Report of Glencore plc and subsidiaries (2015 Annual Report) available at www.glencore.com. These financial statements for the six months ended 30 June 2016 and 2015, and financial information for the year ended 31 December 2015 do not constitute statutory accounts. Certain financial information that is included in the audited annual financial statements but is not required for interim reporting purposes has been condensed or omitted.

The 2015 Annual Report and audited financial statements for the year ended 31 December 2015 have been filed with the Jersey Registrar of Companies and the audit report on those financial statements was not qualified.

The interim financial report for the six months ended 30 June 2016 has been prepared on a going concern basis as the directors believe there are no material uncertainties that lead to significant doubt that the Group can continue as a going concern in the foreseeable future, a period not less than 12 months from the date of this report. Further information is included on page 8 of the Financial Review.

All amounts are expressed in millions of United States Dollars, unless otherwise stated, consistent with the predominant functional currency of Glencore's operations.

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

Comparative information

Comparative information for the periods ended 30 June 2015 and 31 December 2015 has been restated for the effects of the application of IFRS 5 *Non-current assets held for sale and discontinued operations*, see note 14. The nature of each change reflected in the restated condensed interim financial statements is as follows:

- All income and expense items relating to Glencore Agri have been removed from the individual line items in the statement of income. The net income for the period of Glencore Agri is presented as a single amount in the line item – 'Income/(loss) from discontinued operations – net of tax'.

The condensed statement of financial position and statement of changes in equity for these periods have not been restated as there is no requirement to do so.

Significant accounting policies

Non-current assets held for sale and discontinued operations

Non-current assets and assets and liabilities included in disposal groups are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use, they are available for immediate disposal and the sale is highly probable. Non-current assets held for sale are measured at the lower of their carrying amount or fair value less costs of disposal. Classification as a discontinued operation occurs upon disposal or when the operation meets the criteria to be classified as held for sale (see Comparative information above).

Adoption of new and revised standards

These unaudited condensed interim consolidated financial statements are prepared using the same accounting policies as applied in the audited 2015 Annual Report, except for the adoption of a number of new accounting pronouncements, principally minor amendments to existing standards, that became effective on 1 January 2016 and have been adopted by the Group. The adoption of these new amendments and interpretations has had no material impact on the Group.

New and revised standards not yet effective

At the date of authorisation of these interim financial statements, the following new standards, which are applicable to Glencore, were issued but are not yet effective:

Amendments to IAS 12 – Recognition of deferred tax assets for unrealised losses – effective for year ends beginning on or after 1 January 2017

The amendments to IAS 12 clarify the requirement on recognition of deferred tax assets related to debt instruments measured at fair value.

Amendments to IFRS 2 – Classification and measurement of share-based payment transactions – effective for year ends beginning on or after 1 January 2018

The amendments to IFRS 2 *Share-based payments* clarify the classification and measurement of share-based payments transactions with respect to accounting for cash-settled share-based payment transactions that include a performance obligation, the classification of share-based payment transactions with the net settlement features and the accounting for modifications of share-based payment transactions from cash-settled to equity-settled.

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 of these new standards which may have on the financial statements of Glencore.

3. Segment information

Glencore is organised and operates on a worldwide basis in 3 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: Copper, zinc, lead, alumina, aluminium, ferro alloys, 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
- Agricultural 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 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. In addition, the segment information includes the Agricultural products business which has been disclosed as a discontinued operation, see note 14.

The accounting policies of the operating segments are the same as those described in note 2 with the exception of certain associates, joint ventures and the Agricultural products business segment. 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. Under IFRS 5, the Agricultural business segment is required to be presented as a discontinued operation following the agreed sale of a 49.99% interest in Glencore Agri (subject to regulatory approvals), which incorporates that segment (see note 14). Until completion of the sale, Glencore continues to evaluate the performance of this segment under the full consolidation method, consistent with prior periods. The balances as presented for internal reporting purposes are reconciled to Glencore's statutory disclosures in the following tables.

3. Segment information (continued)

Six months ended 30 June 2016

US$ million	Metals and minerals	Energy products	Agricultural products (Discontinued)	Corporate and other	Total
Revenue – Marketing activities[1]	20,014	36,244	9,728	–	65,986
Revenue – Industrial activities	10,840	3,363	1,562	17	15,782
Revenue	30,854	39,607	11,290	17	81,768
Marketing activities					
Adjusted EBITDA	864	276	154	(9)	1,285
Depreciation and amortisation	(12)	(24)	(32)	–	(68)
Adjusted EBIT	852	252	122	(9)	1,217
Industrial activities					
Adjusted EBITDA	2,365	571	29	(230)	2,735
Depreciation and amortisation[2]	(1,880)	(1,160)	(36)	(1)	(3,077)
Adjusted EBIT	485	(589)	(7)	(231)	(342)
Total Adjusted EBITDA	3,229	847	183	(239)	4,020
Depreciation and amortisation	(1,892)	(1,184)	(68)	(1)	(3,145)
Total Adjusted EBIT	1,337	(337)	115	(240)	875
Significant items[3]					
Other expense – net[4,5]					(131)
Share of associates' exceptional items[6]					(40)
Unrealised intergroup profit elimination adjustments[7]					(92)
Mark to market valuation on certain coal hedging contracts[8]					(395)
Interest expense – net[5,9]					(817)
Income tax expense[5,10]					(15)
Loss for the period from continuing and discontinued operations					(615)
Total assets (as at 30 June 2016)	68,642	44,934	10,165	4,113	127,854
Capital expenditure – Marketing activities	9	20	42	–	71
Capital expenditure – Industrial activities[11]	1,223	233	24	20	1,500
Capital expenditure (30 June 2016)	1,232	253	66	20	1,571

1 Balance is net of intra-segment sales arising from transactions between the Industrial and Marketing activities. Metals and minerals segment: $7,359 million, Energy products segment $1,029 million and Agricultural products $1,078 million.
2 Includes an adjustment of $337 million to depreciation and amortisation expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment $252 million and Energy products segment $85 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 5.
5 Includes an adjustment related to discontinued operations, see note 14.
6 Share of associates' exceptional items comprise Glencore's share of exceptional charges booked directly by various associates.
7 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.
8 Represents an accounting measurement mismatch between the fair value of coal derivative positions in respect of portfolio risk management/hedging activities initiated in Q2 2016 and the anticipated future revenue to be generated from the sale of future unsold coal production. The derivative positions manage forward sales price exposure relating to some 55 million tonnes of future attributable coal production, substantially all of which is expected to be settled before 30 June 2017. The derivative positions included pre-existing trading contracts, for which mark to market movements, up until the time of them being ringfenced for hedging activities, were included in trading results. These transactions were not able to be designated as hedging instruments under IFRS, which would have allowed for the deferment of any income statement effect until performance of the underlying future sale transactions. The fair value movements in the derivative portfolio will be offset against future revenue in the segment information as the related sales (of production) are realised.
9 Includes an adjustment for net finance costs of $7 million related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: net finance costs of $5 million and Energy products segment net finance costs of $2 million, see reconciliation table below.
10 Includes an adjustment of $60 million to income tax expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $81 million and Energy products segment $21 million, see reconciliation table below.
11 Includes an adjustment to capital expenditure of $66 million related to discontinued operations and $178 million related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $164 million, Energy products segment $14 million and Agricultural products $66 million, see reconciliation table below.

3. Segment information (continued)

Six months ended 30 June 2015

US$ million	Metals and minerals	Energy products	Agricultural products (Discontinued)	Corporate and other	**Total**
Revenue – Marketing activities[1]	19,105	38,402	10,742	–	**68,249**
Revenue – Industrial activities	12,905	4,560	1,109	3	**18,577**
Revenue	32,010	42,962	11,851	3	**86,826**
Marketing activities					
Adjusted EBITDA	460	509	261	(50)	**1,180**
Depreciation and amortisation	(16)	(30)	(62)	(1)	**(109)**
Adjusted EBIT	444	479	199	(51)	**1,071**
Industrial activities					
Adjusted EBITDA	2,436	1,140	71	(216)	**3,431**
Depreciation and amortisation[2]	(1,889)	(1,161)	(40)	–	**(3,090)**
Adjusted EBIT	547	(21)	31	(216)	**341**
Total Adjusted EBITDA	2,896	1,649	332	(266)	**4,611**
Depreciation and amortisation	(1,905)	(1,191)	(102)	(1)	**(3,199)**
Total Adjusted EBIT	991	458	230	(267)	**1,412**
Significant items[3]					
Other expense – net[4,5]					**(1,250)**
Unrealised intergroup profit elimination adjustments[6]					**325**
Interest expense – net[5,7]					**(675)**
Loss on disposal of investments[8]					**(256)**
Income tax expense[5,9]					**(373)**
Loss for the period from continuing and discontinued operations					**(817)**
Total assets (as at 30 June 2015)	81,143	51,687	9,970	5,274	**148,074**
Capital expenditure – Marketing activities	55	8	57	–	**120**
Capital expenditure – Industrial activities[10]	2,089	799	50	131	**3,069**
Capital expenditure (30 June 2015)	2,144	807	107	131	**3,189**

1 Balance is net of intra-segment sales arising from transactions between the Industrial and Marketing activities. Metals and minerals segment: $9,376 million, Energy products segment $1,195 million and Agricultural products $801 million.
2 Includes an adjustment of $339 million to depreciation and amortisation expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment $244 million and Energy products segment $95 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 5.
5 Includes an adjustment related to discontinued operations, see note 14.
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 to net finance costs of $2 million related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: net finance income of $1 million and Energy products segment net finance costs of $3 million, see reconciliation table below.
8 See note 4.
9 Includes an adjustment of $83 million to income tax expenses related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $55 million and Energy products segment $28 million, see reconciliation table below.
10 Includes an adjustment to capital expenditure of $107 million related to discontinued operations and $161 million related to presenting certain associates and joint ventures on a proportionate consolidation basis. Metals and minerals segment: $142 million, Energy products segment $19 million and Agricultural products $107 million, see reconciliation table below.

