

# GLENCORE

**Glencore plc**  
**Baar, Switzerland**  
**9 June, 2016**

## **Sale of additional 9.99% stake in Glencore Agricultural Products to British Columbia Investment Management Corporation**

Glencore plc (“Glencore”) is pleased to announce that it has entered into a definitive agreement with British Columbia Investment Management Corporation (“bcIMC”) for the purchase of a 9.99% stake in Glencore Agricultural Products (“Glencore Agri” or the “Business”) for an aggregate consideration of US\$624.9 million payable in cash upon closing.

The transaction values 100% of the equity in Glencore Agri at US\$6.25 billion, after taking into account indebtedness that the Business is anticipated to have at closing. This transaction is in addition to the sale of a 40% stake in Glencore Agri to Canada Pension Plan Investment Board for US\$2.5 billion, which was announced on 6 April (prior announcement set out below). Glencore will then hold a 50.01% stake and the Business will continue to be run by the existing management team.

bcIMC will be able to appoint one director to the board of Glencore Agri and will be granted certain reserved matter rights consistent with its shareholding. All the other details contained in the 6 April announcement will continue to apply.

It is also anticipated that at closing of this transaction all of Glencore Agri’s debt (which currently totals approximately US\$3.6 billion and most of which is currently funded by Glencore) will be assumed by Glencore Agri. It is expected that this financing, currently comprising around US\$0.6 billion of long term debt and US\$3 billion of short term debt for financing of working capital, will ultimately be funded by Glencore Agri without recourse to Glencore.

This transaction is subject to customary regulatory approvals and closing conditions and is expected to close during the second half of 2016.

The US\$3.124 billion of cash proceeds from these two transactions will be used by Glencore to reduce net indebtedness. As a result of the two Glencore Agri transactions and the sale of Komarovskoe for US\$100 million, this year Glencore has entered into definitive agreements on asset disposals totalling US\$3.2 billion of its US\$4-5 billion target for 2016.

Commenting on this transaction, Ivan Glasenberg, CEO of Glencore, said:

“We are pleased to welcome another long-term partner into Glencore Agri who shares our vision to capture the significant opportunities we believe will emerge for Glencore Agri over coming years. These transactions highlight the superior value of Glencore Agri, with its advantaged asset footprint and business model, relative to its closest peers. We are very excited that Glencore, as the largest shareholder in the business, will benefit from continued growth of the Business with our new partners.”

Commenting on this transaction, Lincoln Webb, Senior Vice President, Infrastructure & Renewable Resources of bcIMC, said:

“Our investment in Glencore Agri provides an excellent opportunity for bcIMC to increase and diversify our exposure within the agricultural space, a sector we view as critical to supporting rising levels of global prosperity. Investing with strong partners and alongside a world-class

management team, we believe our long-term investment views and global perspectives align well with the further growth and development of a leading agricultural platform."

Barclays, Citi and Credit Suisse acted as joint financial advisers to Glencore. Linklaters LLP provided legal advice to Glencore.

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### Notes for Editors

#### 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.

**Appendix - announcement of the previous transaction:****Baar, Switzerland****6 April, 2016****Sale of 40% stake in Glencore Agricultural Products and creation of long-term partnership with CPPIB**

Glencore plc ("Glencore") is pleased to announce that it has entered into a definitive agreement with Canada Pension Plan Investment Board ("CPPIB") for the purchase by a wholly owned subsidiary of CPPIB of a 40% equity interest in Glencore Agricultural Products ("Glencore Agri"), for an aggregate consideration of US\$2.5 billion payable in cash upon closing, subject to customary working capital closing adjustments ("the Transaction").

The Transaction values 100% of the equity in Glencore Agri at US\$6.25 billion. As at 31 December 2015, the business had long-term debt of US\$0.6 billion and working capital (net of cash) of US\$3.0 billion (including readily marketable inventories of US\$2.5 billion) which it intends to finance with short term debt on closing.

The Transaction is subject to customary regulatory approvals and closing conditions and is expected to close during the second half of 2016. The proceeds from the Transaction will be used by Glencore to reduce net indebtedness.

Glencore Agri is a differentiated and vertically-integrated business focused on the global agricultural products value chain. Built around a network of high-quality origination and logistics assets, comprising over 200 storage facilities, 31 processing facilities and 23 ports in strategic locations around the world, Glencore Agri is well-positioned in key export regions and in the trade of major agricultural commodities including grains, oilseeds products, rice, sugar, pulses and cotton. In the year to 31 December 2015, Glencore Agri reported earnings before interest and tax of US\$524 million, and at 31 December 2015 had gross assets of US\$10,187 million.

Upon closing, Glencore Agri will be governed by its own board of directors. CPPIB shall have the right to appoint two directors to the Board of Glencore Agri alongside two Glencore-appointed directors and the CEO, Chris Mahoney. At shareholder meetings Glencore and CPPIB representatives shall vote in proportion to their shareholdings, subject to certain reserved matters.

In addition, and consistent with the mutual commitment to a successful long-term partnership, Glencore and CPPIB have agreed to an initial four year lock-up period subject to a carve-out for Glencore to sell up to a further 20% stake. As well as customary exit provisions, including a right of first refusal, each of Glencore and CPPIB may call for an initial public offering of Glencore Agri after eight years from the date of closing.

Commenting on the Transaction, Ivan Glasenberg, CEO of Glencore, said:

"We are pleased to be partnering with CPPIB as we embark on the next stage of the development of Glencore Agri. Under Glencore's ownership the business has been successfully rebased, particularly following the Viterro acquisition in 2012 and is well-positioned to benefit from long-term global macro and sector trends. CPPIB have a proven track record in the sector and share our vision for the future growth of the business through value-creating organic and inorganic growth opportunities for the benefit of all stakeholders. We welcome them aboard and look forward to continuing our good relationship as we work together."

Commenting on the Transaction, Chris Mahoney, CEO of Glencore Agri, said:

“This is an important day in the evolution of Glencore Agri, and we look forward to working with CPPIB to continue to build the Glencore Agri business over the long-term. With the investment potential created by this partnership, and given the existing network of high-quality origination, logistics and port assets in key export regions, the business is now well-placed to take advantage of the significant opportunities that are expected to emerge across the sector in the coming years.”

Commenting on the Transaction, Mark Jenkins, Senior Managing Director and Global Head of Private Investments at CPPIB, said:

“As an asset class, agriculture is an excellent fit for a long-term investor like CPPIB, and we are excited about the opportunity to acquire a significant stake in Glencore Agri, a leading agricultural business. Glencore Agri complements our existing portfolio of agriculture assets, bringing global exposure, scale and diversification. In addition, Glencore Agri’s experienced management team has a proven track record of growth, and combined with a successful business model, we see this as a compelling opportunity that aligns with CPPIB’s long-term investment horizon.

Barclays, Citi and Credit Suisse acted as joint financial advisers to Glencore. Linklaters LLP provided legal advice to Glencore.