GLENCORE

Interim Report and Financial Review 2006

GLENCORE
INTERNATIONAL AG
AND SUBSIDIARIES

Interim Report and Financial Review 2006

Table of contents

Financial highlights

First half 2006 compared to first half 2005

- **Revenues up 35% from \$ 41,328 million to \$ 55,908 million**

- **Operating income up 100% from \$ 1,239 million to \$ 2,484 million**

- **Glencore net income[1] up 195% from \$ 1,069 million to \$ 3,154 million (up 104% excluding the Gain on sale of investments)**

- **Cash flows from operating activities before working capital changes up 121% from \$ 1,169 million to \$ 2,580 million**

June 30, 2006 compared to December 31, 2005

- **Glencore shareholders' funds[1] up 47% from \$ 6,442 million to \$ 9,488 million**

- **Net debt[1] to annualized EBITDA[1] down to 0.99 times from 1.8 times**

[1] refer to glossary on page 9 with definitions and calculations

2006 (unaudited)	2005 (unaudited)	US $ million
		Key figures for the six months ended June 30, 2006 and 2005
2 695	1 331	Gross income
2 999	1 573	Segment results
2 629	1 384	EBITDA[1]
2 484	1 239	Operating income
3 154	1 069	Glencore net income[1]
2 580	1 169	Cash provided by operating activities before working capital changes
		Key figures as of June 30, 2006 and December 31, 2005
40 264	32 381	Total assets
9 488	6 442	Glencore shareholders' funds[1]
5 219	5 314	Net debt[1]
16 386	11 141	Capitalization[1]
12 391	12 935	Current capital employed[1]
5 778	4 885	Net working capital
		Key ratios as of June 30, 2006 and December 31, 2005
		Working capital ratios:
1.27	1.25	Current ratio (times)
35	35	Inventories (days)
26	28	Accounts receivable (days)
23	23	Accounts payable (days)
38	40	Net conversion cycle[1] (days)
		Equity, gearing and coverage ratios:
39.3	39.0	Long term debt to capitalization[1] (%)
79.2	46.2	Return on average Glencore shareholders' funds[1, 2] (%)
0.97	1.05	Current capital employed[1] to total debt (times)
0.99	1.80	Net debt[1] to EBITDA[1, 2] (times)
8.43	6.46	EBITDA[1] to net interest (times)

1 refer to glossary on page 9 with definitions and calculations

2 6 month figures have been annualized

Interim review

Results

Continued strong results from all business segments and gains from the sale of investments contributed to a near tripling of Glencore's net income compared to the first half of 2005, from $ 1.07 billion to $ 3.15 billion.

Revenues

Significant price increases in most of the commodities Glencore markets and produces, including the base metals' aluminum, copper and zinc (up 11%, 58% and 76% respectively since December 31, 2005 and period on period average prices up 38%, 83% and 113% respectively), contributed to an increase of $ 14.58 billion (35%) in revenues to $ 55.91 billion.

Operating income

Gross income for the first half of 2006 increased by $ 1.36 billion (102%) to $ 2.70 billion, as industrial operations continued to benefit from stronger commodity prices, and the physical marketing activities handled higher volumes and recorded higher income.

Segment results (gross income and related share of income from associates) of all our businesses experienced double digit increases compared to 2005. Metals and Minerals led the way, up $ 1.26 billion (160%) from $ 0.78 billion to $ 2.04 billion, followed by Energy Products up $ 104 million (14%) from $ 0.76 billion to $ 0.87 billion and Agricultural Products up $ 13 million (21%) to $ 75 million.

Share of income from associates was up $ 62 million to $ 304 million (26%) compared to 2005 due to increased commodity prices and profitability at our associate operations. 2006 includes a contribution of $ 52 million relating to the increased shareholding in Xstrata resulting from the equity swap arrangement being brought on balance sheet. However, this was partly offset by the lower share in earnings from the Cerrejon Coal Group following its sale.

Selling and administrative expenses of $ 515 million increased by $ 181 million (54%) over the corresponding 2005 period, primarily due to variable payroll expenses related to our record earnings.

Interest expense and interest income

Interest expense

Compared to the first half of 2005, interest expense increased due to higher short term U.S. Dollar interest rates and, to a lesser extent, the rise in average borrowings.

Variable interest expense

One month U.S. Dollar Libor continued its steady increase during the first half of 2006, averaging 4.83% p.a., compared to an average 2.88% p.a. in the corresponding 2005 period. Consequently, interest expense on floating rate debt increased by $ 127 million to $ 288 million in the first half of 2006 from $ 161 million in the corresponding 2005 period. Floating rate debt is predominantly used to fund fast turning working capital. The increased cost of funding is taken into account in transactional pricing and terms, which in turn has contributed to the higher level of gross income.

Fixed interest expense

Interest expense on fixed rate funding was $ 137 million for the first half of 2006, representing an increase of $ 32 million over the corresponding 2005 period. The net increase is primarily due to the impact of the Perpetual Notes issued in February 2006.

Interest income

A large portion of interest income is derived from loans advanced to Russneft Group companies, with the increase in interest income being primarily attributable to the short term interest rate hikes referred to above.

Gain on sale of investments

The net gain on sale of investments of $ 977 million for the first half of 2006 was due to the sale of Glencore's 33.3% interest in the Cerrejon Coal Group to Xstrata. No disposals took place during the first 6 months of 2005.

Changes in mark to market valuation - net

For the first half of 2006, a net positive change in mark to market valuation of $ 543 million was recognized compared to $ 261 million in 2005. Due to further strengthening in Xstrata's share price in 2006, a positive net mark to market valuation of $ 1,324 million was recorded on the equity swap arrangement, compared to $ 276 million in the corresponding 2005 period. Conversely, a negative mark to market movement of $ 833 million was recorded in relation to the exchange feature into Xstrata shares of the Exchangeable bonds. The corresponding amount in 2005 was $ 12 million.

As described in Note 8, the shares underlying the equity swap arrangement have been rerecognized and accordingly, no further mark to market movements will be recorded.

Income taxes

The effective tax rate in 2006 was 12% (16%, excluding the 'gain on sale of investments'), compared to 13% in 2005.

Cash flows

Cash provided by operating activities

Cash flows from operating activities before working capital changes increased by 121% from $ 1.17 billion to a strong $ 2.58 billion. However, as would be expected, the sharp increase in commodity prices resulted in a $ 1.65 billion increase in net working capital. Only $ 137 million of this increase related to movements in the second quarter, as the recent rises in commodity prices surged in late April/early May and have since been more stable.