3. Segment information (continued)

The reconciliation of discontinued operations reporting impacts and certain associates' and joint ventures' Adjusted EBIT to 'Share of net income from associates and joint ventures' for the six month period ended 30 June 2016 is as follows:

US$ million	Metals and minerals	Energy products	Agricultural products (Discontinued)	Corporate and other	**Total**
Revenue					
Revenue	30,854	39,607	11,290	17	**81,768**
Impact of:					
Presenting certain associates and joint ventures on a proportionate consolidation basis	(811)	(242)	–	–	**(1,053)**
Discontinued operations	–	–	(11,290)	–	**(11,290)**
Revenue - reported measure	30,043	39,365	–	17	**69,425**
Share of income from certain associates and joint ventures					
Associates' and joint ventures' Adjusted EBITDA	489	59	–	–	**548**
Depreciation and amortisation	(252)	(85)	–	–	**(337)**
Associates' and joint ventures' Adjusted EBIT	237	(26)	–	–	**211**
Net finance costs	(5)	(2)	–	–	**(7)**
Income tax expense	(81)	21	–	–	**(60)**
Net finance costs and income tax expense	(86)	19	–	–	**(67)**
Share of income from certain associates and joint ventures	151	(7)	–	–	**144**
Share of income from other associates	(15)	(15)	–	–	**(30)**
Share of income from associates and joint ventures[1]	136	(22)	–	–	**114**
Capital expenditure					
Capital expenditure	1,232	253	66	20	**1,571**
Impact of:					
Presenting certain associates and joint ventures on a proportionate consolidation basis	(164)	(14)	–	–	**(178)**
Discontinued operations	–	–	(66)	–	**(66)**
Capital expenditure - reported measure	1,068	239	–	20	**1,327**

1 Comprises share in earnings of $126 million from Industrial activities and share in losses of $12 million from Marketing activities.

3. Segment information (continued)

The reconciliation of discontinued operations reporting impacts and certain associates' and joint ventures' Adjusted EBIT to 'Share of net income from associates and joint ventures' for the six month period ended 30 June 2015 is as follows:

US$ million	Metals and minerals	Energy products	Agricultural products (Discontinued)	Corporate and other	**Total Restated[1]**
Revenue					
Revenue	32,010	42,962	11,851	3	**86,826**
Impact of:					
Presenting certain associates and joint ventures on a proportionate consolidation basis	(782)	(336)	–	–	**(1,118)**
Discontinued operations	–	–	(11,851)	–	**(11,851)**
Revenue - reported measure	31,228	42,626	–	3	**73,857**
Share of income from certain associates and joint ventures					
Associates' and joint ventures' Adjusted EBITDA	419	110	–	–	**529**
Depreciation and amortisation	(244)	(95)	–	–	**(339)**
Associates' and joint ventures' Adjusted EBIT	175	15	–	–	**190**
Net finance costs	1	(3)	–	–	**(2)**
Income tax expense	(55)	(28)	–	–	**(83)**
Net finance costs and income tax expense	(54)	(31)	–	–	**(85)**
Share of income from certain associates and joint ventures	121	(16)	–	–	**105**
Share of income from other associates	33	27	11	–	**71**
Discontinued operations	–	–	(11)	–	**(11)**
Share of income from associates and joint ventures[2]	154	11	–	–	**165**
Capital expenditure					
Capital expenditure	2,144	807	107	131	**3,189**
Impact of:					
Presenting certain associates and joint ventures on a proportionate consolidation basis	(142)	(19)	–	–	**(161)**
Discontinued operations	–	–	(107)	–	**(107)**
Capital expenditure - reported measure	2,002	788	–	131	**2,921**

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations (see note 14).

2 Comprises share in earnings of $143 million from Industrial activities and $22 million from Marketing activities.

3. Segment information (continued)

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, joint ventures and the discontinued Agricultural products segment, excluding significant items. 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	**H1 2016**	H1 2015 Restated[1]
Reported measures		
Revenue	69,425	73,857
Cost of goods sold	(68,824)	(72,044)
Selling and administrative expenses	(549)	(558)
Share of income from associates and joint ventures	114	165
Dividend income	–	2
	166	1,422
Adjustments to reported measures		
Share of associates' exceptional items	40	–
Unrealised intergroup profit/(loss) elimination	92	(325)
Mark to market valuation on certain coal hedging contracts	395	–
	527	(325)
Net finance and income tax expense impact of presenting certain associates and joint ventures on a proportionate consolidation basis	67	85
Adjusted EBIT from discontinued operations	115	230
Adjusted EBIT from continuing and discontinued operations	**875**	**1,412**
Depreciation and amortisation from continuing operations	2,740	2,758
Depreciation impact of presenting certain associates and joint ventures on a proportionate consolidation basis	337	339
Depreciation from discontinued operations	68	102
Adjusted EBITDA from continuing and discontinued operations	**4,020**	**4,611**

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations (see note 14).

4. Loss on disposals and investments

US$ million	**H1 2016**	H1 2015
Loss on distribution of interest in Lonmin plc	–	(256)
Total	–	(256)

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.

5. Other expense – net

US$ million	Notes	H1 2016	H1 2015 Restated[1]
Impairments	6	–	(792)
Changes in mark to market valuations on investments held for trading - net		6	(102)
Foreign exchange loss		(41)	(10)
Loss from metal leak		–	(235)
Legal settlement		–	(89)
Other expense – net[2]		(52)	5
Total		**(87)**	(1,223)

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations (see note 14).

2 'Other' for the six months ended 30 June 2016 mainly comprises restructuring and closure costs of $65 million (2015: $23 million), offset by a $1 million (2015: $27 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 other investments classified as held for trading and carried at fair value, with Glencore's interest in Volcan Compania Minera S.A.A. and Century Aluminium cash-settled 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.

Legal settlement

In April 2015, OMV Petrom was awarded $89 million over a dispute related to oil deliveries in the early 1990s.

6. Impairments

US$ million	H1 2016	H1 2015
Property, plant and equipment	–	(792)
Total impairments	**–**	(792)

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. For the purposes of interim reporting and, given the extent of the assessment carried out for 31 December 2015, an assessment is then conducted at 30 June 2016 to review the changes in the operating environment and key assumptions (commodity prices, foreign exchange and production) over the 6 month period. Notwithstanding the generally positive developments in spot and contract prices and increasing equity values of observable listed companies, a flattening of available long-term market price estimates, particularly in the energy markets, was observed and therefore, key supply/demand inputs underpinning certain price assumptions were re-examined. Based on the results of this review, no significant impairment indicators have been identified.

2015

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 $792 million, to their estimated recoverable amount of $2,150 million as at 30 June 2015.

The recoverable amounts of the property, plant and equipment were measured based on fair value less costs of disposal ("FVLCD"), determined by discounted cash flow techniques based on the most recent financial budgets and business plans, underpinned and supported by the expected future development plans of the respective operations. The valuation models used the most recent 2P 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 an operation specific discount rate of 11%. The valuations remain sensitive to price and further deterioration/improvements in the pricing outlook may result in additional impairments/reversals. The determination of FVLCD used Level 3 valuation techniques.

7. Income taxes

Income taxes consist of the following:

US$ million	**H1 2016**	H1 2015 Restated[1]
Current income tax expense	**(297)**	(285)
Deferred income tax credit	**348**	42
Total tax credit/(expense) reported in the statement of (loss)/income	**51**	(243)

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

US$ million	**H1 2016**	H1 2015 Restated[1]
Loss before income taxes and attribution from continuing operations	**(698)**	(683)
Income before income taxes and attribution from discontinued operations	**38**	156
Loss before income taxes and attribution from continuing and discontinued operations	**(660)**	(527)
Less: Share of income from associates and joint ventures from continuing operations	**(114)**	(165)
Less: Share of income from associates and joint ventures from discontinued operations	**(9)**	(11)
Parent Company's and subsidiaries' loss before income tax and attribution from continuing and discontinued operations	**(783)**	(703)
Income tax credit calculated at the Swiss income tax rate	**117**	106
Tax effects of:		
Different tax rates from the standard Swiss income tax rate	**200**	(244)
Tax exempt income	**89**	181
Items not tax deductible	**(183)**	(156)
Foreign exchange fluctuations	**(62)**	(158)
Changes in tax rates	**(4)**	64
Utilisation and changes in recognition of tax losses and temporary differences	**44**	(19)
Tax losses not recognised	**(156)**	(64)
Income tax credit/(expense)	**45**	(290)
Income tax credit/(expense) reported in the statement of (loss)/income	**51**	(243)
Income tax expense attributable to discontinued operations	**(6)**	(47)

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations (see note 14).

