

Black Sea Outlook.

Andrew Vroland.

Glencore Grain B.V.

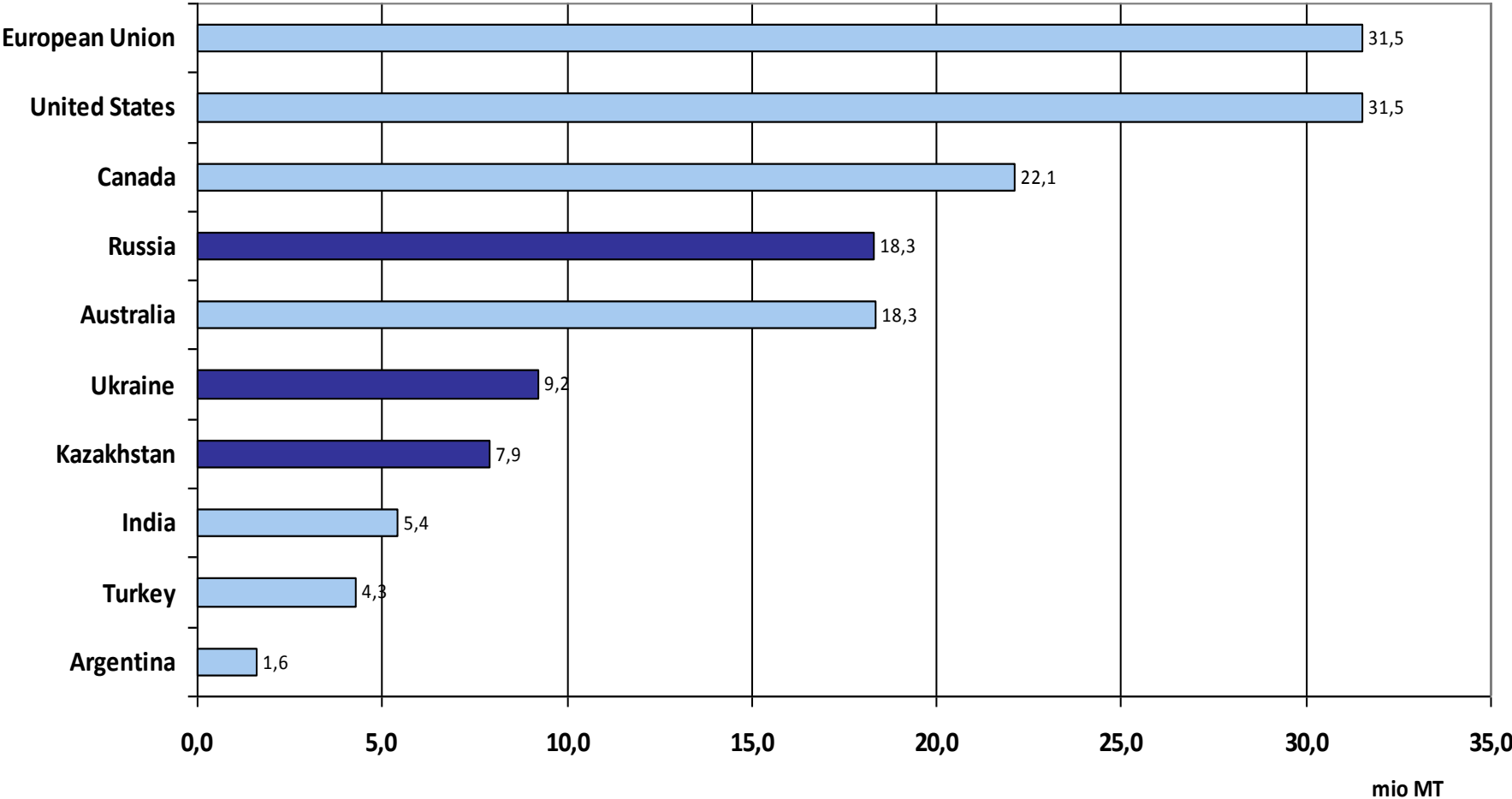


Disclaimer

- *This presentation and its contents are confidential. This presentation may not be reproduced, redistributed or passed on, directly or indirectly, in whole or in part, to any other person (whether within or outside of your organisation or firm) or published in whole or in part, for any purposes or under any circumstances.*
- *No representation, warranty or undertaking, express or implied, is made by Glencore or any of its members, directors, officers or employees or any other person as to, and no reliance should be placed on, the fairness, accuracy, completeness or correctness of the information or the opinions presented or contained in this presentation, for any purpose whatsoever.*
- *This presentation does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for any securities. The making of this presentation does not constitute a recommendation regarding any securities.*
- *This presentation may include statements that are, or may be deemed to be, “forward looking statements”, beliefs or opinions, including statements with respect to the business, financial condition, results of operations, prospects, strategies and plans of Glencore. These forward looking statements involve known and unknown risks and uncertainties, many of which are beyond Glencore’s control and all of which are based on the Glencore board of directors’ current beliefs and expectations about future events. These forward looking statements may be identified by the use of forward looking terminology, including the terms “believes”, “estimates”, “plans”, “projects”, “anticipates”, “will”, “could”, or “should” or in each case, their negative or other variations thereon or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward looking statements include all matters that are not historical facts. Forward looking statements may and often do differ materially from actual results. Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules and the Disclosure and Transparency Rules of the Financial Services Authority and the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited), Glencore is not under any obligation and Glencore and its affiliates expressly disclaim any intention or obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.*
- *No assurance can be given that such future results will be achieved; actual events or results may differ materially as a result of risks and uncertainties facing Glencore. Such risks and uncertainties could cause actual results to vary materially from the future results indicated, expressed or implied in such forward looking statements. Forward looking statements speak only as of the date of this presentation.*
- *No statement in this presentation is intended as a profit forecast or a profit estimate and no statement in this presentation should be interpreted to mean that earnings per Glencore share for the current or future financial years would necessarily match or exceed the historical published earnings per Glencore share.*