This working capital increase, which is substantially driven by the rise in commodity prices and to a lesser extent the increase in volumes, is associated with excellent value creation opportunities for Glencore, and the resultant additional investment in working capital should be viewed in the context of such positive business environment. At the same time, Glencore continues to actively manage the quality and turnover of its inventories and receivables, and ensures that adequate liquidity levels are maintained at all times. Conversely, should commodity prices move lower, net working capital would be expected to reduce, providing Glencore with substantial cash inflows.

Net cash provided/used by investing activities

Investing activities primarily comprises the $ 1.73 billion inflow of funds from the disposal of the Cerrejon stake, offset by capital expenditure of $ 408 million at the industrial operations, including the ongoing expansion projects at Mopani, Kazzinc and Pasar. In addition, during the second quarter, a 70% interest in a South African coal mine and a 100% interest in a United States zinc operation were acquired for a total consideration of $ 120 million.

Due to the disposal of Cerrejon, return of capital from associates and dividends received decreased from $ 76 million during the first six months of 2005 to $ 35 million in the corresponding 2006 period.

In August 2006, our associate Xstrata successfully acquired the majority of the balance of shares outstanding in Falconbridge, not already owned by it. They have announced that they intend to refinance a portion of this acquisition through an equity capital raising in due course. Although the exact amount is unknown at this stage, under our current working assumptions, it is likely that we would follow our participation rights.

Net cash provided/used by financing activities

During the first half of 2006, operating cashflow and the proceeds received from the sale of Cerrejon were applied towards debt reduction. During the second quarter, we repurchased, but did not cancel, Exchangeable bonds with a notional value of $ 58.5 million for a total consideration of $ 143 million. Since June 30, 2006, we repurchased additional Exchangeable bonds with a notional value of $ 76 million.

Balance sheet

Assets, leverage and working capital

Increasing commodity prices contributed significantly to an increase in total assets of 24% to $ 40.26 billion as of June 30, 2006, from $ 32.38 billion as of December 31, 2005.

As described in Note 8, the intention to reacquire 100% of the Xstrata shares underlying the equity swap arrangement, representing 21.6% of Xstrata's shares then outstanding, was confirmed in May 2006. As a result, investments in associates increased by $ 5.01 billion, accounting for the majority of the $ 5.55 billion increase in long term assets compared to December 31, 2005.

Current assets increased during the same period by $ 2.34 billion (9%) to $ 27.11 billion. The current ratio as of June 30, 2006, was 1.27, compared with 1.25 as of December 31, 2005. Net working capital increased by $ 0.89 billion to $ 5.78 billion.

Average days on hand for inventories was 35 days for the first half of 2006, the same level as for the first half of 2005, average days on hand for accounts receivable decreased by 2 days to 26 days, and average days on hand for accounts payable was 23 days as per 2005. Overall, the net conversion cycle decreased by 2 days to 38 days. 86% of total trading inventories were contractually sold or hedged (readily marketable inventories) as of June 30, 2006 compared with 83% as of December 31, 2005. These inventories are readily convertible into cash due to their liquid nature, widely available markets, and the fact that any associated price risk is covered either by a physical sale transaction or a hedge transaction on a commodity exchange, or with a highly rated counterparty. Given the cash like nature of these inventories, which represent a significant share of current assets, it is appropriate to consider them as cash equivalents in analyzing net debt levels and computing certain debt coverage ratios.

After taking into account these readily marketable inventories, net debt as of June 30, 2006, was $ 5.22 billion and $ 5.31 billion as of December 31, 2005. The 2006 amount takes into account $ 1.24 billion of additional long term debt, resulting from the equity swap arrangement being brought on balance sheet. The ratio of net debt to EBITDA decreased from 1.8 for 2005 to 0.99 for the first six months of 2006, and the ratio of EBITDA to net interest improved from 6.46 for 2005 to 8.43 for the first half of 2006. Another compelling debt coverage ratio is the current capital employed to total debt ratio of 0.97 times, almost covering total debt as of June 30, 2006.

Glencore shareholders' funds as of June 30, 2006 were $ 9.49 billion, an increase of $ 3.05 billion (47%) compared with $ 6.44 billion as of December 31, 2005. In line with this increase, total capitalization increased from $ 11.14 billion as of December 31, 2005, to $ 16.39 billion as of June 30, 2006. The long term debt to total capitalization ratio remained steady at 39%.

Capital resources and financing

During 2006, efforts continued to extend the maturity profile of debt. In February 2006, Glencore issued $ 700 million Perpetual Notes and in May 2006, successfully increased the size of its committed revolving credit facility from $ 6.73 billion to $ 7.78 billion and extended the maturity profile ($ 6.13 billion with a 3 year maturity and $ 1.65 billion with a 364 day term and a 1 year term out option). Detailed descriptions of each of the facilities can be found in notes 13 and 14 of the financial statements. The following facilities and funding programs are currently in place:

Facility/Program US $ million	Initial issue / current rollover	Amount issued or outstanding June 30, 2006	 December 31, 2005
U.S. senior notes	975	569	659
2014 144A Notes	950	941	941
2010 Exchangeable bonds	800	748	797
2011 Eurobonds (Euro 600 million)	739	767	708
Perpetual Notes	700	700	0
Purchase of profit participation certificates	1 277	1 277	1 039
Committed syndicated revolving credit facility	7 775	3 740	5 000
Stand alone A-3/P-3 U.S. commercial paper program[1]	2 500	0	231
Asset backed (inventory) U.S. commercial paper program	750	471	515
Asset backed (receivables) U.S. commercial paper program	1 500	1 500	1 500
Unsecured bilateral bank credit facilities[2]	1 091	275	395
Xstrata equity swap[3]	1 244	1 244	0
Other financings	601	601	509

1 amounts drawn under this program cannot be drawn under the committed syndicated revolving credit facility

2 available credit facilities from a number of international banks

3 see note 8 of the financial statements

There are no outstanding off balance sheet financings.

Glencore maintains adequate liquidity via its committed credit facilities and diversified funding sources. As at June 30, 2006, Glencore had available undrawn committed facilities in excess of $ 4 billion.