8. Property, plant and equipment

US$ million	Freehold land and buildings	Plant and equipment	Mineral and petroleum rights	Exploration and evaluation	Deferred mining costs	Total
Net book value:						
1 January 2016	4,331	36,970	16,255	1,553	2,169	**61,278**
Additions	33	1,131	28	–	129	**1,321**
Disposals	(6)	(9)	(3)	–	–	**(18)**
Depreciation	(127)	(1,977)	(470)	–	(120)	**(2,694)**
Effect of foreign currency exchange movements	12	116	94	–	–	**222**
Reclassification to assets held for sale[1]	(536)	(2,190)	(110)	–	–	**(2,836)**
Other movements	56	(33)	39	1	42	**105**
Net book value 30 June 2016	**3,763**	**34,008**	**15,833**	**1,554**	**2,220**	**57,378**

1 See note 14.

During the period ended 30 June 2015, Glencore added property, plant and equipment with a cost of $3,019 million and disposed of property, plant and equipment with a net book value of $43 million.

9. Intangible assets

US$ million	Goodwill	Port allocation rights	Licenses, trademarks and software	Royalty and acquired offtake arrangements	Total
Net book value:					
1 January 2016	5,879	1,185	238	214	**7,516**
Additions	–	–	4	2	**6**
Amortisation	–	(14)	(15)	(17)	**(46)**
Effect of foreign currency exchange movements	–	60	–	–	**60**
Reclassification to assets held for sale[1]	(829)	(5)	(3)	(52)	**(889)**
Other movements	–	(1)	14	27	**40**
Net carrying value 30 June 2016	**5,050**	**1,225**	**238**	**174**	**6,687**

1 See note 14.

10. Investments in associates, joint ventures and other investments

Investments in associates and joint ventures

US$ million	2016
1 January 2016	**11,337**
Disposals	**(9)**
Share of income from associates and joint ventures	**114**
Share of other comprehensive income from associates and joint ventures	**5**
Dividends received	**(252)**
Reclassification to assets held for sale[1]	**(613)**
Other movements	**39**
30 June 2016	**10,621**
Of which:	
Investments in associates	**7,511**
Investments in joint ventures	**3,110**

1 See note 14.

Other investments

US$ million	as at 30.06.2016	as at 31.12.2015
Available for sale		
United Company Rusal plc	**396**	407
OAO NK Russneft	**685**	685
Fair value through profit and loss		
Volcan Compania Minera S.A.A.	**85**	95
Century Aluminum Company cash-settled equity swaps	**58**	40
Other	**76**	78
	219	213
Total	**1,300**	1,305

11. Advances and loans

US$ million	as at 30.06.2016	as at 31.12.2015
Loans to associates	467	436
Rehabilitation trust fund	201	152
Other long term receivables and loans[1]	2,740	2,417
Total	**3,408**	3,005

1 Includes advances net of $1,632 million (2015: $1,427 million) provided by various banks. During the period, Glencore entered into new prepayment agreements with SNPC and an iron ore counterparty as detailed below, and provided $300 million of additional marketing related financing facilities, secured against and repayable from proceeds of future oil production.

Société Nationale des Pétroles du Congo ("SNPC")

During the period, Glencore advanced an additional $118 million to SNPC, repayable through future oil deliveries over 5 years. As at 30 June 2016, the total advance of $337 million is recorded net of $522 million (2015: $522 million) provided by the bank market, the repayment terms of which are contingent upon and connected to the future receipt of oil contractually due from SNPC. Of the net amount advanced, $312 million is due after 12 months and is presented within Other long term receivables and loans and $25 million is due within 12 months and included within Accounts receivable.

Iron ore prepayment

During the period, Glencore advanced $40 million to a counterparty to be repaid through future iron ore deliveries over 2.5 years. As at 30 June 2016, the total advance of $400 million is recorded net of $360 million provided by the bank market, the repayment terms of which are contingent upon and connected to the future receipt of iron ore contractually due from the counterpart. Of the remaining net amount advanced, $3 million is due after 12 months and is presented within Other long term receivables and loans and $26 million is due within 12 months and included within Accounts receivable.

12. Inventories

Inventories of $16,017 million (2015: $18,303 million) comprise $9,159 million (2015: $10,928 million) of inventories carried at fair value less costs of disposal and $6,858 million (2015: $7,375 million) valued at the lower of cost or net realisable value.

Fair value of inventories is a Level 2 fair value measurement (see note 23) valued 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 18). As at 30 June 2016, the total amount of inventory secured under such facilities was $1,930 million (2015: $1,649 million), while the proceeds received and recognised as current borrowings were $1,638 million (2015: $1,607 million).

13. Accounts receivable

US$ million	as at 30.06.2016	as at 31.12.2015
Trade receivables	8,085	10,175
Trade advances and deposits[1]	5,150	4,206
Associated companies	397	414
Other receivables	1,901	2,206
Total	**15,533**	17,001

1 Includes advances net of $491 million (2015: $180 million) provided by banks, the repayment terms of which are contingent upon and connected to the contractual future delivery of production over the next 12 months.

Glencore has a number of dedicated financing facilities, which finance a portion of its receivables. In each case, the receivables have not been derecognised, as the Group retains the principal risks and rewards of ownership. The proceeds received are recognised as current borrowings (see note 18). As at 30 June 2016, the total amount of trade receivables secured was $2,323 million (2015: $2,205 million) and proceeds received and classified as current borrowings amounted to $1,958 million (2015: $1,937 million).

14. Discontinued operations

On 6 April 2016, Glencore announced that it had entered into an agreement with Canada Pension Plan Investment Board for the sale of a 40% equity interest in the Glencore Agricultural Products business (“Glencore Agri”) and on 9 June 2016, entered into an agreement with British Columbia Investment Management Corporation for the sale of a 9.99% equity interest in Glencore Agri. The aggregate equity consideration for the combined 49.99% interest, including the indirect assumption of certain levels of net working capital and debt, amounts to $3.125 billion, payable in cash upon closing.

The transaction is subject to customary regulatory approvals and closing conditions and is expected to close during Q4 2016.

Glencore Agri represents the entire Agricultural products operating segment and in conjunction with the impending sale it was determined to be a discontinued operation and has been disclosed as such. Post close of the sale, it is expected that Glencore Agri would meet the definition of a joint arrangement and be classified as a joint venture as determined under IFRS 11 and accounted for using the equity method in accordance with IAS 28.

The results of Glencore Agri for the six months period are as follows:

US$ million	**H1 2016**	H1 2015
Revenue	**11,290**	11,851
Cost of goods sold	**(11,086)**	(11,554)
Selling and administrative expenses	**(98)**	(78)
Share of income from associates	**9**	11
Other expense – net	**(44)**	(27)
Interest income	**8**	7
Interest expense	**(41)**	(54)
Income before income taxes from discontinued operations	**38**	156
Income tax expense	**(6)**	(47)
Income for the period from discontinued operations	**32**	109
Attributable to:		
Non-controlling interests	**–**	–
Equity holders of the parent	**32**	109

Earnings per share – discontinued operations:		
Basic (US$)	**0.00**	0.01
Diluted (US$)	**0.00**	0.01

14. Discontinued operations (continued)

The assets and liabilities of Glencore Agri classified as held for sale as at 30 June 2016 are as follows:

US$ million	As at 30.06.2016
Non-current assets	
Property, plant and equipment[1]	2,908
Intangible assets	890
Investments in associates	613
Other investments	2
Advances and loans	122
Deferred tax assets	157
	4,692
Current assets	
Inventories	2,184
Accounts receivable	2,235
Other financial assets	881
Prepaid expenses and other assets	20
Cash and cash equivalents	153
	5,473
Total assets of disposal group	10,165
Non-controlling interest	(40)
Non-current liabilities	
Borrowings	(500)
Deferred tax liabilities	(108)
Provisions	(224)
	(832)
Current liabilities	
Borrowings	(3,025)
Accounts payable	(1,824)
Provisions	(52)
Other financial liabilities	(776)
Income tax payable	(12)
	(5,689)
Total liabilities of disposal group	(6,561)
Total net assets of disposal group	3,604

1 Includes additions of $66 million and foreign currency exchange movements of $79 million, net of depreciation and amortisation of $68 million (for the period to 6 April 2016) and other movements of $5 million since reclassification to assets held for sale.

The net cash flows incurred by Glencore Agri are as follows:

US$ million	H1 2016	H1 2015
Net cash generated from operating activities, after working capital changes	171	1,602
Net cash used in investing activities	(12)	(301)
Net cash used in financing activities	(176)	(1,344)
Net cash used in discontinued operations	(17)	(43)

15. Share capital and reserves

	Number of shares (thousand)	Share capital (US$ million)	Share premium (US$ million)
Authorised:			
30 June 2016 and 31 December 2015 Ordinary shares with a par value of $0.01 each	50,000,000		
Issued and fully paid up:			
1 January 2016 and 31 December 2015 – Ordinary shares	14,586,200	146	52,338
30 June 2016 – Ordinary shares	**14,586,200**	**146**	**52,338**

	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 2016	191,459	(948)	174,404	(764)	365,863	(1,712)
Own shares disposed during the period	–	–	(7,173)	12	(7,173)	12
30 June 2016	**191,459**	**(948)**	**167,231**	**(752)**	**358,690**	**(1,700)**

Own shares

Own shares comprise shares acquired under a 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 delivery and/or sale of shares under certain of Glencore's share plans. Shares, as required, 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 30 June 2016, 358,690,075 shares (2015: 365,863,517 shares), equivalent to 2.5% (2015: 2.5%) of the issued share capital were held at a cost of $1,700 million (2015: $1,712 million) and market value of $728 million (2015: $488 million).