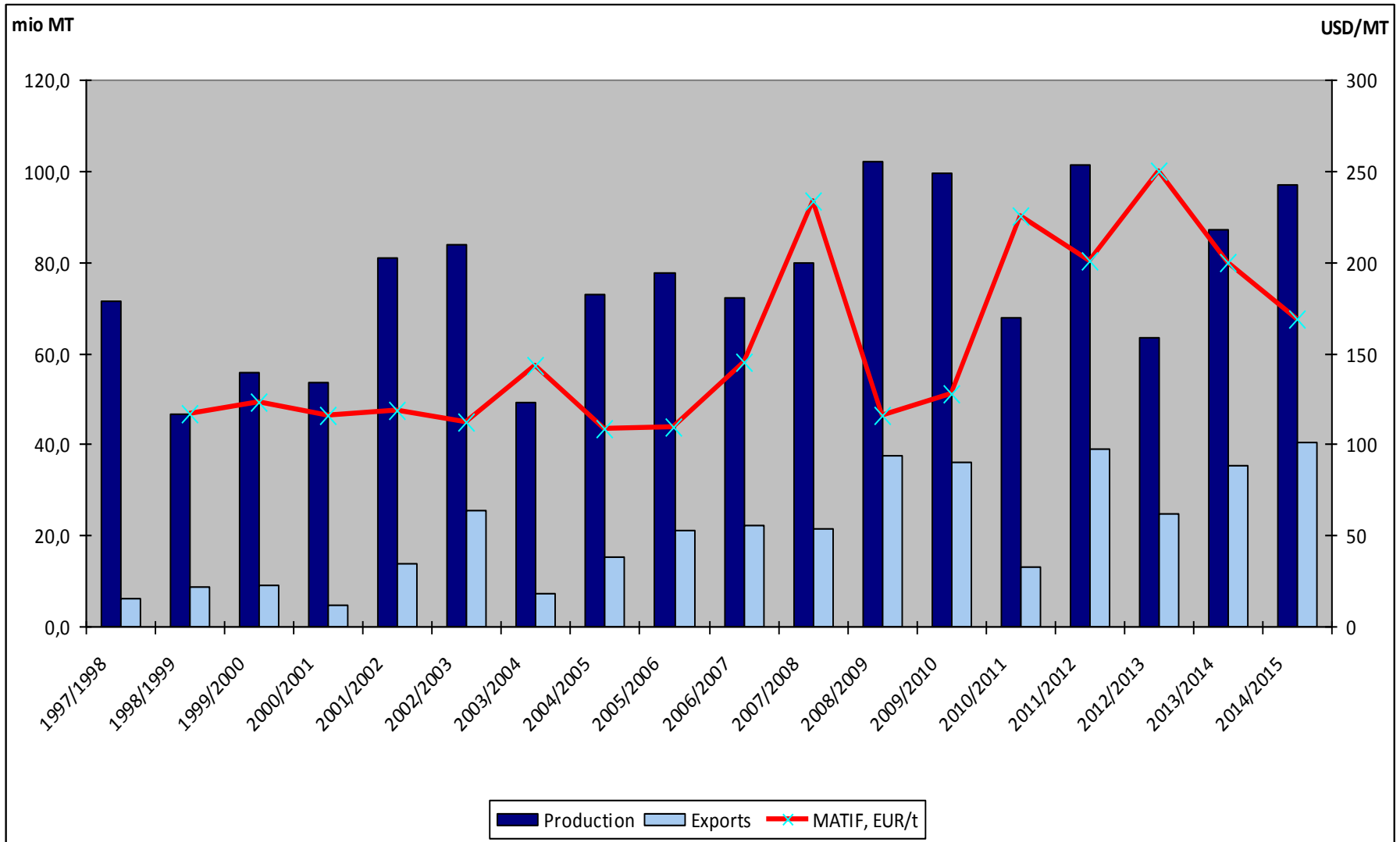
- Black Sea Overview.
- Russian Wheat.
- Ukraine Wheat.
- Kazakhstan Wheat.
- Quality Review.

World Wheat Trade – Top Exporters.

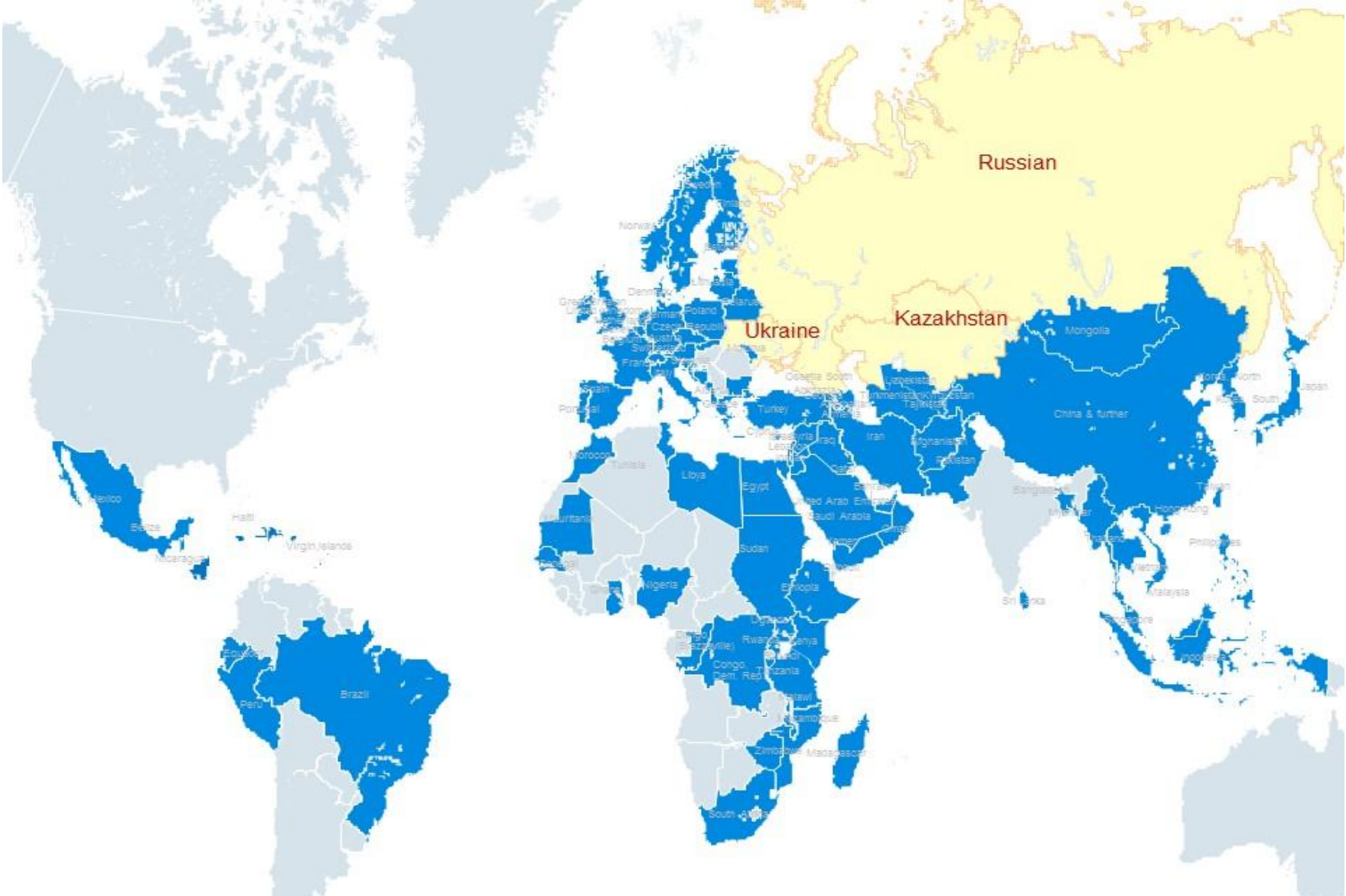


* crop season 2013/14

Russia, Kazakhstan and Ukraine - Production vs. Exports.