Certain debt arrangements require compliance with specific financial covenants related to working capital, current ratio, and a maximum long term debt to tangible net worth ratio. Currently, there is significant headroom under these covenants.

None of the credit facilities or funding programs include rating triggers which would accelerate repayment obligations in the event of a credit rating downgrade. In light of our extensive funding activities in the public debt capital markets, investment grade ratings are of utmost importance to us. We maintain an ongoing dialogue with both rating agencies with a view to maintain and improve our ratings.

Glossary to financial highlights and interim review

Capitalization

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

Current capital employed

Current capital employed is current assets less accounts payable.

EBITDA

2006 US $ million (unaudited)	2005 US $ million (unaudited)	
2 484	1 239	Operating income
145	145	Depreciation and amortization
2 629	1 384	EBITDA

Glencore net income

Income before attribution less attribution to minority interest.

Glencore shareholders' funds

Net assets attributable to profit participation shareholders, minority interest and equity holders less minority interest.

Net conversion cycle

Days on hand for inventory plus days on hand for accounts receivable less days on hand for accounts payable.

Net debt

Net debt consists of total debt less cash and cash equivalents, marketable securities and the amount of readily marketable inventories.

Readily marketable inventories

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

Interim consolidated financial statements

Consolidated statements of income
for the six months ended June 30, 2006 and 2005

US $ million

Notes	2006 (unaudited)	2005 (unaudited)	
	55 908	41 328	Revenues
	– 53 213	– 39 997	Cost of goods sold
	2 695	1 331	Gross income
	– 515	– 334	Selling and administrative expenses
	304	242	Share of income from associates
	2 484	1 239	Operating income
4	– 312	– 206	Interest expense – net
	3	– 2	Foreign exchange adjustments
5	977	0	Gain on sale of investments
6	543	261	Changes in mark to market valuation – net
	2	– 3	Other income/(expense) – net
	3 697	1 289	Income before income taxes and attribution
	– 434	– 171	Income taxes
	3 263	1 118	Income before attribution
	– 2 171	– 881	Attribution to profit participation shareholders
	1 092	237	Income for the period
			Attribution to:
	– 109	– 49	Minority interest
	– 983	– 188	Equity holders

The accompanying notes are an integral part of these interim consolidated financial statements

Consolidated balance sheets
as of June 30, 2006 and December 31, 2005

US $ million

Notes	2006 (unaudited)	2005 (audited)	Assets
			Non current assets
7	4 068	3 664	Property, plant and equipment
8	8 081	2 916	Investments in associates and other investments
9	828	846	Long term advances and loans
	182	188	Deferred income taxes
	13 159	7 614	Total non current assets
			Current assets
10	9 498	8 984	Inventories
11	16 699	15 180	Accounts receivable
	287	257	Marketable securities
	621	346	Cash and cash equivalents
	27 105	24 767	Total current assets
	40 264	32 381	Total assets

The accompanying notes are an integral part of these interim consolidated financial statements

Notes	2006 (unaudited)	2005 (audited)	US $ million Liabilities and equity
			Net assets attributable to profit participation shareholders, minority interest and equity holders
12	46	46	Share capital
	2 330	1 038	Reserves and retained earnings
	457	355	Minority interest
	2 833	1 439	
12	7 112	5 358	Profit participation shareholders
	9 945	6 797	Total net assets attributable to profit participation shareholders, minority interest and equity holders
			Other non current liabilities
13	6 441	4 344	Long term debt
	734	541	Deferred income taxes
	1 817	817	Provisions and other long term liabilities
	8 992	5 702	Total other non current liabilities
			Current liabilities
13	585	560	Current portion of long term debt
14	5 807	7 390	Short term debt
15	14 714	11 832	Accounts payable
	221	100	Income tax payable
	21 327	19 882	Total current liabilities
	40 264	32 381	Total liabilities and equity

The accompanying notes are an integral part of these interim consolidated financial statements

Consolidated statements of cash flows
for the six months ended June 30, 2006 and 2005

2006 (unaudited)	2005 (unaudited)	US $ million
		Operating activities
3 697	1 289	Income before income taxes and attribution
		Adjustments to reconcile income before income taxes and attribution to net cash provided/(used) by operating activities
145	145	Depreciation and amortization
– 304	– 242	Share of income from associates
833	12	Unrealized (gain)/loss on bonds’ exchange feature
251	30	Increase/(decrease) in long term provisions
– 977	0	(Gain)/loss on sale of investments – net
– 1 319	– 282	Unrealized (gain)/loss on equity swap – net
– 58	11	Other non cash items
312	206	Interest expense – net
2 580	1 169	Cash provided by operating activities before working capital changes
		Working capital changes
– 30	– 19	(Increase)/decrease in marketable securities
– 3 661	100	(Increase)/decrease in accounts receivable
– 512	140	(Increase)/decrease in inventories
2 549	– 171	Increase/(decrease) in accounts payable
– 1 654	50	Total working capital changes
926	1 219	Cash provided/(used) by operating activities
– 161	– 73	Income taxes paid
35	15	Interest received
– 397	– 217	Interest paid
403	944	Net cash provided/(used) by operating activities

The accompanying notes are an integral part of these interim consolidated financial statements

Consolidated statements of cash flows
for the six months ended June 30, 2006 and 2005

Notes	2006 (unaudited)	2005 (unaudited)	US $ million
			Investing activities
	17	– 286	(Increase)/decrease in long term advances and loans
16	– 120	– 449	Net cash used in acquisition of subsidiaries
	– 94	– 50	Purchase of investments
	– 408	– 339	Purchase of property, plant and equipment
	4	4	Proceeds from sale of property, plant and equipment
	1 726	0	Proceeds from sale of investments
	0	34	Return of capital from associates
	35	42	Dividends received
	1 160	– 1 044	Net cash provided/(used) by investing activities
			Financing activities
	– 1 308	– 333	Net proceeds/(repayment) of short term debt
	– 275	71	Net proceeds/(repayment) of U.S. commercial paper notes
	0	600	Net proceeds/(repayment) of long term committed revolving credit facility
	18	36	Net proceeds/(repayment) of other long term bank debt
	700	0	Net proceeds from issuance of Perpetual Notes
	– 179	– 141	Payment of profit participation certificates
	– 90	– 5	Repayment of Senior Notes
	– 143	0	Repurchase of Exchangeable bonds
	– 9	– 10	Dividend/return of capital to minority interest
	– 2	– 2	Payment of dividends
	– 1 288	216	Net cash provided /(used) by financing activities
	275	116	Increase/(decrease) in cash and cash equivalents
	346	220	Cash and cash equivalents, beginning of period
	621	336	Cash and cash equivalents, end of period