16. Earnings per share

US$ million	H1 2016	H1 2015 Restated[1]
(Loss)/income attributable to equity holders of the parent:		
Continuing operations	**(401)**	(785)
Discontinued operations	**32**	109
Loss attributable to equity holders of the parent for basic earnings per share	**(369)**	(676)
Weighted average number of shares for the purposes of basic earnings per share (thousand)	**14,220,554**	12,937,722
Effect of dilution:		
Equity-settled share-based payments (thousand)[2]	**–**	39,576
Weighted average number of shares for the purposes of diluted earnings per share (thousand)	**–**	12,977,298
Basic (loss)/earnings per share (US$)		
From continuing operations	**(0.03)**	(0.06)
From discontinued operations	**0.00**	0.01
Total basic loss per share	**(0.03)**	(0.05)
Diluted (loss)/earnings per share (US$)		
From continuing operations	**(0.03)**	(0.06)
From discontinued operations	**0.00**	0.01
Total diluted loss per share	**(0.03)**	(0.05)

1 Certain amounts shown here reflect the adjustments made relating to discontinued operations, see note 14.

2 In 2016, as both the result attributable to equity holders of the parent and to Headline earnings is a loss, there is no effect of dilution as the equity-settled share based payments would be anti-dilutive. In 2015, equity-settled share-based payments were only dilutive with respect to Headline earnings per share calculation.

Headline earnings:

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 Circular 2/2015 as issued by the South African Institute of Chartered Accountants ("SAICA"), is reconciled using the following data:

US$ million	Notes	H1 2016	H1 2015
Loss attributable to equity holders of the parent from continuing and discontinued operations for basic earnings per share		**(369)**	(676)
(Gain)/loss on disposals and other (no non-controlling interest impact)[1]		**(1)**	289
Gain on disposals and other – tax		**–**	(78)
Impairments (no non-controlling interest or tax impact)	6	**–**	792
Headline and diluted headline earnings for the period		**(370)**	327
Headline (loss)/earnings per share (US$)		**(0.03)**	0.03
Diluted headline (loss)/earnings per share (US$)		**(0.03)**	0.03

1 2016 comprises a gain on disposal of property, plant and equipment of $1 million. 2015 comprises loss on disposal of interest in Lonmin of $256 million, loss from metal leak of $60 million and a gain on disposal of property, plant and equipment of $27 million. See notes 4 and 5.

17. Distributions

As announced on 7 September 2015, the final distribution for 2015 and the interim distribution for 2016 have been suspended.

The 2014 final distribution of $12 cents per ordinary share amounting to $1,551 million was paid on 21 May 2015. On 9 June 2015, the distribution in specie of the Group's 23.9% in Lonmin was completed at 1.079134 Lonmin shares for every 100 Glencore shares held, amounting to a distribution payment of $298 million.

18. Borrowings

US$ million	Notes	as at 30.06.2016	as at 31.12.2015
Non-current borrowings			
Capital market notes		**26,187**	28,938
Committed syndicated revolving credit facility		**2,515**	2,994
Finance lease obligations		**363**	376
Other bank loans[1]		**521**	624
Total non-current borrowings		**29,586**	32,932
Current borrowings			
Secured inventory/receivables facilities	12/13	**3,596**	3,544
U.S. commercial paper		**–**	15
Capital market notes		**3,705**	4,474
Finance lease obligations		**92**	88
Other bank loans[1]		**1,270**	2,996
Total current borrowings		**8,663**	11,117

1 Comprises various uncommitted bilateral bank credit facilities and other financings.

Committed syndicated Revolving Credit Facility ("RCF")

In February 2016, but effective May 2016, Glencore signed a new one-year revolving credit facility for a total amount of $7.7 billion. This facility refinanced the $8.45 billion one-year revolving credit facility signed in May 2015. Funds drawn under the facilities bear interest at US$ LIBOR plus a margin of 50 basis points per annum.

As at 30 June 2016, the active facilities comprise:

- a $7.7 billion 12 month revolving credit facility with a 12 month borrower's term-out option (to May 2018) and 12-month extension option; and
- a $6.8 billion 5 year revolving credit facility (to May 2020) with two 12 month extension options.

2016 Bond activities

In May 2016, Glencore issued a 5 year CHF 250 million, 2.25% coupon bond.

19. Deferred income

US$ million	Unfavourable contracts	Prepayment	Total
1 January 2016	653	886	**1,539**
Additions	–	500	**500**
Utilised in the year	(37)	(39)	**(76)**
Effect of foreign currency exchange difference	15	–	**15**
30 June 2016	**631**	**1,347**	**1,978**
Current	46	35	81
Non-current	585	1,312	1,897

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 February 2016, Glencore entered into a long-term streaming agreement with Franco-Nevada, for delivery of gold and silver calculated by reference to copper produced by the Antapaccay mine in Peru. Glencore will deliver 300 ounces of gold per 1,000 tonnes of copper in concentrate 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 until 10,000,000 ounces of silver have been delivered and 30% of silver production thereafter. In consideration, Franco-Nevada made an advance payment of $500 million and pays an ongoing amount of 20% of the spot gold and silver price per ounce delivered, increasing 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 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 and gold is delivered to Franco-Nevada 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, is also being recognised.

20. Accounts payable

US$ million	as at 30.06.2016	as at 31.12.2015
Trade payables	**18,760**	19,424
Trade advances from buyers	**2,385**	1,684
Associated companies	**538**	467
Other payables and accrued liabilities	**1,827**	2,513
Total	**23,510**	24,088

21. Acquisition and disposal of subsidiaries

2016 Acquisitions and disposals

In 2016, there were no material acquisitions or disposals 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 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. The acquisition accounting for Magdeburg has now been finalised and there were no differences to the provisional fair values previously reported.

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.

21. Acquisition and disposal of subsidiaries (continued)

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 was no longer accounted for as a subsidiary and deconsolidated.

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.

22. 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 $38,249 million (2015: $44,049 million) of borrowings, the fair value of which at 30 June 2016 was $37,314 million (2015: $39,406 million) based on observable market prices applied to the borrowing portfolio (a Level 2 fair value measurement).

As at 30 June 2016

US$ million	Carrying value[1]	Available for sale	FVtPL[2]	Total
Assets				
Other investments[3]	–	1,081	219	**1,300**
Advances and loans	3,408	–	–	**3,408**
Accounts receivable	15,533	–	–	**15,533**
Other financial assets (see note 23)	–	–	2,199	**2,199**
Cash and cash equivalents and marketable securities[4]	–	–	2,546	**2,546**
Total financial assets	**18,941**	**1,081**	**4,964**	**24,986**
Liabilities				
Borrowings	38,249	–	–	**38,249**
Non-current other financial liabilities (see note 23)	–	–	171	**171**
Accounts payable	23,510	–	–	**23,510**
Other financial liabilities (see note 23)	–	–	4,470	**4,470**
Total financial liabilities	**61,759**	**–**	**4,641**	**66,400**

As at 31 December 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 23)	–	–	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 23)	–	–	186	**186**
Accounts payable	24,088	–	–	**24,088**
Other financial liabilities (see note 23)	–	–	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 $576 million (2015: $568 million) are classified as Level 1 measured using quoted market prices with the remaining balance of $723 million (2015: $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.

22. 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 30 June 2016 and 31 December 2015 were as follows:

US$ million

As at 30 June 2016	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements			Amounts not subject to netting agreements	Total as presented in the consolidated statement of financial position
	Gross amount	Amounts offset	Net amount	Financial instruments	Financial collateral	Net amount		
Derivative assets[1]	7,886	(6,443)	**1,443**	(413)	(303)	727	**756**	**2,199**
Derivative liabilities[1]	(9,583)	6,443	**(3,140)**	413	2,175	(552)	**(1,330)**	**(4,470)**

US$ million

As at 31 December 2015	Amounts eligible for set off under netting agreements			Related amounts not set off under netting agreements			Amounts not subject to netting agreements	Total as presented in the consolidated statement of financial position
	Gross amount	Amounts offset	Net amount	Financial instruments	Financial collateral	Net amount		
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.

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.

23. 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.

23. Fair value measurements (continued)

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 predominately 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 30 June 2016 and 31 December 2015. 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. There are no non-recurring fair value measurements.

Other financial assets

As at 30 June 2016

US$ million	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	396	56	–	**452**
Options	50	13	–	**63**
Swaps	66	268	–	**334**
Physical forwards	–	517	197	**714**
Financial contracts				
Cross currency swaps	–	605	–	**605**
Foreign currency and interest rate contracts	–	31	–	**31**
Total	**512**	**1,490**	**197**	**2,199**

As at 31 December 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**

23. Fair value measurements (continued)

Other financial liabilities

As at 30 June 2016

US$ million	Level 1	Level 2	Level 3	Total
Commodity related contracts				
Futures	685	211	–	**896**
Options	29	12	343	**384**
Swaps	223	247	–	**470**
Physical forwards	–	482	113	**595**
Financial contracts				
Cross currency swaps	–	1,784	–	**1,784**
Foreign currency and interest rate contracts	–	341	–	**341**
Current other financial liabilities	**937**	**3,077**	**456**	**4,470**
Non-current other financial liabilities				
Non-discretionary dividend obligation[1]	–	–	171	**171**
Non-current other financial liabilities	**–**	**–**	**171**	**171**
Total	**937**	**3,077**	**627**	**4,641**

As at 31 December 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 Relates to a ZAR denominated derivative 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.