Markets for Russian, Ukraine and Kazakhstan wheat.



Top 20 importers of Russian, Ukraine and Kazakhstan wheat*

	mio MT	Export from RUK	Total import	RUK share
1	Egypt	6,2	10,2	61%
2	Turkey	3,6	4,2	86%
3	Uzbekistan	2,2	2,2	100%
4	Iran	1,9	6,5	30%
5	S.Africa	1,3	1,7	74%
6	Azerbaijan	1,3	1,4	88%
7	Yemen	1,2	3,4	34%
8	Tajikistan	1,0	1,0	98%
9	Kenya	1,0	1,4	69%
10	Afghanistan	0,9	2,1	46%
11	EU	0,9	4,0	23%
12	Israel	0,9	1,7	53%
13	Libya	0,8	2,1	41%
14	Georgia	0,7	0,7	94%
15	Jordan	0,7	0,8	78%
16	Indonesia	0,7	7,4	9%
17	Bangladesh	0,6	3,3	18%
18	Sudan	0,6	2,7	21%
19	Kyrgyzstan	0,5	0,5	98%
20	Tunis	0,5	1,6	32%
21	Others	8,0		
	Total	35,4		

* - in crop season 2013/14

Comments

- **Wheat from the BS is exported to approximately 100 countries in the world.**
- **Quality and production is increasing and gaining wider acceptance.**
- **Traditionally, key importers of BS wheat are Egypt and Turkey. Usually, 10 mio MT are exported to these countries annually that represents circa 60%-85% of their total import.**
- **Large importers are also countries located in the Caucuses and Central Asia, i.e. Azerbaijan, Georgia, Uzbekistan, Tadjikistan, etc. Usually, 6 mio MT is supplied annually to these countries and covers almost 100% of their total import requirement.**
- **Russia and Ukraine also successfully compete in Mediterranean markets.**
- **Freight disadvantaged countries are increasing their imports, i.e. Indonesia, Japan, South Korea, China, Mexico.**

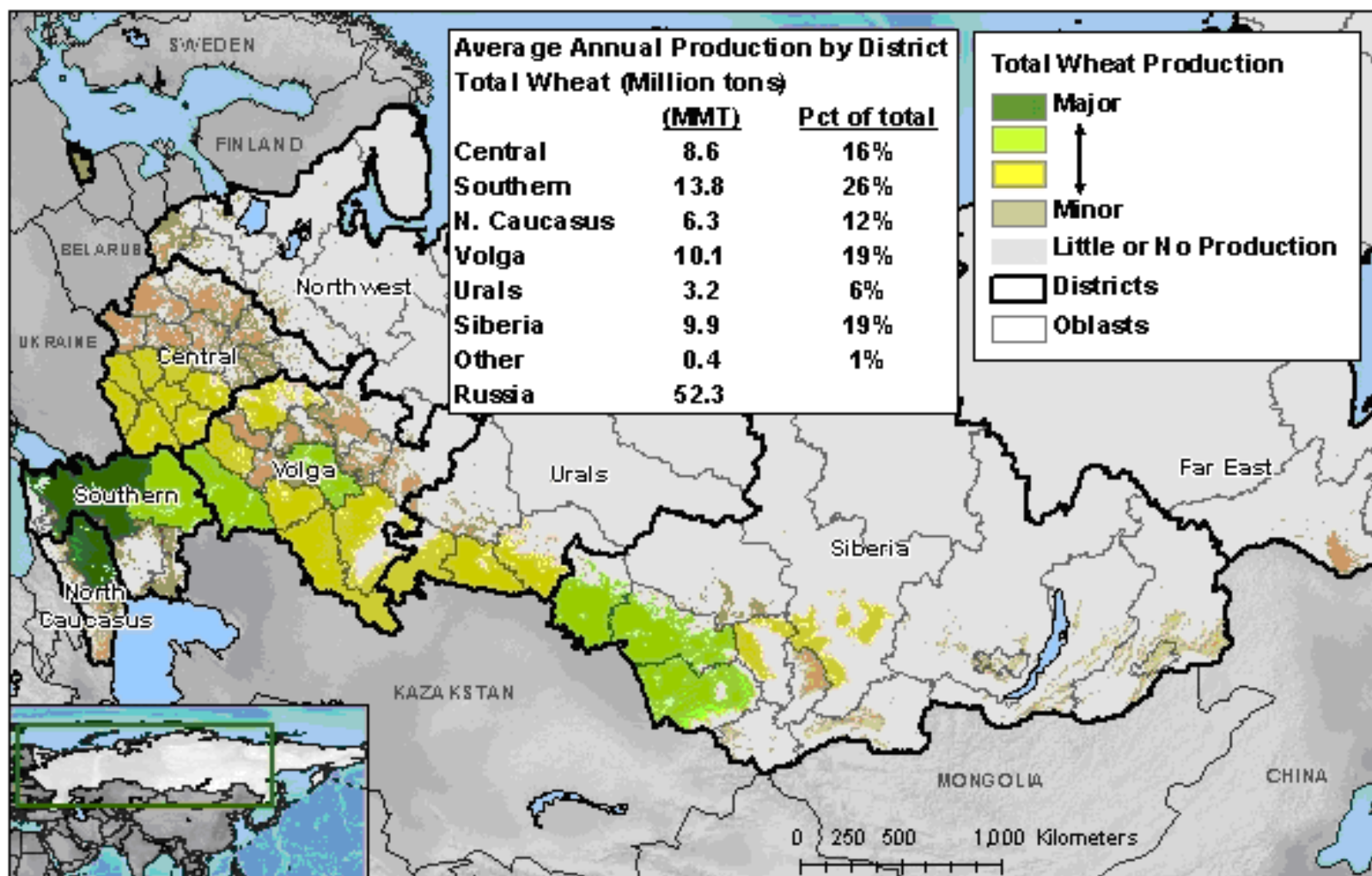
Russia, Ukraine and Kazakhstan - Supply and Demand.

