GLENCORE
INTERNATIONAL AG AND SUBSIDIARIES

First Quarter

2008

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Financial highlights

Three months ended March 31, 2008 and 2007

% Change	US $ million 2008	US $ million 2007	
33%	39 914	29 974	Revenues
9%	1 558	1 431	Gross income
10%	1 817	1 645	EBITDA[1]
9%	1 689	1 553	Income before interest, tax and other items
– 26%	1 415	1 907	Glencore net income[2]
30%	1 361	1 046	Glencore net income[2] (excluding gains on sale of investments after tax)

March 31, 2008 compared to December 31, 2007

% Change	US $ million 2008	US $ million 2007	
11%	66 623	59 955	Total assets
7%	16 786	15 671	Glencore shareholders' funds[3]
2%	10 655	10 433	Net debt[4]
7%	28 545	26 594	Capitalization[5]

Key ratios as of March 31, 2008 and December 31, 2007

2008	2007	
1.17	1.17	Current ratio (times)
37.5	37.7	Long term debt to capitalization[5] (%)
1.58	1.50	Glencore shareholders' funds[3] to net debt[4]
1.47	1.34	Net debt[4] to EBITDA[1] (times)[6]

1 EBITDA consists of income before interest, tax and other items of $ 1,689 million (2007: $ 1,553 million) plus depreciation of $ 128 million (2007: $ 92 million).

2 Glencore net income consists of income before attribution of $ 1,477 million (2007: $ 2,000 million) less attribution to minority interest of $ 62 million (2007: $ 93 million).

3 Glencore shareholders' funds consist of net assets attributable to profit participation shareholders, minority interest and equity holders of $ 17,828 million (2007: $ 16,571 million) less minority interest of $ 1,042 million (2007: $ 900 million).

4 Net debt consists of total debt less cash and cash equivalents, marketable securities, readily marketable inventories of $ 9,365 million (2007: $ 8,648 million) and an adjustment of $ 503 million (2007: $ 327 million) to record non US Dollar debt at its historical hedged amounts.

5 Capitalization is the sum of long term debt, minority interest and Glencore shareholders' funds.

6 3 month figures have been annualized; full year EBITDA 2007 of $ 7,763 million consists of income before interest, tax and other items of $ 7,326 million plus depreciation of $ 437 million.

Financial review

Income Statement

First quarter 2008 provided a solid start to the year with increases over the comparable 2007 period as follows:

- Income before interest, tax and other items up 9% from $ 1,553 million to $ 1,689 million
- Glencore net income (excluding gains on sale of investments after tax of $ 54 million and $ 861 million respectively) up 30% from $ 1,046 million to $ 1,361 million

The marketing activities' share of aggregate segment results (sum of gross income, share of income from associates and dividend income) amounted to 59% in the first quarter of 2008, up from 47% in the corresponding 2007 period. This increase was achieved on the back of continued positive industry dynamics for many of our key commodities, coupled with low inventories (in relation to consumption levels) and record prices.

Selling and administrative expenses were 21% higher primarily due to additional variable compensation expenses related to higher earnings and to a lesser extent, the impact of the weaker US Dollar. Dividend income, as in 2007, related almost entirely to cash receipts from our stake in United Company Rusal Limited ("UCR").

Interest income was up $ 81 million compared to the first quarter 2007, primarily due to the recognition of first quarter 2008 interest income on loans extended to companies of the Russneft Group. Whilst we conservatively did not account for such interest in 2007, we now expect interest to be received on a quarterly basis. Overall, net interest decreased by 16% compared to the corresponding quarter.

The net gain on sale of investments of $ 78 million ($ 54 million after tax) relates primarily to the disposal of approximately 5% of Kazzinc, reducing our ownership to 69%. In 2007, the net gain of $ 861 million resulted from the merger of certain of our aluminum and alumina assets with those of Rusal, and Sual's aluminum assets, in exchange for a 12% stake in the combined entity UCR. Our % ownership in UCR reduced to 10.3% in April 2008, following the issue of new shares in connection with UCR's purchase of a 25% stake in Norilsk Nickel.

Changes in mark to market valuation mainly reflect movements related to the exchange feature (into Xstrata shares) of the Exchangeable bonds. Since April 2008, further Exchangeable bonds were redeemed for a total consideration of $ 469 million, representing $ 72 million of notional. The notional amount of outstanding bonds is now $ 34 million.