23. Fair value measurements (continued)

The following table shows the net changes in fair value of Level 3 other financial assets and other financial liabilities:

US$ million	Physical forward	Options	Loans and other	Total Level 3
1 January 2016	**19**	**(1)**	**(186)**	**(168)**
Reclassification to assets held for sale	(14)	–	–	**(14)**
Total gain/(loss) recognised in cost of goods sold	63	(343)	–	**(280)**
Non-discretionary dividend obligation	–	–	15	**15**
Realised	16	1	–	**17**
30 June 2016	**84**	**(343)**	**(171)**	**(430)**

During the period 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			As at 30.06.2016	As at 31.12.2015
Futures – Level 1		Assets	**396**	889
		Liabilities	**(685)**	(414)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Futures – Level 2		Assets	**56**	246
		Liabilities	**(211)**	(33)
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	**50**	30
		Liabilities	**(29)**	(40)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Options – Level 2		Assets	**13**	15
		Liabilities	**(12)**	(4)
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	**–**	–
		Liabilities	**(343)**	(1)
Valuation techniques and key inputs:	Standard option pricing model			
Significant unobservable inputs:	Prices are adjusted by volatility differentials. This significant unobservable input generally represents 2% - 20% of the overall value of the instruments. A change to a reasonably possible alternative assumption would not result in a material change in the underlying value.			

23. Fair value measurements (continued)

Fair value of financial assets/financial liabilities US$ million			As at 30.06.2016	As at 31.12.2015
Swaps – Level 1		Assets	**66**	112
		Liabilities	**(223)**	(197)
Valuation techniques and key inputs:	Quoted bid prices in an active market			
Significant unobservable inputs:	None			
Swaps – Level 2		Assets	**268**	556
		Liabilities	**(247)**	(323)
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 2		Assets	**517**	1,299
		Liabilities	**(482)**	(1,156)
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	**197**	224
		Liabilities	**(113)**	(205)
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% - 30% 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.			
Cross currency swaps – Level 2		Assets	**605**	189
		Liabilities	**(1,784)**	(2,196)
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			

23. Fair value measurements (continued)

Fair value of financial assets/financial liabilities US$ million			As at 30.06.2016	As at 31.12.2015
Foreign currency and interest rate contracts – Level 1		Assets	–	–
		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	31	141
		Liabilities	(341)	(359)
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	(171)	(186)
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.			

24. Future commitments

Capital expenditure for the acquisition of property, plant and equipment is generally funded through the cash flow generated by the respective industrial entities. As at 30 June 2016, $1,000 million (2015: $1,088 million), of which 82% (2015: 77%) relates to expenditure to be incurred over the next year, was contractually committed for the acquisition of property, plant and equipment.

Certain of Glencore's exploration tenements and licenses require it to spend a minimum amount per year on development activities, a significant portion of which would be incurred in the ordinary course of operations. As at 30 June 2016, $182 million (2015: $144 million) of such development expenditures are to be incurred, of which 30% (2015: 29%) 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 30 June 2016, Glencore has committed to future hire costs to meet future physical delivery and sale obligations and expectations of $380 million (2015: $894 million), of which $126 million (2015: $145 million) are with associated companies. 58% (2015: 60%) 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. Similarly, Glencore is required to post rehabilitation and pension guarantees in respect of some of these future, primarily industrial, long-term obligations. As at 30 June 2016, $16,057 million (2015: $15,385 million) of procurement and $2,810 million (2015: $2,642 million) of rehabilitation and pension commitments have been issued on behalf of Glencore, which will generally be settled simultaneously with the payment for such commodity and rehabilitation and pension obligations.

The Group's commitments as at 30 June 2016 exclude commitments relating to Glencore Agri.

25. Contingent liabilities

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 30 June 2016 and 31 December 2015 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 liability arising from these claims to be remote and that the liability, if any, resulting from any litigation will not have a material adverse effect on its consolidated income, financial position or cash flows.

Environmental contingencies

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. Glencore is currently in discussions with a supervisory body over alleged claims of non-compliance of certain procedural matters in 2011 and 2012. Any potential liability arising from these allegations is not expected to have a material adverse effect on its consolidated income, financial position or cash flows.

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.

26. 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 20). There have been no guarantees provided or received for any related party receivables or payables.

All transactions between Glencore and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries and Associates. Over the six month period ended 30 June 2016, sales and purchases with Associates amounted to $723 million (2015: $647 million) and $1,586 million (2015: $1,881 million) respectively. Also see notes 13 and 20.

27. Subsequent events

In August 2016, Glencore announced that a long-term agreement has been entered into with Evolution Mining ("Evolution"), for delivery of gold and copper calculated by reference to production at the Ernest Henry Mine ("EHM"), located in Australia. Evolution will have a 30% economic interest in the mine and be entitled to 100% of EHM gold production, subject to an agreed life of mine and block model. Evolution will pay AUD880 million upon closing of transaction and will make ongoing cash payments equal to 30% of production and capital costs associated with copper concentrates. In return, Evolution will receive the equivalent of 30% of copper and silver payable (in concentrate) and 100% of gold payable production from EHM. The transaction is subject to customary regulatory approvals and is expected to close by the end of Q4 2016.

Glossary

Available committed liquidity[1]

US$ million	as at 30.06.2016	as at 31.12.2015
Cash and cash equivalents and marketable securities - reported	2,546	2,746
Cash and cash equivalents of certain joint ventures	205	168
Cash and cash equivalents of discontinued operations	153	–
Headline committed syndicated revolving credit facilities	14,500	15,250
Amount drawn under syndicated revolving credit facilities	(2,515)	(2,994)
Amounts drawn under US commercial paper programme	–	(15)
Total	**14,889**	15,155

1 Presented on an adjusted reported measure basis.

Adjusted EBIT/EBITDA

Adjusted EBIT/EBITDA, as defined in note 3 to the interim 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 our objective of achieving industry-leading returns. 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, joint ventures and the discontinued Agricultural products segment, excluding significant items. Adjusted EBITDA consists of Adjusted EBIT plus depreciation and amortisation. In addition, the relationships Net debt to Adjusted EBITDA and Adjusted EBITDA to net interest (interest expense less interest income disclosed on the face of the condensed consolidated statement of (loss)/income) are an indication of our financial flexibility and ability to service debt.

Funds from operations (“FFO”)

FFO is a measure that reflects our ability to generate cash for investment, debt servicing and distributions to shareholders. It comprises cash provided by operating activities before working capital changes, less tax and net interest payments plus dividends received and certain other expenses, comprising coal related hedging costs incurred in 2016 and a legal settlement and net incremental metal leak costs incurred in 2015.

Net funding/debt and FFO to net debt

Net funding/debt demonstrates how our debt is being managed and is an important factor in insuring 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.

Net income

Net income is income attributable to equity shareholders pre-significant items and is a measure of our ability to generate shareholder returns. For 2016, calculation of tax items to be excluded from Net income includes tax significant items and the tax effect of non-tax significant items themselves. Previously, the calculation was driven by estimated notional effective tax rates; refer to the reconciliation of tax expense below.

Readily marketable inventories (“RMI”)

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 30 June 2016, $15,403 million (2015: $15,356 million) of inventories were considered readily marketable. This comprises $10,913 million (2015: $10,928 million) of inventories carried at fair value less costs of disposal, including $1,754 million relating to Glencore Agri, and $4,490 million (2015: $4,428 million) carried at the lower of cost or net realisable value, including $163 million relating to Glencore Agri. 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.

Reconciliation of selected reported financial information to those applying the proportionate consolidation method to certain associates and joint ventures and consolidation of discontinued operations

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 and, until completion of the sale of Glencore Agri, evaluates the performance of this segment under the full consolidation method. Below are reconciliations of selected reported financial information to those of applying the proportionate consolidation method to these investments and the consolidation of Glencore Agri.

Cash flow related adjustments – six months ended 30 June 2016

US$ million	Reported measure	Adjustment for proportionate consolidation	**Adjusted reported measure**
Cash generated by operating activities before working capital changes	2,851	–	**2,851**
Addback EBITDA of certain associates and joint ventures	–	548	**548**
Cash generated by operating activities before working capital changes	2,851	548	**3,399**
Coal related hedging costs included above (via statement of income – refer to note 3)	395	–	**395**
Income taxes paid	(205)	(41)	**(246)**
Interest received	54	–	**54**
Interest paid	(872)	(1)	**(873)**
Dividend received from associates and joint ventures	275	(242)	**33**
Funds from operations ("FFO")	2,498	264	**2,762**
Working capital changes (excluding gold and silver streaming proceeds)	1,657	(96)	**1,561**
Gold and silver streaming proceeds	500	–	**500**
Payments of non-current advances and loans	(485)	13	**(472)**
Proceeds from sale of investments	6	–	**6**
Purchase of property, plant and equipment	(1,360)	(171)	**(1,531)**
Proceeds from sale of property, plant and equipment	54	–	**54**
Margin receipts in respect of financing related hedging activities	433	–	**433**
Return of capital/distributions to non-controlling interests	(54)	–	**(54)**
Proceeds from own shares	3	–	**3**
Coal related hedging costs (refer above)	(395)	–	**(395)**
Cash movement in net funding	2,857	10	**2,867**