Glencore

Supply and demand in crop seasons 2013/14 – 2014/15

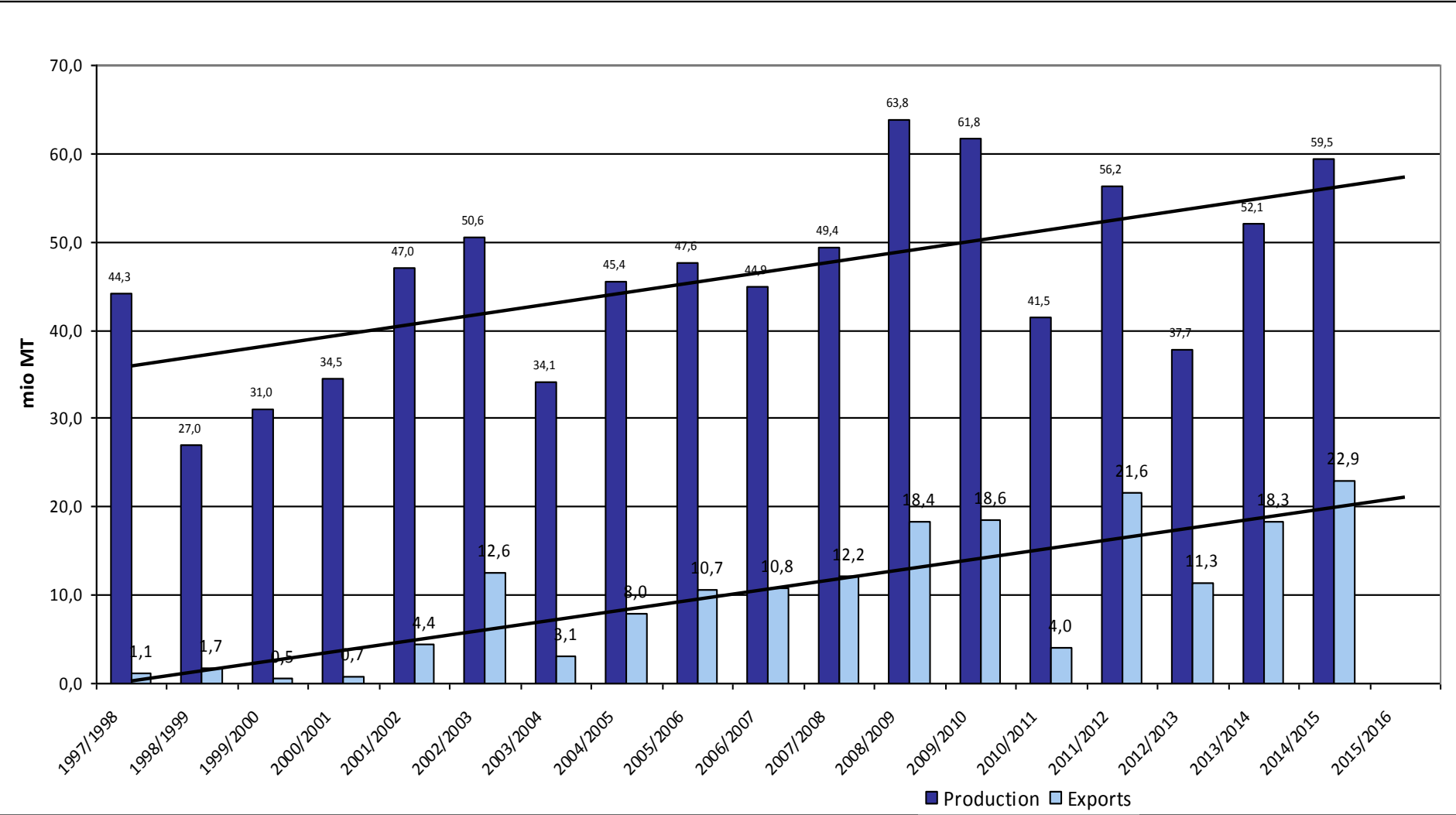
	Russia		Ukraine		Kazakhstan		Total		Change
	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	2014/15	
Carry in, th. MT	4 365	4 643	440	896	1 942	1 217	6 748	6 756	
Planted area, th. Ha	25 064	23 970	6 512	6 030	13 100	12 800	44 675	42 800	▼
Yield, MT per Ha	2,1	2,5	3,3	3,9	1,1	1,1	2,0	2,3	▲
Crop, th. MT	52 091	59 477	21 162	23 457	14 017	14 080	87 270	97 014	▲
Import, th. MT	726	300	2	15	15	15	743	330	▼
Total Supply, th. MT	57 182	64 420	21 604	24 367	15 974	15 312	94 761	104 100	▲
Dom. Cons., th. MT	34 272	35 765	11 500	12 410	6 400	6 400	52 172	54 575	▲
- Human, th. MT	14 400	14 400	6 000	5 800	2 400	2 400	22 800	22 600	
- Feed, th. MT	11 422	12 915	3 400	4 310	1 600	1 600	16 422	18 825	
- Seeds, th. MT	7 000	7 000	1 400	1 350	2 000	2 000	10 400	10 350	
- Other, th. MT	1 200	1 200			400	400	1 600	1 600	
Losses, th. MT	250	250	700	950	450	600	1 400	1 800	▲
Export, th. MT	18 267	22 881	9 209	10 500	7 907	7 000	35 383	40 381	▲
Total Demand, th. MT	52 539	58 646	20 709	22 910	14 757	14 000	88 005	95 556	▲
Carry out, th. MT	4 643	5 774	896	1 457	1 217	1 312	6 756	8 544	

Russia - Wheat Production Areas



Data Source: Rosstat, Average Production 2005-2010;
IIASA and FAO (2008)

Russia - Production vs export of wheat.



Top 20 importers of Russian wheat*

#	mio MT	Export from Russia	Total import	Russia's share
1	Egypt	3,6	10,2	35%
2	Turkey	3,3	4,2	79%
3	Yemen	1,0	3,4	30%
4	Iran	0,8	6,6	13%
5	S.Africa	0,8	1,7	45%
6	EU	0,6	4,0	16%
7	Azerbaijan	0,6	1,4	41%
8	Georgia	0,5	0,8	69%
9	Sudan	0,5	2,7	19%
10	Israel	0,5	1,7	29%
11	Libya	0,5	2,0	23%
12	Kenya	0,5	1,5	31%
13	Nigeria	0,4	4,6	9%
14	Peru	0,3	2,1	16%
15	Mozambique	0,3	0,8	39%
16	Tanzania	0,3	0,7	45%
17	Indonesia	0,3	7,4	4%
18	Bangladesh	0,3	3,3	8%
19	Mexico	0,3	4,6	6%
20	United Arab Emirates	0,2	1,6	15%
21	Others	2,7		
	Total	18,3		

Comments

- **Key importers of Russian wheat are Egypt and Turkey. Consistent importers and quality well regarded.**
- **Counties of Caucuses (Georgia, Armenia, Azerbaijan).**
- **Mediterranean countries.**
- **African countries eg Nigeria import growth (wider acceptance).**
- **Freight disadvantaged markets, i.e. Peru, Mexico, Indonesia, etc.**

* - in crop season 2013/14

Ukraine – Wheat Production Areas.