The accompanying notes are an integral part of these interim consolidated financial statements

Consolidated statements of changes in equity
for the six months ended June 30, 2006 and 2005

Reserves restricted	Retained earnings	Translation adjustment	Cash flow hedge reserve	Total reserves and retained earnings	Share capital	Total	Minority interest	Total equity	US $ million (unaudited)
1	1 176	0	– 139	1 038	46	1 084	355	1 439	Balance January 1, 2006
0	– 2	0	0	– 2	0	– 2	– 9	– 11	Dividend
0	983	0	0	983	0	983	109	1 092	Income for the period
0	15	– 10	0	5	0	5	0	5	Translation adjustment
0	0	0	– 160	– 160	0	– 160	0	– 160	Gains/(losses) on hedges
0	0	0	35	35	0	35	0	35	Hedges transferred to income statement
0	431	0	0	431	0	431	0	431	Equity related movements of associates
0	0	0	0	0	0	0	2	2	Other equity movements
1	2 603	– 10	– 264	2 330	46	2 376	457	2 833	Balance June 30, 2006
1	722	3	0	726	46	772	330	1 102	Balance January 1, 2005
0	– 2	0	0	– 2	0	– 2	– 10	– 12	Dividend
0	188	0	0	188	0	188	49	237	Income for the period
0	0	– 2	0	– 2	0	– 2	0	– 2	Translation adjustment
0	0	0	6	6	0	6	0	6	Gains/(losses) on hedges
0	5	0	0	5	0	5	0	5	Other equity movements
1	913	1	6	921	46	967	369	1 336	Balance June 30, 2005

The accompanying notes are an integral part of these interim consolidated financial statements

US $ million unless otherwise stated

1 Basis of presentation

These interim consolidated financial statements should be read in conjunction with the financial statements and the notes thereto included in the 2005 Annual Report of Glencore International AG (the Company) and subsidiaries, collectively 'Glencore'.

These interim consolidated financial statements are prepared using the same accounting policies as applied in the audited annual financial statements.

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

2 Nature of the business activities

Glencore is a leading, privately held, diversified natural resources group with worldwide activities in mining, smelting, refining, processing and marketing of metals and minerals, energy products and agricultural products. Glencore operates on a global scale, marketing, in addition to its own production, physical commodities mainly sourced from producers and delivering such commodities to industrial consumers. Glencore also provides financing, logistics, marketing and purchasing services to producers and consumers of commodities. These activities are supported by substantial strategic investments in industrial assets operating in Glencore's core commodities.

3 Ownership

Glencore Holding AG and Glencore L.T.E. AG (together the Parents), both wholly owned by the management and employees of Glencore, own 85% and 15% respectively, of the Company.

4 Interest expense – net

2006 US $ million	2005 US $ million	
113	60	Interest income
– 425	– 266	Interest expense
– 312	– 206	Net

5 Gain on sale of investments

2006 US $ million	2005 US $ million	
977	0	Gain on sale of investments in associates – net

In May 2006, Glencore sold its 33.3% interest in the Cerrejon Coal Group to Xstrata for a cash consideration of $ 1.7 billion. The gain is net of related transaction costs and a proportional gain deferral of 14.4% in respect of the Company's interest in Xstrata at the time of the transaction.

6 Changes in mark to market valuation – net

2006 US $ million	2005 US $ million	
– 833	– 12	Exchange feature
1 324	276	Equity swap – net
52	– 3	Other
543	261	Net

Changes in the mark to market valuation of the exchange feature relate to the Exchangeable bonds (see note 13). The mark to market valuation of the equity swap represents movements in Xstrata's share price on the shares held by the swap counterparty (see note 8).

7 Property, plant and equipment

Land and buildings	Plant, machinery and vehicles	Furniture, fixtures and equipment	Mineral rights	Deferred mining costs	Total	US $ million At cost:
596	3 977	180	467	183	5 403	January 1, 2006
2	31	2	106	1	142	Business combination
7	369	15	0	17	408	Additions
– 1	– 14	– 1	0	– 1	– 17	Disposals
26	– 29	24	3	0	24	Other movements
630	4 334	220	576	200	5 960	June 30, 2006
						Accumulated depreciation:
135	1 387	107	61	49	1 739	January 1, 2006
9	110	9	16	1	145	Depreciation
0	– 12	– 1	0	0	– 13	Disposals
5	41	12	1	– 38	21	Other movements
149	1 526	127	78	12	1 892	June 30, 2006
481	2 808	93	498	188	4 068	Net book value June 30, 2006

Land and buildings	Plant, machinery and vehicles	Furniture, fixtures and equipment	Mineral rights	Deferred mining costs	Total	US $ million At cost:
467	3 176	157	73	151	4 024	January 1, 2005
43	240	5	355	14	657	Business combination
13	297	11	0	18	339	Additions
– 1	– 19	– 1	0	0	– 21	Disposals
31	– 54	– 1	– 6	8	– 22	Other movements
553	3 640	171	422	191	4 977	June 30, 2005
						Accumulated depreciation:
111	1 252	98	21	39	1 521	January 1, 2005
8	108	8	19	2	145	Depreciation
0	– 14	– 1	0	0	– 15	Disposals
9	– 34	0	5	8	–12	Other movements
128	1 312	105	45	49	1 639	June 30, 2005
425	2 328	66	377	142	3 338	Net book value June 30, 2005

Plant, machinery and vehicles includes expenditure for construction in progress of $ 634 million (2005: $ 485 million).

Depreciation expenses included in cost of goods sold are $ 139 million (2005: $ 139 million) and in selling and administrative expenses $ 6 million (2005: $ 6 million).

8 Investments in associates and other investments

2006 US $ million	2005 US $ million	
6 588	1 076	Listed associates
1 244	1 726	Non listed associates
249	114	Other investments
8 081	2 916	Total

A list of the principal operating and finance subsidiaries and industrial investments is included in note 22.