Net funding/debt at 30 June 2016

US$ million	Reported measure	Adjustment for discontinued operations	Adjustment for proportionate consolidation	**Adjusted reported measure**
Non-current borrowings	29,586	500	99	**30,185**
Current borrowings	8,663	3,025	14	**11,702**
Total borrowings	38,249	3,525	113	**41,887**
Less: cash and cash equivalents and marketable securities	(2,546)	(153)	(205)	**(2,904)**
Net funding	35,703	3,372	(92)	**38,983**
Less: Readily marketable inventories	(13,486)	(1,917)	–	**(15,403)**
Net debt	22,217	1,455	(92)	**23,580**

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**

Reconciliation of tax expense H1 2016

US$ million	Pre-significant tax expense	Significant items[1]	**Total tax expense**
Tax (credit)/expense on a proportionate consolidation basis	4	11	**15**
Adjustment in respect of certain associates and joint ventures tax	(60)	–	**(60)**
Adjustment in respect of discontinued operations	(6)	–	**(6)**
Tax (credit)/expense on the basis of the income statement	(62)	11	**(51)**

1 Represents the tax impact on current period significant items and tax significant items in their own right.

Reconciliation of tax expense H1 2015

US$ million	Marketing activities	Industrial activities	**Total**
Adjusted EBIT, pre-significant items	1,071	341	**1,412**
Interest expense allocation	(89)	(697)	**(786)**
Adjustments for:			
Certain associates and joint ventures' net finance costs	–	(2)	**(2)**
Share of income in associates and dividend income	(40)	(33)	**(73)**
Allocated profit before tax for the basis of tax calculation	942	(391)	**551**
Applicable tax rate	10.0%	25.0%	**n.m.**
Pre-significant tax expense/(credit)	94	(98)	**(4)**

	Pre-significant tax expense	Significant items	**Total tax expense**
Tax (credit)/expense on a proportionate consolidation basis	(4)	377	**373**
Adjustment in respect of certain associates and joint ventures tax	(83)	–	**(83)**
Adjustment in respect of discontinued operations	(47)	–	**(47)**
Tax (credit)/expense on the basis of the income statement	(134)	377	**243**

Appendix:
Production by Quarter – Q2 2015 to Q2 2016

Metals and Minerals

Production from own sources – Total[1]

		Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Copper	kt	380.2	396.6	374.7	335.0	368.0	703.0	730.9	(4)	(3)
Zinc	kt	374.1	396.8	317.7	257.1	249.4	506.5	730.3	(31)	(33)
Lead	kt	70.4	82.3	69.2	71.0	74.3	145.3	146.2	(1)	6
Nickel	kt	25.1	19.8	27.5	27.6	29.5	57.1	48.9	17	18
Gold[2]	koz	220	261	275	215	257	472	428	10	17
Silver[2]	koz	8,376	10,040	9,979	9,009	9,804	18,813	16,573	14	17
Cobalt	kt	5.6	6.8	6.2	5.8	6.9	12.7	10.0	27	23
Ferrochrome	kt	371	316	390	400	362	762	756	1	(2)
Platinum[2]	koz	47	36	33	35	46	81	89	(9)	(2)
Palladium[2]	koz	60	42	45	47	73	120	115	4	22
Rhodium[2]	koz	5	5	3	4	4	8	10	(20)	(20)
Vanadium Pentoxide	mlb	4.6	5.5	5.5	5.6	4.5	10.1	9.9	2	(2)

Production from own sources – Copper assets[1]

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
African Copper (Katanga, Mutanda, Mopani)											
Katanga	Copper metal[3]	kt	40.1	36.5	-	-	-	-	77.2	(100)	(100)
	Cobalt	kt	0.9	1.1	-	-	-	-	1.8	(100)	(100)
Mutanda	Copper metal[3]	kt	53.9	55.5	55.1	54.7	54.2	108.9	105.5	3	1
	Cobalt[4]	kt	3.7	4.9	5.3	4.9	6.0	10.9	6.3	73	62
Mopani	Copper metal	kt	27.8	29.5	12.8	10.7	10.6	21.3	49.8	(57)	(62)
African Copper - total production including third party feed											
Mopani	*Copper metal*	*kt*	*51.0*	*51.4*	*30.9*	*26.7*	*27.8*	*54.5*	*102.5*	*(47)*	*(45)*
	Total Copper metal[3]	**kt**	**121.8**	**121.5**	**67.9**	**65.4**	**64.8**	**130.2**	**232.5**	**(44)**	**(47)**
	Total Cobalt[4]	**kt**	**4.6**	**6.0**	**5.3**	**4.9**	**6.0**	**10.9**	**8.1**	**35**	**30**
Collahuasi[5]	**Copper metal**	**kt**	**2.9**	**2.6**	**1.4**	**0.8**	**0.7**	**1.5**	**5.8**	**(74)**	**(76)**
	Copper in concentrates	**kt**	**46.4**	**40.9**	**60.2**	**50.3**	**55.5**	**105.8**	**89.5**	**18**	**20**
	Silver in concentrates	**koz**	**587**	**621**	**1,086**	**774**	**876**	**1,650**	**1,121**	**47**	**49**
Antamina[6]	**Copper in concentrates**	**kt**	**29.0**	**36.4**	**38.6**	**36.8**	**40.1**	**76.9**	**56.8**	**35**	**38**
	Zinc in concentrates	**kt**	**19.0**	**24.5**	**19.6**	**14.1**	**7.7**	**21.8**	**35.2**	**(38)**	**(59)**
	Silver in concentrates	**koz**	**1,239**	**1,961**	**1,818**	**1,945**	**1,732**	**3,677**	**2,208**	**67**	**40**
Other South America (Alumbrera, Lomas Bayas, Antapaccay, Punitaqui)											
Alumbrera	Copper in concentrates	kt	10.0	14.8	25.8	20.1	17.2	37.3	21.2	76	72
	Gold in concentrates and in	koz	41	45	68	68	53	121	83	46	29
	Silver in concentrates and in	koz	86	117	190	161	154	315	191	65	79
Lomas Bayas	Copper metal	kt	17.6	16.8	19.5	18.4	20.9	39.3	34.8	13	19
Antapaccay	Copper in concentrates	kt	49.4	65.0	49.9	48.0	57.3	105.3	87.2	21	16
	Gold in concentrates	koz	27	45	36	19	27	46	41	12	-
	Silver in concentrates	koz	298	428	357	334	381	715	530	35	28

Appendix: Production by Quarter – Q2 2015 to Q2 2016

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Punitaqui	Copper in concentrates	kt	2.0	1.4	2.0	1.9	1.6	3.5	4.7	(26)	(20)
	Gold in concentrates	koz	-	-	-	1	3	4	-	n.m.	n.m.
	Silver in concentrates	koz	28	24	25	24	13	37	56	(34)	(54)
Punitaqui - total production including third party feed											
	Copper in concentrates	*kt*	*2.2*	*2.7*	*2.6*	*2.9*	*2.5*	*5.4*	*5.0*	*8*	*14*
	Gold in concentrates	*koz*	*-*	*-*	*-*	*2*	*3*	*5*	*-*	*n.m.*	*n.m.*
	Silver in concentrates	*koz*	*30*	*35*	*28*	*34*	*23*	*57*	*60*	*(5)*	*(23)*
	Total Copper metal	**kt**	**17.6**	**16.8**	**19.5**	**18.4**	**20.9**	**39.3**	**34.8**	**13**	**19**
	Total Copper in concentrates	**kt**	**61.4**	**81.2**	**77.7**	**70.0**	**76.1**	**146.1**	**113.1**	**29**	**24**
	Total Gold in concentrates and in doré	**koz**	**68**	**90**	**104**	**88**	**83**	**171**	**124**	**38**	**22**
	Total Silver in concentrates and in doré	**koz**	**412**	**569**	**572**	**519**	**548**	**1,067**	**777**	**37**	**33**
Australia (Mount Isa, Ernest Henry, Townsville, Cobar)											
Mount Isa, Ernest Henry, Townsville	Copper metal	kt	50.7	48.6	55.0	41.0	57.3	98.3	102.0	(4)	13
	Gold	koz	18	27	24	17	19	36	39	(8)	6
	Silver	koz	263	291	412	181	309	490	524	(6)	17
Mount Isa, Ernest Henry, Townsville - total production including third party feed											
	Copper metal	*kt*	*73.3*	*72.4*	*72.5*	*70.2*	*71.2*	*141.4*	*143.8*	*(2)*	*(3)*
	Gold	*koz*	*38*	*44*	*37*	*28*	*31*	*59*	*66*	*(11)*	*(18)*
	Silver	*koz*	*637*	*498*	*455*	*556*	*657*	*1,213*	*1,187*	*2*	*3*
Cobar	Copper in concentrates	kt	12.0	12.3	13.7	11.9	14.4	26.3	24.8	6	20
	Silver in concentrates	koz	126	124	133	114	145	259	239	8	15
	Total Copper	**kt**	**50.7**	**48.6**	**55.0**	**41.0**	**57.3**	**98.3**	**102.0**	**(4)**	**13**
	Total Copper in concentrates	**kt**	**12.0**	**12.3**	**13.7**	**11.9**	**14.4**	**26.3**	**24.8**	**6**	**20**
	Total Gold	**koz**	**18**	**27**	**24**	**17**	**19**	**36**	**39**	**(8)**	**6**
	Total Silver	**koz**	**389**	**415**	**545**	**295**	**454**	**749**	**763**	**(2)**	**17**
Total Copper department											
	Copper	**kt**	**341.8**	**360.3**	**334.0**	**294.6**	**329.8**	**624.4**	**659.3**	**(5)**	**(4)**
	Cobalt	**kt**	**4.6**	**6.0**	**5.3**	**4.9**	**6.0**	**10.9**	**8.1**	**35**	**30**
	Zinc	**kt**	**19.0**	**24.5**	**19.6**	**14.1**	**7.7**	**21.8**	**35.2**	**(38)**	**(59)**
	Gold	**koz**	**86**	**117**	**128**	**105**	**102**	**207**	**163**	**27**	**19**
	Silver	**koz**	**2,627**	**3,566**	**4,021**	**3,533**	**3,610**	**7,143**	**4,869**	**47**	**37**