Glencore

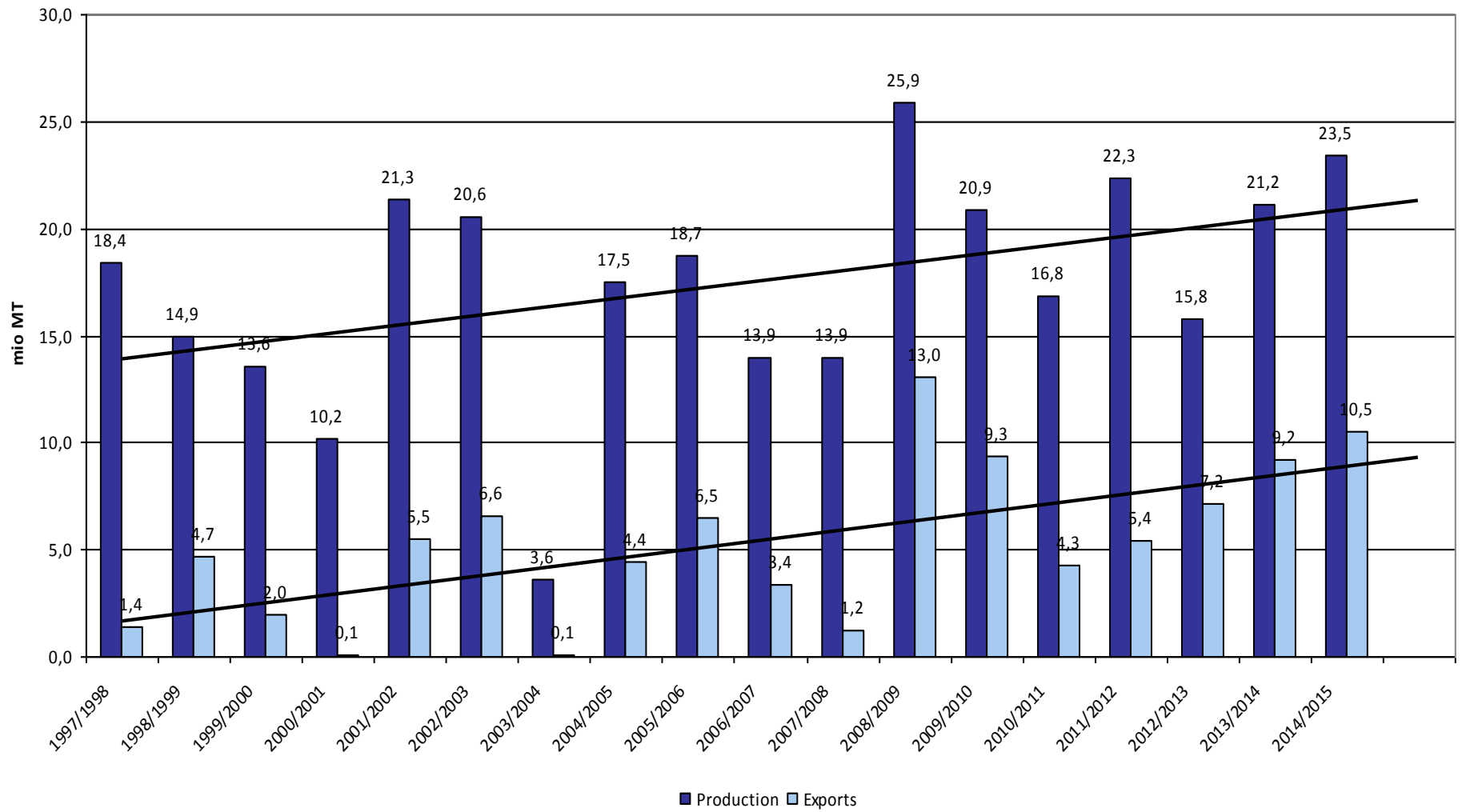


Source: State Statistical Committee of Ukraine
Average Production (2008-2012).
Map produced by International Production Assessment Division.



Ukraine – Wheat Production vs Export.

Glencore



Ukraine – Top 20 Wheat Importers.

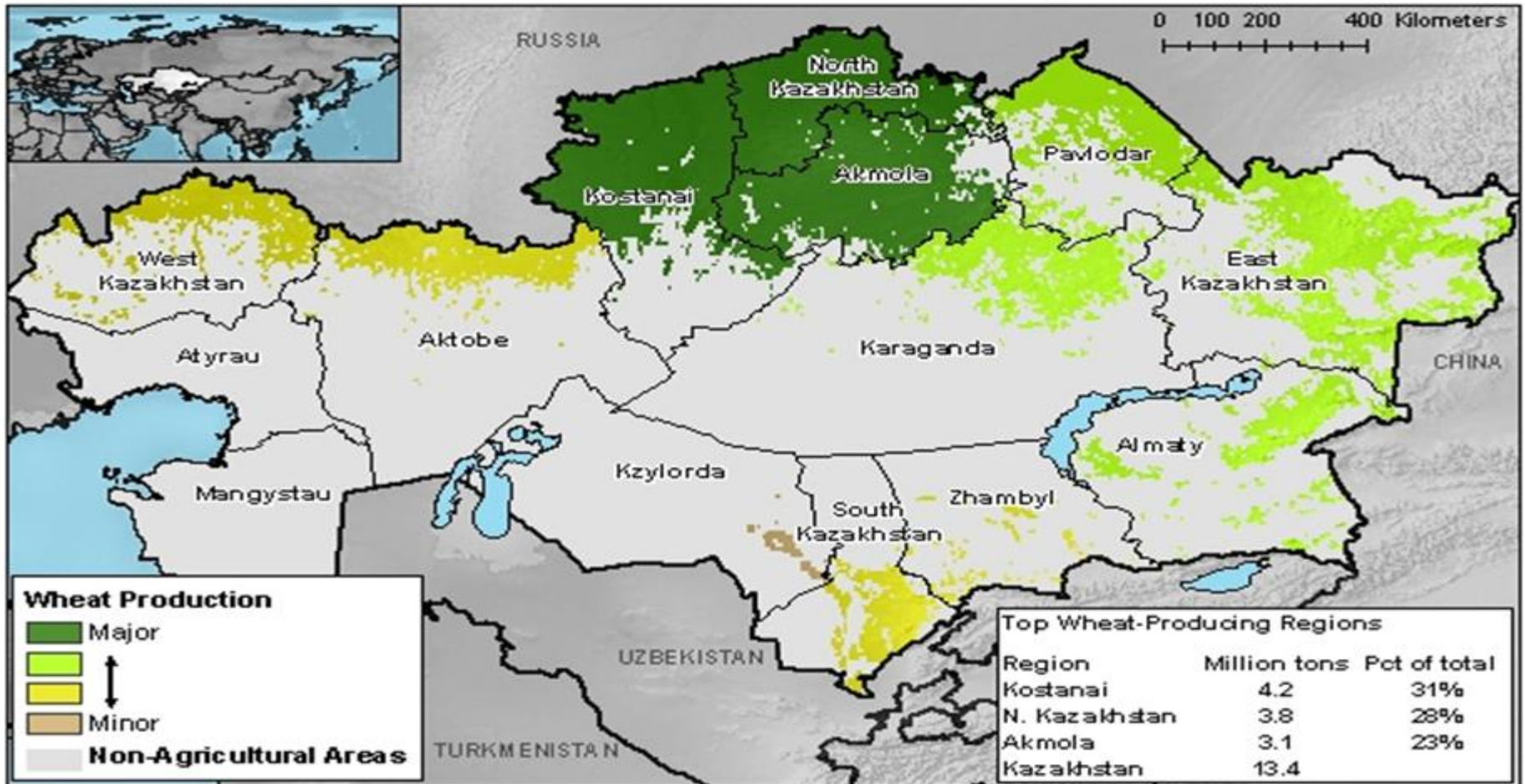
#	mio MT	Export from Ukraine	Total import	Ukraine's share
1	Egypt	2,6	10,2	26%
2	Kenya	0,5	1,5	34%
3	South Africa	0,5	1,7	29%
4	Jordan	0,4	0,8	49%
5	Israel	0,4	1,7	24%
6	Thailand	0,4	1,7	23%
7	Libya	0,4	2,0	19%
8	Indonesia	0,4	7,4	5%
9	Bangladesh	0,3	3,3	10%
10	Tunis	0,3	1,6	21%
11	Syria	0,3	1,6	20%
12	Japan	0,3	6,1	4%
13	Morocco	0,2	3,9	6%
14	Philippines	0,2	3,5	7%
15	Lebanon	0,2	0,6	32%
16	Korea, South	0,2	4,3	4%
17	Djibouti	0,2	0,5	38%
18	Pakistan	0,2	0,4	42%
19	EU	0,2	4,0	4%
20	Turkey	0,2	4,2	4%
21	Others	1,2		
	Total	9,2		