In May 2006, Glencore confirmed its intention to reacquire 100% of the Xstrata shares underlying the equity swap arrangement, representing 21.6% of Xstrata's shares then outstanding. As a result of this decision, these shares have been rerecognized on the balance sheet. Accordingly, additional long term debt of $ 1.24 billion (see note 13) has been recognized, which together with $ 3.77 billion of mark to market gains up to the date of reacquisition on the swap (see note 11), resulted in a $ 5.01 billion acquisition cost for the underlying shares, representing the prevailing fair value at the date of reacquisition. It is anticipated that the debt amount of $ 1.24 billion will be refinanced prior to the swap's maturity date in December 2006 with long term bank debt.

For the period post acquisition, this additional Xstrata investment contributed share of income from associates of $ 52 million.

The market value of Glencore's interest in its publicly listed associates as of June 30, 2006 was $ 10.0 billion.

9 Long term advances and loans

2006 US $ million	2005 US $ million	
65	93	Trade advances and loans
55	51	Loan to Parents
566	558	Loans to associated companies
142	144	Other long term receivables and loans
828	846	Total

10 Inventories

2006 US $ million	2005 US $ million	
1 670	1 321	Production inventories
6 706	6 377	Inventories contractually sold or hedged
1 122	1 286	Other
9 498	8 984	Total

Production inventories consist of materials, spare parts, work in process and finished goods held by the production entities.

Inventories contractually sold or hedged and Other, together considered trading inventories, are carried at fair value less costs to sell. $ 49 million (2005: $ 75 million) of trading inventories were pledged as security against other short term debt.

In April 2003, the Company and Glencore AG entered into a 364-day asset backed limited recourse securitization program of $ 750 million to finance a portion of their inventories which was subsequently extended. Under this program a diversified portfolio of base metals (aluminum, copper, nickel, zinc and lead) stored in Western European and Singaporean warehouses is legally sold on a continuous basis to Base Metals Finance Company Limited, Jersey (BMFC). BMFC is funded under a 364-day U.S. commercial paper program (USCP) rated P-1 by Moody's and A-1+ by Standard & Poor's.

Under IFRS, Glencore has a "controlling" interest in BMFC, accordingly BMFC is consolidated and all intercompany transactions are eliminated. As of June 30, 2006, due to the consolidation of BMFC, the total amount of trading inventories securitized was $ 538 million (2005: $ 584 million) and proceeds received as secured borrowings amounted to $ 471 million (2005: $ 515 million). The related liability is included under Securitized U.S. commercial paper notes (see note 14).

Glencore has entered into arrangements with various counterparties for the sale and optional repurchase of certain trading inventories. These sales do not meet the derecognition criteria from an accounting perspective. As at June 30, 2006, $ 497 million (2005: $ 229 million) of trading inventory has not been derecognized and proceeds received for the inventory have been deferred and included as trade advances from buyers (see note 15).

11 Accounts receivable

2006 US $ million	2005 US $ million	
8 322	7 220	Trade receivables
1 526	875	Trade advances and deposits
5 208	3 584	Fair value of trade related financial instruments[1]
0	2 318	Equity swap[2]
1 067	758	Associated companies
576	425	Other receivables and prepaid expenses
16 699	15 180	Total

[1] see note 17

[2] see note 8

Accounts receivable are net of allowances for doubtful accounts of $ 299 million (2005: $ 315 million), which takes into consideration the diverse geographic and industrial composition of the accounts receivable portfolio.

In May 2005, the Company, Glencore AG and Glencore Energy UK Ltd. replaced the previous 5 year asset backed limited recourse facility with a $ 1,500 million facility to finance a portion of their trade receivables. Under this program a widely diversified portfolio of trade receivables meeting certain debtor and country concentration limits are sold on a continuous basis to M&M Finance Company Limited, Jersey (MMFC). MMFC is funded with extendible U.S. commercial paper which carries interest at floating market rates applicable at issuance of the notes. The program is rated P-1 by Moody's and A-1+ by Standard & Poor's rating agencies.

The trade receivables sold do not meet the derecognition criteria under IFRS. As of June 30, 2006, receivables with a face value of $ 1,939 million (2005: $ 1,908 million) were securitized and proceeds received as secured borrowings amounted to $ 1,500 million (2005: $ 1,500 million). The related liability is included under Securitized U.S. commercial paper notes (see note 14).

12 Share capital

The share capital consists of 150 000 registered shares with a nominal value of CHF 500 each and a restriction of transferability.

The shares are held by the Parents and carry the right to a preferred dividend up to a maximum of 10% of nominal value.

The Company is authorized by its articles of incorporation to issue to employees of Glencore non voting profit participation certificates (“PPC”) with no nominal value (Glencore Holding AG Profit Participation Shareholders – “PPS”). The Company has another profit accumulation program (Glencore L.T.E. AG Profit Participation Shareholders – “LTS”), similar to the PPC above. Both plans accumulate Glencore’s net income for the period, however there are important distinctions between them as noted below.

PPS, who are shareholders of Glencore Holding AG, receive payment upon termination of employment in installments over a period of 5 years. At such time, an employee’s PPC are redeemed by the Company and the amount payable is classified as long term debt, with the portion falling due within 12 months included in current portion of long term debt.

Since November 1, 2004, in the event of certain triggering events, new redemptions from PPS are subordinated to claims of unsecured lenders.

In relation to LTS, termination of employment does not trigger a redemption or payment under the plan, but rather it is under the control of the Company if and when any amount should be redeemed.

A total of 150 000 PPC were authorized for issuance. Distribution of the income for the period for the PPC is based on 150 000 (2005: 150 000) shares issued.

According to the existing agreements, the Company redeemed during the first half of 2006 a certain number of PPC from PPS representing an aggregate amount of $ 417 million (2005: $ 278 million).