Cash flows / liquidity

Cash flows from operating activities before working capital changes amounted to $ 1,420 million for the first 3 months of 2008, representing an increase of 11% compared to $ 1,285 million for the corresponding 2007 period. Net working capital increased by $ 1,147 million during the first quarter, including some $ 700 million of additional net cash margin call requirements to an approximate balance of $ 1.2 billion in respect of Glencore's hedging activities. The latter was principally due to commodity price surges during the quarter, including aluminum (up 26%), copper (up 27%), wheat (up 15%), coal (up 17%) and crude oil/oil products (up 20%).

Investing activities amounted to a net outflow of $ 690 million over the first 3 months of 2008, compared to $ 142 million in 2007. The net outflow comprises primarily Kazzinc's new 40% investment in Vasilkovskoje Gold, a gold development project also in Kazakhstan, continued capital expenditure in respect of previously discussed organic expansion programs (the most noteworthy being our significant Colombian coal expansion and building of a new copper smelter at Kazzinc), and the procurement of various new sea going vessels. Looking at our current industrial portfolio, we expect 2008 to be a peak capital expenditure year, with all such initiatives expected to result in substantially enhanced income, and cash flow generating potential in future periods.

At the end of the first quarter, we had available committed credit lines and cash exceeding $ 3 billion, which is comfortably above our $ 2 billion internal target. In April, we further extended our maturity profile by issuing EUR 750 million 7 year Eurobonds, while in May we extended the maturity of some 90% of our $ 8.21 billion medium term revolving credit facility from 2010 to 2011, and increased the short term tranche by $ 360 million (64%) to $ 925 million.

The following table summarizes our net balance sheet liquidity as at March 31, 2008:

After 5 years	Due 1 - 5 years	Due 0 - 1 year	Total	US $ million
15 970	0	0	15 970	Investments[1]
0	1 972	0	1 972	Long term advances and loans
0	0	11 231	11 231	Marketing inventories
0	0	27 803	27 803	Accounts receivable
0	0	1 143	1 143	Cash and securities
15 970	1 972	40 177	58 119	
– 4 199	– 6 518	– 714	– 11 431	Long term debt
0	– 3 750	– 6 485	– 10 235	Short term debt[2]
0	0	– 25 314	– 25 314	Accounts payable and income tax
– 4 199	– 10 268	– 32 513	– 46 980	
11 771	– 8 296	7 664	11 139	Net

1 As at March 31, 2008, the fair value of listed associates was $ 25 billion

2 $ 3,750 million of reported short term debt is drawn under a 3 year committed facility

On April 3, 2008, Standard & Poor's upgraded our corporate credit rating by one notch to BBB/A-2, maintaining its positive outlook.

Balance sheet

The current ratio as of March 31, 2008, remained unchanged at 1.17 compared with December 31, 2007, and net current assets increased by $ 731 million to $ 6,146 million. At March 31, 2008, 83% ($ 9,365 million) of total marketing inventories were contractually sold or hedged (readily marketable inventories), compared to 84% ($ 8,648 million) at December 31, 2007.

Net debt increased marginally from $ 10,433 million at December 31, 2007 to $ 10,655 million at March 31, 2008, while over the same period, Glencore shareholders' funds increased by $ 1,115 million (7%) to $ 16,786 million.

Consolidated financial statements

Consolidated statements of income
for the three months ended March 31, 2008 and 2007

2008 (unaudited)	2007 (unaudited)	US $ million
39 914	29 974	Revenues
– 38 356	– 28 543	Cost of goods sold
1 558	1 431	Gross income
– 294	– 243	Selling and administrative expenses
360	298	Share of income from associates
65	67	Dividend income
1 689	1 553	Income before interest, tax and other items
101	20	Interest income
– 334	– 298	Interest expense
78	861	Gain on sale of investments
32	36	Changes in mark to market valuation – net
56	20	Other income/(expense) – net
1 622	2 192	Income before income taxes and attribution
– 145	– 192	Income taxes
1 477	2 000	Income before attribution
– 171	– 224	Attribution to hybrid profit participation shareholders
– 1 029	– 1 346	Attribution to ordinary profit participation shareholders
277	430	Income for the period
		Attribution to:
– 62	– 93	Minority interest
– 215	– 337	Equity holders