Appendix: Production by Quarter – Q2 2015 to Q2 2016

Production from own sources – Zinc assets[1]

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Kazzinc											
	Zinc metal	**kt**	**43.0**	**52.8**	**51.4**	**42.9**	**46.3**	**89.2**	**89.2**	**-**	**8**
	Lead metal	**kt**	**3.1**	**10.2**	**8.1**	**12.2**	**11.9**	**24.1**	**8.0**	**201**	**284**
	Lead in concentrates	**kt**	**-**	**-**	**-**	**-**	**7.8**	**7.8**	**-**	**n.m.**	**n.m.**
	Copper metal[2]	**kt**	**12.8**	**13.3**	**14.6**	**12.7**	**12.4**	**25.1**	**24.0**	**5**	**(3)**
	Gold	**koz**	**125**	**135**	**138**	**101**	**142**	**243**	**247**	**(2)**	**14**
	Silver	**koz**	**563**	**1,289**	**1,046**	**886**	**1,212**	**2,098**	**1,318**	**59**	**115**
	Silver in concentrates	**koz**	**-**	**-**	**-**	**-**	**202**	**202**	**-**	**n.m.**	**n.m.**
Kazzinc - total production including third party feed											
	Zinc metal	*kt*	*75.5*	*76.6*	*77.3*	*76.0*	*76.1*	*152.1*	*150.6*	*1*	*1*
	Lead metal	*kt*	*23.4*	*32.6*	*34.6*	*33.1*	*35.0*	*68.1*	*52.6*	*29*	*50*
	Lead in concentrates	*kt*	*-*	*-*	*-*	*-*	*7.8*	*7.8*	*-*	*n.m.*	*n.m.*
	Copper metal	*kt*	*15.0*	*15.9*	*17.6*	*16.7*	*16.9*	*33.6*	*28.7*	*17*	*13*
	Gold	*koz*	*163*	*174*	*179*	*124*	*178*	*302*	*321*	*(6)*	*9*
	Silver	*koz*	*6,780*	*8,008*	*7,839*	*6,060*	*8,495*	*14,555*	*14,202*	*2*	*25*
	Silver in concentrates	*koz*	*-*	*-*	*-*	*-*	*202*	*202*	*-*	*n.m.*	*n.m.*
Australia (Mount Isa, McArthur River)											
Mount Isa	Zinc in concentrates	kt	128.0	127.7	96.3	80.3	62.2	142.5	254.2	(44)	(51)
	Lead in concentrates	kt	42.4	44.9	34.6	35.9	30.9	66.8	83.5	(20)	(27)
	Silver in concentrates	koz	1,817	1,510	1,427	1,760	1,643	3,403	3,587	(5)	(10)
McArthur River	Zinc in concentrates	kt	73.0	78.9	54.0	43.7	45.5	89.2	139.8	(36)	(38)
	Lead in concentrates	kt	12.7	15.4	12.3	11.1	10.5	21.6	25.3	(15)	(17)
	Silver in concentrates	koz	359	500	428	395	374	769	796	(3)	4
	Total Zinc in concentrates	**kt**	**201.0**	**206.6**	**150.3**	**124.0**	**107.7**	**231.7**	**394.0**	**(41)**	**(46)**
	Total Lead in concentrates	**kt**	**55.1**	**60.3**	**46.9**	**47.0**	**41.4**	**88.4**	**108.8**	**(19)**	**(25)**
	Total Silver in concentrates	**koz**	**2,176**	**2,010**	**1,855**	**2,155**	**2,017**	**4,172**	**4,383**	**(5)**	**(7)**
North America (Matagami, Kidd, Brunswick, CEZ Refinery)											
Matagami	Zinc in concentrates	kt	14.5	12.0	14.4	14.2	11.8	26.0	25.6	2	(19)
	Copper in concentrates	kt	1.8	2.2	2.7	3.0	2.4	5.4	3.3	64	33
Kidd	Zinc in concentrates	kt	14.7	16.8	14.8	12.8	19.5	32.3	31.6	2	33
	Copper in concentrates	kt	9.2	10.5	11.9	10.2	8.4	18.6	17.7	5	(9)
	Silver in concentrates	koz	521	659	569	359	520	879	1,140	(23)	-
	Total Zinc in concentrates	**kt**	**29.2**	**28.8**	**29.2**	**27.0**	**31.3**	**58.3**	**57.2**	**2**	**7**
	Total Copper in concentrates	**kt**	**11.0**	**12.7**	**14.6**	**13.2**	**10.8**	**24.0**	**21.0**	**14**	**(2)**
	Total Silver in concentrates	**koz**	**521**	**659**	**569**	**359**	**520**	**879**	**1,140**	**(23)**	**-**
North America - total production including third party feed											
Brunswick Smelter	*Lead metal*	*kt*	*17.7*	*18.7*	*20.9*	*19.8*	*13.7*	*33.5*	*31.2*	*7*	*(23)*
	Silver metal	*koz*	*5,597*	*5,950*	*5,157*	*5,122*	*4,299*	*9,421*	*10,247*	*(8)*	*(23)*
CEZ Refinery[7]	*Zinc metal*	*kt*	*16.7*	*16.5*	*18.0*	*16.9*	*17.3*	*34.2*	*33.7*	*1*	*4*

Appendix: Production by Quarter – Q2 2015 to Q2 2016

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Other Zinc (Aguilar, Los Quenuales, Sinchi Wayra, Rosh Pinah, Perkoa)											
	Zinc metal	**kt**	**8.5**	**8.5**	**5.7**	**-**	**-**	**-**	**11.9**	**(100)**	**(100)**
	Zinc in concentrates	**kt**	**73.4**	**75.6**	**61.5**	**49.1**	**56.4**	**105.5**	**142.8**	**(26)**	**(23)**
	Lead metal	**kt**	**3.5**	**3.3**	**3.5**	**2.8**	**3.3**	**6.1**	**5.9**	**3**	**(6)**
	Lead in concentrates	**kt**	**8.7**	**8.5**	**10.7**	**9.0**	**9.9**	**18.9**	**23.5**	**(20)**	**14**
	Copper in concentrates	**kt**	**0.6**	**0.7**	**0.6**	**0.4**	**0.5**	**0.9**	**1.1**	**(18)**	**(17)**
	Silver metal	**koz**	**153**	**205**	**210**	**120**	**186**	**306**	**276**	**11**	**22**
	Silver in concentrates	**koz**	**2,158**	**2,176**	**2,127**	**1,746**	**1,861**	**3,607**	**4,263**	**(15)**	**(14)**
Total Zinc department											
	Zinc	**kt**	**355.1**	**372.3**	**298.1**	**243.0**	**241.7**	**484.7**	**695.1**	**(30)**	**(32)**
	Lead	**kt**	**70.4**	**82.3**	**69.2**	**71.0**	**74.3**	**145.3**	**146.2**	**(1)**	**6**
	Copper	**kt**	**24.4**	**26.7**	**29.8**	**26.3**	**23.7**	**50.0**	**46.1**	**8**	**(3)**
	Gold	**koz**	**125**	**135**	**138**	**101**	**142**	**243**	**247**	**(2)**	**14**
	Silver	**koz**	**5,571**	**6,339**	**5,807**	**5,266**	**5,998**	**11,264**	**11,380**	**(1)**	**8**

Appendix: Production by Quarter – Q2 2015 to Q2 2016

Production from own sources – Nickel assets[1]