13 Long term debt

After 5 years	Due 4–5 years	Due 2–3 years	Total long term	Current portion	Total	US $ million 2006
						Banks:
0	0	600	600	0	600	Committed revolving credit facility[1]
16	57	1 322	1 395	29	1 424	Other[2]
252	80	129	461	108	569	Senior Notes
941	0	0	941	0	941	144A Notes
0	748	0	748	0	748	Exchangeable bonds
767	0	0	767	0	767	Eurobonds
700	0	0	700	0	700	Perpetual Notes
0	239	590	829	448	1 277	Purchase of profit participation certificates
2 676	1 124	2 641	6 441	585	7 026	Total

After 5 years	Due 4–5 years	Due 2–3 years	Total long term	Current portion	Total	US $ million 2005
						Banks:
0	0	600	600	0	600	Committed revolving credit facility[1]
16	49	71	136	24	160	Other[2]
252	80	129	461	198	659	Senior Notes
941	0	0	941	0	941	144A Notes
0	797	0	797	0	797	Exchangeable bonds
708	0	0	708	0	708	Eurobonds
0	200	501	701	338	1 039	Purchase of profit participation certificates
1 917	1 126	1 301	4 344	560	4 904	Total

1 see note 14

2 Includes obligations under financial leases and the equity swap arrangement (see note 8)

Senior Notes

2006 US $ million	2005 US $ million	
0	90	7.05% to 7.57% due in various installments from 1999 to 2006, issued in May 1996
70	70	7.23% to 7.55% due in various installments from 2002 to 2007, issued in July 1997
199	199	8.08% to 9.07% due in various installments from 2005 to 2019, issued in August 1999
300	300	6.15% to 7.94% due in various installments from 2006 to 2021, issued in December 2001
569	659	Total

The Issuer of the Senior Notes is Glencore Finance (Bermuda) Ltd. The Issuer's obligations are guaranteed by the Company. Glencore AG and Glencore UK Ltd guarantee the obligations of the Company under its guarantees.

144A Notes

In April 2004, Glencore Funding LLC, a wholly owned subsidiary of the Company, issued $ 950 million 6% coupon Notes due 2014 in accordance with Rule 144A of the United States Securities Act of 1933 as amended. The Notes, originally recorded at cost, are subsequently measured at amortized cost at an effective interest rate of 6.15% per annum. The Notes are guaranteed by the Company and Glencore AG.

The Notes are rated Baa3 (stable) by Moody's and BBB- (stable) by Standard & Poor's rating agencies.

Exchangeable bonds

In October 2003, Glencore Finance (Europe) S.A. (the Issuer), a wholly owned subsidiary of the Company, issued $ 800 million 4.125% guaranteed Exchangeable bonds due 2010 (the Bonds), exchangeable into ordinary shares of Xstrata plc, an associated company, at $ 13.67 per share. The Bonds are guaranteed on a joint and several basis by the Company and Glencore AG.

Unless previously exchanged, redeemed or purchased and cancelled, the Bonds will be redeemed by the Issuer on October 6, 2010, at 113.76% of their nominal amount. The Bonds can be exchanged by the holders at any time. The Bonds can be redeemed by the Issuer at any time on or after October 20, 2008, at accreted principal amounts (APA), if the value of the underlying shares has exceeded 130% of the APA of the Bonds outstanding for a certain period or, if 85% or more of the nominal amount of the Bonds have been exchanged, redeemed or purchased and cancelled.

The Bonds are rated Baa3 (stable) by Moody's and BBB- (stable) by Standard & Poor's rating agencies.

The Bonds consist of a debt component and a derivative component (the exchange feature). The fair values of the debt component ($ 751 million) and the exchange feature ($ 49 million) were determined at issuance of the Bonds. The debt component is included in long term debt and is measured at amortized cost at an effective interest rate of 5.75% per annum. The exchange feature is included in other long term liabilities and is carried at its fair value with changes in fair value reported in the income statement.

During 2005, Glencore entered into an Exchange Intermediary Agreement with a financial institution. Pursuant to such agreement, Glencore may, at its discretion, require the bank to settle any early conversion of bonds until their maturity in 2010. On this basis, the bonds and the embedded call option are disclosed as non current liabilities.

During the first half of 2006, Glencore repurchased bonds with a notional amount of $ 58.5 million for a total consideration of $ 143 million. These bonds have not been cancelled.

Eurobonds

In September 2004, Glencore Finance (Europe) S.A., a wholly owned subsidiary of the Company, issued Euro 600 million 5.375% coupon bonds due 2011. Upon issuance, Glencore Finance (Europe) S.A. entered into a cross currency swap to swap the Euro denominated bonds as well as the future interest payments into their U.S. Dollar equivalent. The U.S. Dollar equivalent of the bonds issued was $ 739 million and the effective U.S. Dollar fixed interest rate is 5.78%. As of June 30, 2006, the Eurobond's carrying value increased to $ 767 million due to changes in Euro/U.S. Dollar exchange rates. A corresponding gain on the cross currency swap which fully offsets any foreign currency movements is included in fair value of trade related financial instruments. The bonds are guaranteed by the Company and Glencore AG.

The bonds are rated Baa3 (stable) by Moody's and BBB- (stable) by Standard & Poor's rating agencies.

Perpetual Notes

In February 2006, Glencore Finance (Europe) S.A., a wholly owned subsidiary of the Company, issued $ 700 million 8% Perpetual Notes, which can be called by the Issuer after year 5 at par. The notes are guaranteed on a joint and several basis by the Company and Glencore AG and are rated Baa3 (stable) by Moody's and BBB- (stable) by Standard & Poor's rating agencies.

Profit participation certificates

Profit participation certificates (PPC) bear interest at 6 month U.S. Dollar Libor. In the event of certain triggering events (see note 12), PPCs amounting to $ 827 million (2005: $ 501 million) could be potentially subordinated to unsecured lenders.

14 Short term debt

2006 US $ million	2005 US $ million	
3 140	4 400	Committed revolving credit facility
0	231	U.S. commercial paper notes
1 971	2 015	Securitized U.S. commercial paper notes[1]
696	744	Other
5 807	7 390	Total

[1] see notes 10 & 11

Committed revolving credit facility

In May 2006, the Company, Glencore Capital Ltd and Glencore Funding LLC (the Borrowers) replaced the previous $ 6,725 million unsecured committed revolving credit facility consisting of a 364 day $ 2,310 million tranche and a 3 year $ 4,415 million tranche with an unsecured $ 7,775 million committed revolving credit facility, consisting of a 364 day $ 1,645 million tranche with a one year extension option and a one year term out option exercisable at the Borrowers' discretion and a 3 year $ 6,130 million tranche with two 364 day extension options. Funds drawn under the medium term revolving credit facility which are used to finance current working capital are classified as short term debt, while the portion drawn to fund non current assets is classified as long term debt (see note 13). The obligations of Glencore Capital Ltd and Glencore Funding LLC are guaranteed by the Company. Glencore AG guarantees the obligations of the Borrowers under this facility. Up to $ 2,500 million of the 3 year tranche may be used as liquidity back up for Glencore Funding LLC's stand alone U.S. commercial paper program (see below).