Consolidated balance sheets
as of March 31, 2008 and December 31, 2007

2008 (unaudited)	2007 (audited)	US $ million Assets
		Non current assets
6 101	5 742	Property, plant and equipment
12 562	11 822	Investments in associates
3 408	3 611	Other investments
1 972	1 730	Long term advances and loans
171	168	Deferred income taxes
24 214	23 073	Total non current assets
		Current assets
13 463	12 212	Inventories
27 803	23 673	Accounts receivable
352	339	Marketable securities
791	658	Cash and cash equivalents
42 409	36 882	Total current assets
66 623	59 955	Total assets

2008 (unaudited)	2007 (audited)	US $ million Liabilities and equity
		Net assets attributable to profit participation shareholders, minority interest and equity holders
46	46	Share capital
2 938	2 901	Reserves and retained earnings
1 042	900	Minority interest
4 026	3 847	
1 491	1 320	Hybrid profit participation shareholders
12 311	11 404	Ordinary profit participation shareholders
17 828	16 571	Total net assets attributable to profit participation shareholders, minority interest and equity holders
		Other non current liabilities
10 717	10 023	Long term debt
664	687	Deferred income taxes
1 151	1 207	Provisions and other long term liabilities
12 532	11 917	Total other non current liabilities
		Current liabilities
714	758	Current portion of long term debt
10 235	9 624	Short term debt
24 947	20 760	Accounts payable
367	325	Income tax payable
36 263	31 467	Total current liabilities
66 623	59 955	Total liabilities and equity

Consolidated statements of cash flows
for the three months ended March 31, 2008 and 2007

2008 (unaudited)	2007 (unaudited)	US $ million
		Operating activities
1 622	2 192	Income before income taxes and attribution
		Adjustments to reconcile income before income taxes and attribution to net cash provided/(used) by operating activities
128	92	Depreciation and amortization
– 360	– 298	Share of income from associates
– 16	– 24	Unrealized (gain)/loss on bonds' exchange feature
– 38	– 33	Increase/(decrease) in long term provisions
– 78	– 861	(Gain)/loss on sale of investments – net
– 20	– 12	Unrealized mark to market movements on other investments
– 65	– 67	Dividends received from other investments
14	18	Other non cash items
233	278	Interest expense – net
1 420	1 285	Cash provided by operating activities before working capital changes
		Working capital changes
– 13	0	(Increase)/decrease in marketable securities
– 3 788	466	(Increase)/decrease in accounts receivable
– 1 252	– 43	(Increase)/decrease in inventories
3 906	– 497	Increase/(decrease) in accounts payable
– 1 147	– 74	Total working capital changes
273	1 211	Cash provided/(used) by operating activities
– 134	– 193	Income taxes paid
84	17	Interest received
– 265	– 253	Interest paid
– 42	782	Net cash provided/(used) by operating activities

Consolidated statements of cash flows
for the three months ended March 31, 2008 and 2007

2008 (unaudited)	2007 (unaudited)	US $ million
		Investing activities
– 55	11	(Increase)/decrease in long term advances and loans
– 17	0	Net cash used in acquisition of subsidiaries
– 378	– 94	Purchase of investments
– 444	– 260	Purchase of property, plant and equipment
13	7	Proceeds from sale of property, plant and equipment
56	117	Proceeds from sale of investments
61	0	Return of capital
74	77	Dividends received
– 690	– 142	Net cash provided/(used) by investing activities
		Financing activities
1 111	– 1 051	Net proceeds/(repayment) of short term debt[1]
– 17	– 20	Net proceeds/(repayment) of other long term bank debt
0	1 266	Net proceeds from issuance of Sterling bonds
– 193	– 119	Payment of profit participation certificates
– 3	– 776	Repurchase of Exchangeable bonds
– 33	– 81	Dividend to minority interest
865	– 781	Net cash provided /(used) by financing activities
133	– 141	Increase/(decrease) in cash and cash equivalents
658	796	Cash and cash equivalents, beginning of period
791	655	Cash and cash equivalents, end of period

[1] 2008 amount includes a portion of the committed revolving credit facility recorded as long term

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