Comments

- Middle East and Africa destinations are dominating import of Ukrainian wheat, importing 4MMT.
- Ukraine is covering 26% of Egyptian demand in milling wheat.
- Under preferential tariff measures for Ukraine adopted by EU last spring Ukraine may export 950kmt of wheat to EU without import duty.
- Main feed wheat destinations – Israel, Bangladesh, Japan, Philippines.


* - in crop season 2013/14

Kazakhstan - Wheat production by region.



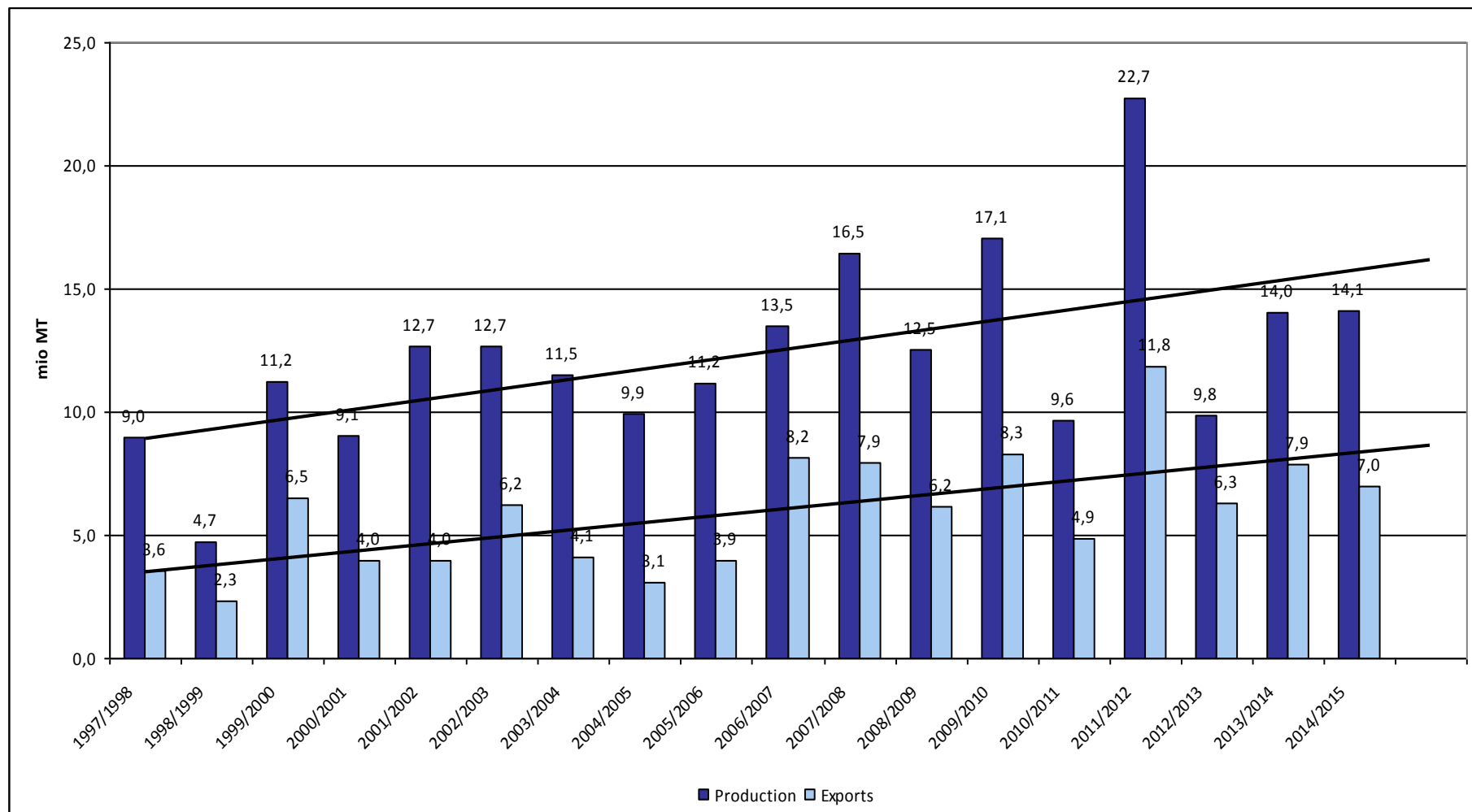
Data Source: State Statistical Agency of Kazakhstan
Average Production 2006-10; IIASA
and FAO (2008)

Foreign Agriculture Service
Office of Global Analysis
International Production Assessment Division
<http://www.pecad.fas.usda.gov>



Kazakhstan – Wheat Production vs Export.

Glencore



Kazakhstan – Top Wheat Importers.