U.S. commercial paper notes

Glencore Funding LLC (the Issuer), a wholly owned subsidiary of the Company, has in place a stand alone U.S. commercial paper program for $ 2,500 million rated A-3 and P-3 respectively by Standard & Poor's and Moody's rating agencies. The Company guarantees the Issuer's obligations under this facility. The notes issued under this program carry interest at floating market rates and mature not more than 270 days from the date of issue.

15 Accounts payable

2006 US $ million	2005 US $ million	
6 645	6 227	Trade payables
968	653	Trade advances from buyers
5 518	3 672	Fair value of trade related financial instruments[1]
585	459	Associated companies
998	821	Other payables and accrued liabilities
14 714	11 832	Total

[1] see note 17

16 Acquisition of subsidiaries

In April 2006, Glencore acquired a 70% interest in Graspan Colliery (Pty) Ltd, a South African coal mining company, and in June 2006, acquired 100% of a zinc mining operation in the United States (Tennessee Zinc Company, LLC). The acquisitions, accounted for as business combinations, are not individually significant to the financial statements and are therefore presented in aggregate.

The net cash used in the acquisition of subsidiaries and the preliminary fair value acquisition adjustments as at the date of acquisition were:

Acquiree's carrying amount US $ million	Fair value adjustments US $ million	Fair value US $ million	
4	0	4	Cash and cash equivalents
10	0	10	Accounts receivable
1	0	1	Inventories
7	0	7	Other
78	64	142	Property, plant and equipment
– 9	0	– 9	Accounts payable
– 3	– 18	– 21	Deferred income taxes
– 4	0	– 4	Provisions and other long term liabilities
– 2	0	– 2	Minority interest
82	46	128	Total net assets acquired
		4	Less: amounts previously recognized through investments
		4	Less: cash and cash equivalents acquired
		120	Net cash used in acquisition of subsidiaries

The fair values are provisional due to the proximity of the acquisitions to June 30, 2006.

In the period from January to March 2005, Glencore acquired a 100% interest in La Jagua Coal Company SA, a Colombian coal mining company, a 100% interest in a tin mining and smelting operation in Bolivia, a 100% interest in a zinc mining operation in Bolivia (the latter two making up Sinchi Wayra, previously known as the Comsur Group), and a 100% interest in a zinc mining and zinc/lead smelting operation in Argentina (Aguilar/AR Zinc Group).

In the first six months of 2005, the net cash used in the acquisition of subsidiaries and the preliminary fair value acquisition adjustments made were:

Acquiree's carrying amount US $ million	Fair value adjustments US $ million	Fair value US $ million	
18	0	18	Cash and cash equivalents
58	0	58	Accounts receivable
70	0	70	Inventories
23	– 1	22	Other
377	280	657	Property, plant and equipment
– 219	– 5	– 224	Accounts payable
– 8	– 56	– 64	Deferred income taxes
– 24	– 13	– 37	Provisions and other long term liabilities
– 15	0	– 15	Minority interest
280	205	485	Total net assets acquired
		18	Less: amounts previously recognized through investments
		18	Less: cash and cash equivalents acquired
		449	Net cash used in acquisition of subsidiaries

17 Financial instruments and hedging activities

The following tables show the contract or underlying notional amounts and fair values of the trade related financial instruments by type of contract as at June 30, 2006 and December 31, 2005. Notional amounts provide an indication of the underlying volume of the business outstanding as at the balance sheet date but do not reflect the underlying Glencore risk. Fair values are determined using quoted market prices or standard pricing models using observable market inputs.

2006 Notional buy US $ million	2006 Notional sell US $ million	2006 Fair value US $ million	2005 Fair value US $ million	Fair value of trade related financial instruments (assets)
				Commodity related contracts
16 090	10 425	1 976	1 182	Futures
6 403	2 557	1 477	1 031	Options
2 612	1 386	510	443	Swaps
7 699	5 612	1 114	869	Forwards
				Financial contracts
0	739	72	16	Cross currency swap
1 225	777	59	43	Foreign currency contracts
34 029	21 496	5 208	3 584	Total as disclosed in accounts receivable[1]

2006 Notional buy US $ million	2006 Notional sell US $ million	2006 Fair value US $ million	2005 Fair value US $ million	Fair value of trade related financial instruments (liabilities)
				Commodity related contracts
11 945	20 736	2 788	1 704	Futures
4 405	6 427	1 223	664	Options
1 215	2 754	493	464	Swaps
3 094	6 484	996	824	Forwards
				Financial contracts
1 558	1 109	18	16	Foreign currency contracts
22 217	37 510	5 518	3 672	Total as disclosed in accounts payable[2]

[1] see note 11

[2] see note 15

The following table summarizes the derivative instruments (included in the above tables) which are designated for hedge accounting purposes. These derivative instruments were specifically identified as cash flow hedges, held to hedge future cash flow risks related to the Eurobonds as discussed in note 13 and to specific marketing contracts (equivalent in US $ million).

Notional amounts		Recognized Fair Values		Average	
Buy	Sell	Assets	Liabilities	maturity	2006
–	739	44	–	2011	Cross currency swap agreements
–	807	–	308	2007	Commodity futures

Notional amounts		Recognized Fair Values		Average	
Buy	Sell	Assets	Liabilities	maturity	2005
–	739	49	–	2011	Cross currency swap agreements
–	383	19	–	2006	Commodity futures
–	607	–	207	2007	Commodity futures

18 Future commitments

Capital expenditure for the acquisition of property, plant and equipment is generally funded through the cash flow generated by the respective entities. As of June 30, 2006, $ 274 million (2005: $ 102 million) were contractually committed for the acquisition of property, plant and equipment.

As part of Glencore's ordinary sourcing and procurement of physical commodities and other ordinary marketing obligations, the selling party may request that a financial institution act as either a) the paying party upon the delivery of product and qualifying documents through the issuance of a letter of credit or b) the guarantor by way of issuing a bank guarantee accepting responsibility for Glencore's contractual obligations. As at June 30, 2006, $ 7,432 million (2005: $ 7,373 million) of such commitments have been issued on behalf of Glencore, which will be settled simultaneously upon physical delivery of the commodity.

19 Contingent liabilities

The amount of corporate guarantees in favor of associated and third parties as of June 30, 2006, was $ 21 million (2005: $ 76 million).