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Integrated Nickel Operations (Sudbury, Raglan, Nikkelverk)											
	Nickel metal	**kt**	**12.5**	**7.6**	**15.5**	**15.7**	**17.8**	**33.5**	**26.0**	**29**	**42**
	Nickel in concentrates	**kt**	**0.1**	**0.1**	**0.1**	**0.2**	**0.1**	**0.3**	**0.3**	**-**	**-**
	Copper metal	**kt**	**4.0**	**2.9**	**3.9**	**4.8**	**3.6**	**8.4**	**8.1**	**4**	**(10)**
	Copper in concentrates	**kt**	**10.0**	**6.7**	**7.0**	**9.3**	**10.9**	**20.2**	**17.4**	**16**	**9**
	Cobalt metal	**kt**	**0.2**	**0.2**	**0.2**	**0.2**	**0.3**	**0.5**	**0.4**	**25**	**50**
	Gold[2]	**koz**	**9**	**9**	**9**	**9**	**12**	**21**	**17**	**24**	**33**
	Silver[2]	**koz**	**178**	**135**	**151**	**210**	**196**	**406**	**324**	**25**	**10**
	Platinum[2]	**koz**	**22**	**15**	**17**	**20**	**30**	**50**	**44**	**14**	**36**
	Palladium[2]	**koz**	**48**	**30**	**35**	**38**	**63**	**101**	**92**	**10**	**31**
	Rhodium[2]	**koz**	**1**	**1**	**1**	**1**	**2**	**3**	**3**	**-**	**100**
Integrated Nickel Operations - total production including third party feed											
	Nickel metal	*kt*	*22.6*	*22.9*	*23.2*	*23.3*	*22.8*	*46.1*	*45.1*	*2*	*1*
	Nickel in concentrates	*kt*	*0.2*	*0.1*	*0.1*	*0.2*	*0.2*	*0.4*	*0.4*	*-*	*-*
	Copper metal	*kt*	*9.1*	*9.6*	*7.9*	*7.6*	*6.5*	*14.1*	*18.0*	*(22)*	*(29)*
	Copper in concentrates	*kt*	*11.8*	*8.3*	*8.8*	*10.7*	*13.0*	*23.7*	*21.1*	*12*	*10*
	Cobalt metal	*kt*	*0.8*	*0.7*	*0.9*	*0.9*	*0.9*	*1.8*	*1.5*	*20*	*13*
	Gold[2]	*koz*	*13*	*13*	*13*	*12*	*17*	*29*	*24*	*21*	*31*
	Silver[2]	*koz*	*302*	*244*	*253*	*336*	*322*	*658*	*549*	*20*	*7*
	Platinum[2]	*koz*	*30*	*20*	*26*	*27*	*43*	*70*	*60*	*17*	*43*
	Palladium[2]	*koz*	*70*	*50*	*59*	*55*	*95*	*150*	*133*	*13*	*36*
	Rhodium[2]	*koz*	*1*	*2*	*1*	*2*	*2*	*4*	*3*	*33*	*100*
Murrin Murrin											
	Total Nickel metal	**kt**	**9.8**	**9.3**	**10.5**	**9.3**	**8.4**	**17.7**	**17.7**	**-**	**(14)**
	Total Cobalt metal	**kt**	**0.8**	**0.6**	**0.7**	**0.7**	**0.6**	**1.3**	**1.5**	**(13)**	**(25)**
Murrin Murrin - total production including third party feed											
	Total Nickel metal	*kt*	*12.4*	*12.0*	*12.8*	*12.0*	*10.9*	*22.9*	*21.9*	*5*	*(12)*
	Total Cobalt metal	*kt*	*0.9*	*0.8*	*0.9*	*0.8*	*0.7*	*1.5*	*1.6*	*(6)*	*(22)*
Koniambo	**Nickel in ferronickel**	**kt**	**2.7**	**2.8**	**1.4**	**2.4**	**3.2**	**5.6**	**4.9**	**14**	**19**
Total Nickel department											
	Nickel	**kt**	**25.1**	**19.8**	**27.5**	**27.6**	**29.5**	**57.1**	**48.9**	**17**	**18**
	Copper	**kt**	**14.0**	**9.6**	**10.9**	**14.1**	**14.5**	**28.6**	**25.5**	**12**	**4**
	Cobalt	**kt**	**1.0**	**0.8**	**0.9**	**0.9**	**0.9**	**1.8**	**1.9**	**(5)**	**(10)**
	Gold	**koz**	**9**	**9**	**9**	**9**	**12**	**21**	**17**	**24**	**33**
	Silver	**koz**	**178**	**135**	**151**	**210**	**196**	**406**	**324**	**25**	**10**
	Platinum	**koz**	**22**	**15**	**17**	**20**	**30**	**50**	**44**	**14**	**36**
	Palladium	**koz**	**48**	**30**	**35**	**38**	**63**	**101**	**92**	**10**	**31**
	Rhodium	**koz**	**1**	**1**	**1**	**1**	**2**	**3**	**3**	**-**	**100**

Appendix: Production by Quarter – Q2 2015 to Q2 2016

Production from own sources – Ferroalloys assets[1]

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Ferrochrome[8]		kt	371	316	390	400	362	762	756	1	(2)
PGM[9]	Platinum	koz	25	21	16	15	16	31	45	(31)	(36)
	Palladium	koz	12	12	10	9	10	19	23	(17)	(17)
	Rhodium	koz	4	4	2	3	2	5	7	(29)	(50)
	Gold	koz	-	-	-	-	1	1	1	-	n.m.
	4E	**koz**	**41**	**37**	**28**	**27**	**29**	**56**	**76**	**(26)**	**(29)**
Vanadium Pentoxide		mlb	4.6	5.5	5.5	5.6	4.5	10.1	9.9	2	(2)

Total production – Custom metallurgical assets[1]

			Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Copper (Altonorte, Pasar, Horne, CCR)											
	Copper metal	kt	101.2	95.1	121.7	113.9	127.7	241.6	216.9	11	26
	Copper anode	kt	119.8	134.8	123.1	136.1	129.0	265.1	244.9	8	8
Zinc (Portovesme, San Juan de Nieva, Nordenham, Northfleet)											
	Zinc metal	kt	195.8	197.9	200.8	197.6	197.3	394.9	390.1	1	1
	Lead metal	kt	44.5	53.8	50.9	55.5	54.8	110.3	94.5	17	23
	Silver	koz	2,546	2,735	3,342	3,058	4,247	7,305	5,143	42	67
Ferroalloys											
	Ferromanganese	kt	34	33	44	45	28	73	69	6	(18)
	Silicon Manganese	kt	27	25	18	19	25	44	55	(20)	(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 50% of Mototolo and 100% of Eland (placed on care and maintenance from October 2015).

Energy Products

Production from own sources

Coal assets[1]

		Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Australian coking coal	mt	1.2	1.5	1.7	1.2	0.8	2.0	2.7	(26)	(33)
Australian semi-soft coal	mt	0.8	0.9	0.9	1.0	1.2	2.2	1.8	22	50
Australian thermal coal (export)	mt	11.7	14.6	13.6	11.6	12.5	24.1	24.2	-	7
Australian thermal coal (domestic)	mt	0.9	1.2	1.0	1.7	1.5	3.2	1.7	88	67
South African thermal coal (export)	mt	5.3	5.2	3.5	4.1	4.3	8.4	11.0	(24)	(19)
South African thermal coal (domestic)	mt	5.6	4.3	1.7	3.2	2.5	5.7	11.3	(50)	(55)
Prodeco	mt	4.7	3.8	3.7	4.3	4.0	8.3	10.1	(18)	(15)
Cerrejón[2]	mt	2.9	2.5	2.7	2.6	2.3	4.9	5.9	(17)	(21)
Total Coal department	**mt**	**33.1**	**34.0**	**28.8**	**29.7**	**29.1**	**58.8**	**68.7**	**(14)**	**(12)**

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

		Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Glencore entitlement interest basis										
Equatorial Guinea	kbbl	1,263	1,220	1,238	1,147	953	2,100	2,479	(15)	(25)
Chad	kbbl	1,463	1,520	1,297	1,253	997	2,250	2,815	(20)	(32)
Total Oil department	kbbl	2,726	2,740	2,535	2,400	1,950	4,350	5,294	(18)	(28)
Gross basis										
Equatorial Guinea	kbbl	5,849	5,841	5,651	5,177	4,464	9,641	11,447	(16)	(24)
Chad	kbbl	2,000	2,077	1,773	1,713	1,363	3,076	3,849	(20)	(32)
Total Oil department	kbbl	7,849	7,918	7,424	6,890	5,827	12,717	15,296	(17)	(26)

Agricultural Products

Processing/production data

		Q2 2015	Q3 2015	Q4 2015	Q1 2016	Q2 2016	H1 2016	H1 2015	Change H1 16 vs H1 15 %	Change Q2 16 vs Q2 15 %
Farming	kt	99	448	124	6	183	189	132	43	85
Crushing	kt	1,747	1,740	1,627	1,826	1,935	3,761	2,702	39	11
Long term toll agreement	kt	130	92	62	141	214	355	130	173	65
Biodiesel	kt	139	164	144	119	158	277	248	12	14
Rice milling	kt	44	83	32	56	59	115	91	26	34
Wheat milling	kt	250	254	236	239	241	480	486	(1)	(4)
Sugarcane processing	kt	702	1,273	776	219	1,046	1,265	702	80	49
Total Agricultural products	**kt**	**3,111**	**4,054**	**3,001**	**2,606**	**3,836**	**6,442**	**4,491**	**43**	**23**

Appendix:
Full year 2016 production guidance

Full year 2016 production guidance

		Actual FY 2014	Actual FY 2015	Actual H1 2016	Guidance FY 2016
Copper	kt	1,546	1,502	703	1,410 ± 25
Zinc	kt	1,387	1,445	507	1,095 ± 25
Lead	kt	308	298	145	285 ± 10
Nickel	kt	101	96	57	116 ± 4
Ferrochrome	kt	1,295	1,462	762	1,575 ± 25
Coal	mt	146	132	59	125 ± 3
Oil – entitlement interest basis	kbbl	7,351	10,569	4,350	8,000 ± 300

Changes to previous guidance reflect:

- Copper: up 20kt to 1,410kt (± 25kt) – strong YTD performances across a number of assets, including Collahuasi
- Coal: down 5mt to 125mt (± 3mt) – lower South African output and weather-related reductions in Colombia
- Oil: down 200kbbl to 8,000kbbl (± 300kbbl) – reduced workover activity in Chad, basis current lower prices, and the wish to preserve the resource for an improved margin environment

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