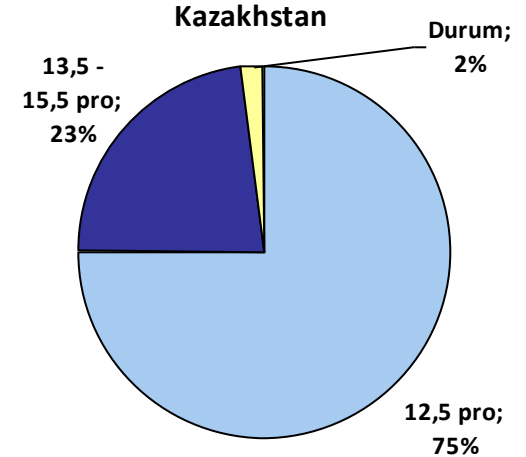
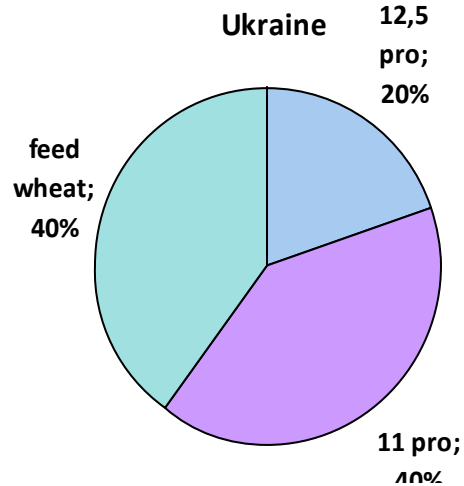
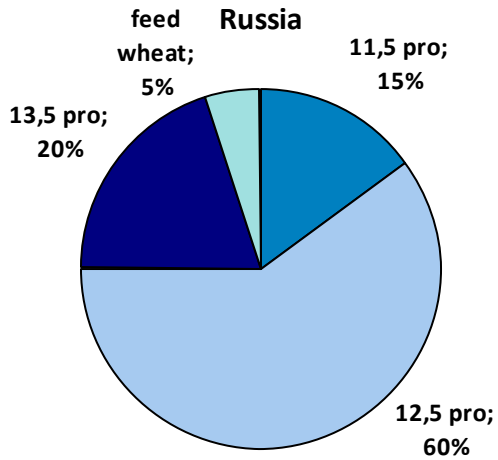
Top 10 importers of Kazakhstan wheat*

#	mio MT	Export from Kazakhstan	Total import	Kazakh's share
1	Uzbekistan	2,2	2,2	100%
2	Tajikistan	1,0	1,0	97%
3	Iran	1,0	6,6	15%
4	Afghanistan	0,9	2,1	46%
5	Azerbaijan	0,7	1,4	47%
6	Russia	0,6	0,7	89%
7	Kyrgyzstan	0,5	0,5	97%
8	China	0,3	6,8	4%
9	Georgia	0,2	0,8	20%
10	EU	0,2	4,0	4%
11	Others	0,3		
	Total	7,9		

* - in crop season 2013/14

Comments

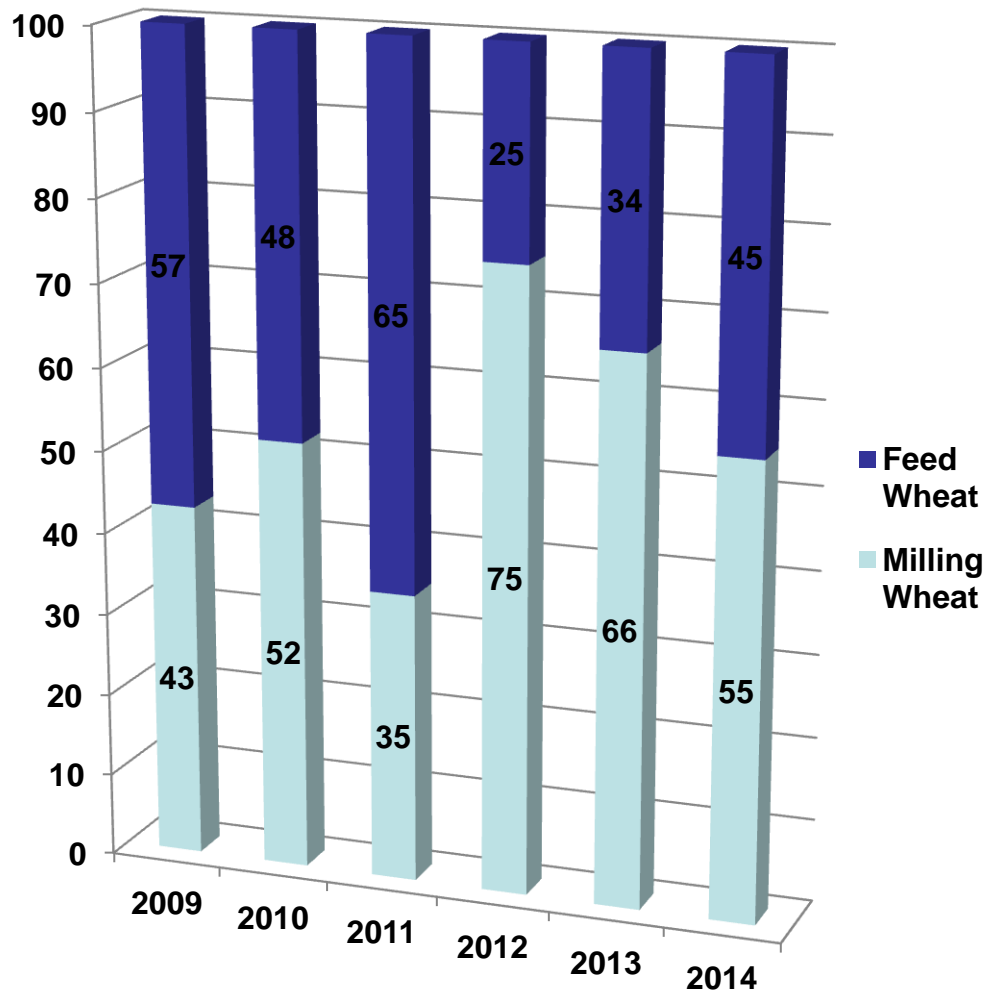
- The main consumers of Kazakhstan wheat are Central Asia: Uzbekistan, Tajikistan, Kyrgyzstan.
- Kazakhstan covers near 100% of the imports of these countries. The annual volume of imports of these countries is about 4.5 million tons.
- Iran is a traditional consumer, Kazakhstan supplies about 1 million tons.
- Traditional import countries are the Caucasus: Azerbaijan, Georgia, usually about 1 million tons.
- World's largest flour exporter 2 to 3 mio MT.



Comments

- **Russia** - almost all the exportable surplus is a winter crop, milling wheat quality parameters meet generally meet importers' requirements.
- **Ukraine** - all exportable surplus is a winter crop, milling quality parameters are slightly below Russian.
- **Kazakhstan** - all exportable surplus is a spring crop, quality fully depends on weather conditions, usually has lower TW, high moisture, and high protein.