Litigation

Certain legal actions, other claims and unresolved disputes are pending against Glencore. Whilst Glencore cannot predict the results of any litigation, it believes that it has meritorious defenses 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 income or consolidated financial position.

Environmental contingencies

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

20 Related party transactions

In the normal course of business, Glencore enters into various arms 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. There have been no guarantees provided or received for any related party receivables.

Related party transactions, unless discussed elsewhere in the notes to the financial statements, are summarized below. The principal related parties are included in notes 3 and 22. All transactions between Glencore and its subsidiaries are eliminated along with any unrealized profits and losses between its subsidiaries and associates.

Associated companies	Joint ventures	Parent companies	Total	US $ million Six months ended June 30, 2006
1 705	42	0	1 747	Sales
– 3 386	0	0	– 3 386	Purchases
67	0	1	68	Interest income
– 1	0	0	– 1	Interest expense
48	0	0	48	Agency income
– 1	0	0	– 1	Agency expense

Associated companies	Joint ventures	Parent companies	Total	US $ million Six months ended June 30, 2005
537	25	0	562	Sales
– 1 244	0	0	– 1 244	Purchases
37	0	1	38	Interest income
– 1	0	0	–1	Interest expense
53	0	0	53	Agency income

21 Segment information – business segments

For management purposes, Glencore is organized on a worldwide basis into three major business groups – metals and minerals, energy products, and agricultural products. These divisions are the basis on which Glencore reports its primary segment information.

Metals and minerals	Energy products	Agricultural products	Corporate/ eliminations	Total	Six months ended June 30, 2006
19 329	33 890	2 689	0	55 908	Revenues
– 17 468	– 33 145	– 2 615	15	– 53 213	Cost of goods sold
1 861	745	74	15	2 695	Gross income
183	120	1	0	304	Share of income from associates
2 044	865	75	15	2 999	Segment results
				– 515	Selling and administrative expenses
				– 312	Interest expense – net
				3	Foreign exchange adjustments
				977	Gain on sale of investments
				543	Changes in mark to market valuation – net
				2	Other income/(expense) – net
				– 434	Income taxes
				3 263	Income before attribution

Metals and minerals	Energy products	Agricultural products	Corporate/ eliminations	Total	Six months ended June 30, 2005
13 324	25 768	2 236	0	41 328	Revenues
– 12 624	– 25 162	– 2 175	– 36	– 39 997	Cost of goods sold
700	606	61	– 36	1 331	Gross income
86	155	1	0	242	Share of income from associates
786	761	62	– 36	1 573	Segment results
				– 334	Selling and administrative expenses
				– 206	Interest expense – net
				– 2	Foreign exchange adjustment
				0	Gain on sale of investments
				261	Changes in mark to market valuation – net
				– 3	Other income/(expense) – net
				– 171	Income taxes
				1 118	Income before attribution

22 List of principal operating, finance subsidiaries and industrial investments

	[1]Method of Consolidation	Country of incorporation	% of controlling interest 2006	% of controlling interest 2005	Main activity
Glencore AG	F	Switzerland	100.0	100.0	Operating
Century Aluminum Company	E	United States	29.0	29.0	Aluminum production
Columbia Falls Aluminum Company	F	United States	100.0	100.0	Aluminum production
Eurallumina S.p.A.	E	Italy	43.8	43.8	Alumina production
Glencore Funding LLC	F	United States	100.0	100.0	Finance
Tennessee Zinc Company, LLC	F	United States	100.0	0.0	Zinc production
Glencore UK Ltd	F	U.K.	100.0	100.0	Operating
Glencore Commodities Ltd	F	U.K.	100.0	100.0	Operating
Glencore Energy UK Ltd	F	U.K.	100.0	100.0	Operating
Glencore Finance (Bermuda) Ltd	F	Bermuda	100.0	100.0	Finance
Aguilar/AR Zinc Group	F	Argentina	100.0	100.0	Zinc/Lead production
Alumina Partners of Jamaica (Alpart)	P	Jamaica	65.0	65.0	Alumina production
Carbones de la Jagua SA	F	Colombia	100.0	100.0	Coal production
Cerrejon Coal Group	E	Colombia	0.0	33.3	Coal production
C.I. Prodeco Productos de Colombia SA	F	Colombia	100.0	100.0	Coal production
Empresa Minera Los Quenuales SA	F	Peru	96.5	96.5	Zinc/Lead production
Glencore Finance (Europe) SA	F	Luxembourg	100.0	100.0	Finance
Limerick Alumina Refining Ltd. (Aughinish)	F	Ireland	100.0	100.0	Alumina production
Metaleurop S.A.	E	France	33.0	33.0	Zinc/Lead production
Mopani Copper Mines PLC	F	Zambia	73.1	73.1	Copper production
Sinchi Wayra	F	Bolivia	100.0	100.0	Zinc/Tin production
West Indies Alumina Co. (Windalco)	P	Jamaica	93.0	93.0	Alumina production
Cobar Group	F	Australia	100.0	100.0	Copper production
Graspan Colliery (Pty) Ltd	F	South Africa	70.0	0.0	Coal production
JSC Kazzinc	F	Kazakhstan	75.5	75.5	Zinc/Lead production
Kubikenborg Aluminium AB (Kubal)	F	Sweden	100.0	100.0	Aluminum production
Murrin Murrin Joint Venture[2]	F	Australia	40.0	40.0	Nickel production
Minara Resources Ltd	F	Australia	50.5	50.5	Nickel production
Moreno Group	F	Argentina	100.0	100.0	Edible oils production
Perubar SA	F	Peru	85.0	85.0	Zinc/Lead production
Philippine Associated Smelting and Refining Corp. (Pasar)	F	Philippines	73.1	73.1	Copper production
Portovesme S.r.L.	F	Italy	100.0	100.0	Zinc/Lead production
Russneft Group (various companies)	E	Russia	40.0-49.0	40.0-49.0	Oil production
Xstrata plc	E	U.K.	35.8	16.0	Diversified production

[1] F = Full consolidation; E = Equity method; P = Proportionate consolidation

[2] the balance of the joint venture is held by Minara Resources Ltd giving Glencore an effective interest of 70.3% in the joint venture

GLENCORE

INTERNATIONAL AG

Baarermattstrasse 3

P. O. Box 777

CH-6341 Baar

Switzerland