

Company Registration No. 4345939

Xstrata Limited
(formerly Xstrata plc)

Report and Financial Statements

31 December 2013



Xstrata Limited

Report and financial statements 2013

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Xstrata Limited

Officers and professional advisors

Directors

Aristotelis Mistakidis	(Resigned: 3.5.2013)
Claude Richard Lamoureux	(Resigned: 2.5.2013)
Con Fauconnier	(Resigned: 2.5.2013)
David Rough	(Resigned: 2.5.2013)
Ian Charles Strachan	(Resigned: 2.5.2013)
Ivan Glasenberg	(Resigned: 3.5.2013)
Sir John Reginald Hartnell Bond	(Resigned: 2.5.2013)
Michael Lawrence Davis	(Resigned: 2.5.2013)
Peter Hooley	(Resigned: 2.5.2013)
Santiago Zaldumbide	(Resigned: 2.5.2013)
Sir Stephen Arthur Robson	(Resigned: 2.5.2013)
Tor Carmichael Peterson	(Resigned: 3.5.2013)
Trevor Lawrence Reid	(Resigned: 2.5.2013)
Andreas Peter Hubmann	(Appointed: 3.5.2013)
John William Burton	(Appointed: 3.5.2013)
Martin William Haering	(Appointed: 3.5.2013)
Brian Keith Azzopardi	(Appointed: 4.5.2013, Resigned: 27.3.2014)

Secretary

John William Burton	(Resigned: 29.5.2013)
Richard Paul Elliston	(Resigned: 2.5.2013)
Matthew Barrie Hinks	(Appointed: 29.5.2013)

Registered office

50 Berkeley Street
London
W1J 8HD

Headquarters and business address

Baarermattstrasse 3
6341 Baar
Switzerland

Auditor

Deloitte LLP
Chartered Accountants
London, England

Xstrata Limited

Strategic report

The directors present their Strategic report for the year ended 31 December 2013 to provide a review of the Company's business, principal risks and uncertainties and performance and position.

Organisation and principal activity

Xstrata Limited (the "Company") was incorporated on 31 December 2001 (Companies House registration no. 4345939).

On 2 May 2013, the Glencore Group completed its acquisition of the remaining 66% of the issued and outstanding ordinary shares of Xstrata plc that it did not previously own. Upon acquisition by Glencore International plc (subsequently Glencore Xstrata plc and as of 20 May 2014 Glencore plc) it was announced that the "New Scheme" and the "Merger" became effective and the entire issued ordinary share capital of Xstrata plc was now fully owned by the Glencore Group. Xstrata plc was deregistered as a public limited corporation and the company status reverted back to being a limited company on 7 May 2013 thus becoming Xstrata Limited.

The Company is a subsidiary of Glencore plc (the "Parent"). The principal activity of the Company is that of a holding company. The directors are not aware, at the date of this report, of any likely major changes in the activities of the Company in the next year. In addition given the nature of the activities, the Company's Directors believe that key performance indicators and business risks for the Company are not necessary or appropriate for an understanding of the development, performance or position of the business.

Business review

As shown in the Profit and loss account on page 6, the profit for the year after taxation was US\$1,341 million (2012: profit of US\$4,403 million). The balance sheet on page 7 shows that the Company's financial position at the year-end for net assets has increased compared with the prior year. The directors recommend that no dividend be paid (2012: US\$1,210 million).

There have been no significant events since the balance sheet date that require disclosure or would cause any of the assets or liabilities reported in these financial statements to be restated.


The Company's profitability is dependent on the quantum and timing of receipt of dividends from its subsidiaries. However, the expectation of the Directors is that the Company will remain profitable in the forthcoming year.

Principal risks and risk governance

The Board of Directors are responsible for approving risk management principles and policies, and ensuring that the Company's management maintains an effective system of internal controls. They are responsible for the management of risk within the framework of risk management principles and policies approved by the Board.

Interest rate and foreign exchange risk

The Company monitors its interest rate risk, considering any material exposures. The US dollar is the functional currency of the Company, as the majority of transactions are denominated in US dollars. The Company is exposed to the risks of changes in foreign currency exchange rates with regard to its activities which are not denominated in US dollars.



Approved by the directors
and signed on behalf of the Board

John Burton
Director
10 September 2014

Xstrata Limited

Directors' report

The Strategic report starting on page 2 contains details of the principal activities of the Company and provides information on the Company's business during the year and indications of likely future developments.

On 29 April 2013, 28,679,495 ordinary shares of US\$ 0.50 each were issued to the Employee Share Ownership Plan (refer note 9 of the Notes to the Financial Statements).