Ukraine – Feed vs. Milling



- Milling wheat percentage appears to be increasing, less bug damage.
- Feed vs. Milling percentage largely determined by seasonal conditions.
- However better agronomic practices seem to be improving Sunn Pest / Bug Damage.
- Caveat Emptor – Buy from sources that can control quality.
- Feed proportion dependant on 70 % environmental and 30% agronomic.

<i>GOST #2</i>	<i>Method</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
<i>Protein dmb</i>	<i>ISO 20483</i>	<i>13.3</i>	<i>13.8</i>	<i>13.8</i>	<i>14.5</i>	<i>13.8</i>	<i>13.15</i>
<i>Test Weight</i>	<i>ISO 7971-3</i>	<i>78.0</i>	<i>77.8</i>	<i>79.0</i>	<i>79.1</i>	<i>77.0</i>	<i>80.5</i>
<i>Moisture</i>	<i>ISO 712</i>	<i>13.0</i>	<i>13.1</i>	<i>12.9</i>	<i>12.9</i>	<i>13.6</i>	<i>12.3</i>
<i>Hagberg</i>	<i>ISO 3093</i>	<i>318</i>	<i>368</i>	<i>280</i>	<i>355</i>	<i>316</i>	<i>310</i>
<i>W</i>	<i>ISO 27971</i>	<i>270</i>	<i>260</i>	<i>280</i>	<i>280</i>	<i>250</i>	<i>240</i>
<i>P/L</i>	<i>ISO 27971</i>	<i>0.4-1.0</i>	<i>0.5-1.0</i>	<i>0.4-1.1</i>	<i>0.4-1.0</i>	<i>0.4-1.0</i>	<i>0.6-0.8</i>
<i>Wet Gluten</i>	<i>ISO 21415-2</i>	<i>28</i>	<i>26</i>	<i>25</i>	<i>25</i>	<i>29</i>	<i>27</i>
<i>Foreign Matter</i>	<i>EN 15587</i>	<i>0.50</i>	<i>0.48</i>	<i>0.54</i>	<i>0.52</i>	<i>0.56</i>	<i>0.5</i>
<i>Bug Damage</i>		<i>1.1</i>	<i>1.8</i>	<i>0.8</i>	<i>0.9</i>	<i>0.7</i>	<i>0.4</i>

- **Low moisture.**
- **Very good test weight.**
- **Protein lower than last season.**
- **Gluten lower.**
- **Low bug damage.**

Ukraine Quality #3

<i>GOST #3</i>		2009	2010	2011	2012	2013	2014
<i>Protein dmb</i>	<i>ISO 20483</i>	11.8	12.5	12.4	13.0	12.1	11.8
<i>Test Weight</i>	<i>ISO 7971-3</i>	78.0	76.1	79.0	77.0	77.9	80.1
<i>Moisture</i>	<i>ISO 712</i>	13.0	13.1	12.9	12.9	13.6	12.2
<i>Hagberg</i>	<i>ISO 3093</i>	314	342	277	315	308	280
<i>W</i>	<i>ISO 27971</i>	220	220	230	230	210	205
<i>P/L</i>	<i>ISO 27971</i>	0.4-1.0	0.5-1.0	0.4-1.1	0.4-1.0	0.4-1.0	0.8-1.0
<i>Wet Gluten</i>	<i>ISO 21415-2</i>	24	21	21	20	24	23.6
<i>Foreign Matter</i>	<i>EN 15587</i>	0.50	0.48	0.54	0.52	0.59	0.6
<i>Bug Damage</i>		1.1	1.2	0.6	0.7	0.7	0.4

- Protein slightly lower YOY.
- Very good test weight .
- Low moisture.
- Low bug damage.

GOST #3	Method	2008	2009	2010	2011	2012	2013	2014
Protein dmb	<i>ISO 20483</i>	12.8	12.9	12.8	13.5	13.8	13.2	13.54
Test Weight	<i>ISO 7971-3</i>	78.1	77.8	78.6	79.1	78.3	77.5	79.0
Moisture	<i>ISO 712</i>	12.4	13.0	11.1	12.9	12.1	11.8	11.7
Hagberg	<i>ISO 3093</i>	340	300	330	310	330	270	380
W	<i>ISO 27971</i>	250	190	190	220	240	220	250
P/L	<i>ISO 27971</i>	0.9-1.0	0.9-1.0	0.9-1.0	0.9-1.0	0.9-1.0	0.9-1.0	0.9-1.0
Wet Gluten	<i>ISO 21415-2</i>	27.7	27.5	28.9	30.1	30.8	29.5	28.7
Foreign Matter	<i>EN 15587</i>	0.6	0.9	1.4	0.7	0.9	0.6	0.4
Bug Damage		1.7	1.5	1.5	1.2	0.8	0.8	0.5

- Relatively consistent with last season, with the exception of higher falling number.
- Consensus has been that it has not performed as well as last season.
- Low bug damage and low moisture.

<i>GOST #4</i>	<i>Method</i>	<i>2008</i>	<i>2009</i>	<i>2010</i>	<i>2011</i>	<i>2012</i>	<i>2013</i>	<i>2014</i>
<i>Protein dmb</i>	<i>ISO 20483</i>	12.4	11.7	11.9	12.0	12.7	12.2	12.6
<i>Test Weight</i>	<i>ISO 7971-3</i>	78.6	77.0	78.2	78.4	77.6	76.9	79.5
<i>Moisture</i>	<i>ISO 712</i>	12.0	13.3	11.3	12.5	11.9	11.9	11.9
<i>Hagberg</i>	<i>ISO 3093</i>	320	290	380	260	300	250	320
<i>W</i>	<i>ISO 27971</i>	170	170	180	170	190	210	210
<i>P/L</i>	<i>ISO 27971</i>	0.8-0.9	0.8-0.9	0.8-0.9	0.8-0.9	0.8-0.9	0.8-0.9	0.8-0.9
<i>Wet Gluten</i>	<i>ISO 21415-2</i>	24.2	23.8	24.9	23.7	25.5	24.2	25.8
<i>Foreign Matter</i>	<i>EN 15587</i>	0.7	0.8	1.0	0.9	0.8	0.7	0.4
<i>Bug Damage</i>		1.7	1.5	1.5	1.2	0.8	0.8	0.5

- Again similar to last season, with some comments that performance has not been as good as last season.

- **Black Sea wheat supplies are a critical part of world trade in wheat.**
- **Production and exports are increasing.**
- **Feed percentage appears to be declining with improved agronomic practices.**
- **Quality is also improving, more consistent, and gaining wider acceptance.**
- **Below average rainfall in the region and the industry will continue to monitor.**
- **Some discussion on Russia restricting exports for the current wheat crop, however the situation is still unclear.**