A new Articles of Association was adopted with one class of share capital, effective 17 May 2013 (refer note 9 of the Notes to the Financial Statements).

Directors

The directors who held office during the year and subsequently are shown on page 1.

Directors' indemnities

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year which remain in force at the date of this report.

Going concern

The company's forecasts and projections, taking into account reasonably possible changes in performance and the impact of the risks and uncertainties, indicate it is appropriate to adopt the going concern basis in preparing these financial statements.

Auditor

Each of the persons who are a director at the date of approval of this report confirms that:

1. so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
2. the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have indicated their willingness to be reappointed for another term and appropriate arrangements have been put in place for them to be deemed to be reappointed as auditors in the absence of an Annual General Meeting.

Approved by the Board of Directors
and signed on behalf of the Board



John Burton
Director
10 September 2014

Xstrata Limited

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, Directors' report, and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable laws).

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of Xstrata Limited

We have audited the financial statements of Xstrata Limited for the year ended 31 December 2013 which comprise the Profit and loss account, the Statement of total recognised gains and losses, the Balance sheet and the related notes 1 to 13. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As explained more fully in the Directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the Company's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the directors; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the Strategic report and the Directors' report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2013 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

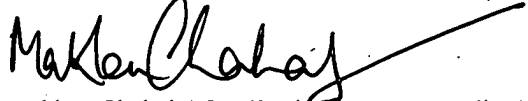
Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic report and Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.



Makhan Chahal ACA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Chartered Accountants and Statutory Auditor
London, England
10 September 2014

Xstrata Limited

Profit and loss account Year ended 31 December 2013

US\$ million	Notes	2013	2012
Gross profit		-	-
Operating expenses	2	(346)	(107)
Other operating income	3	1,716	4,996
Operating profit		1,370	4,889
Non-operating expenses - net	4	(29)	(486)
Profit before income tax		1,341	4,403
Taxation	6	-	-
Profit for the year		1,341	4,403

All activities derive from continuing operations.

No note of historical cost profits has been prepared as there are no differences between reported profits and historical cost profits.

Statement of total recognised gains and losses Year ended 31 December 2013

US\$ million	Notes	2013	2012
Profit for the year		1,341	4,403
Fair value loss on investment	7	(9)	-
Total recognised gains and losses for the year		1,332	4,403

Xstrata Limited

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Balance sheet 31 December 2013

US\$ million	Notes	2013	2012
Fixed assets			
Investments	7	25,432	24,580
		25,432	24,580
Current assets			
Debtors - amounts falling due within one year		12	46
		12	46
Total assets		25,444	24,626
Current liabilities			
Creditors - amounts falling due within one year	8	(1)	(1,222)
		(1)	(1,222)
Total assets less current liabilities, being net assets		25,443	23,404
Capital and reserves			
Called up share capital	9,10	1,516	1,501
Share premium	9,10	15,377	14,952
Other reserves	10	940	949
Own shares	10	-	(269)
Retained earnings	10	7,610	6,271
Total shareholders' funds		25,443	23,404

These financial statements were approved by the Board of Directors on 10 September 2014.

Signed on behalf of the Board of Directors



John Burton
Director
10 September 2014

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies

Basis of accounting

The financial statements are prepared on the historical cost basis of accounting, as modified by the inclusion of financial instruments and listed investments at fair value.

Under Section 400 of the Companies Act 2006, the Company is exempt from the requirement to prepare consolidated financial statements. Consequently, the financial statements present information about the Company as an individual undertaking and not its group.

At 31 December 2013 the Company was a subsidiary of Glencore Xstrata and is included in the consolidated financial statements of Glencore Xstrata, which are publicly available. Therefore, the Company has taken advantage of the exemption from preparing a cash flow statement under the terms of FRS 1.

In addition the Company has also taken advantage of the exemption in Financial Reporting Standard No. 29 'Financial instruments: Disclosures' (FRS 29) not to present Company only information as the Company was a subsidiary undertaking; 90 percent or more of its voting rights were controlled by Glencore Xstrata; and the Company is included in publicly available consolidated financial statements of Glencore Xstrata which include the disclosures that comply with the requirements of this standard.

Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position are set out in the business review.

The Company's forecasts and projections, taking into account reasonably possible changes in performance and the impact of the risks and uncertainties outlined above, indicate it is appropriate to adopt the going concern basis in preparing these financial statements.

Currency of financial statements

As the Company undertakes the majority of its trading transactions in US dollars, these financial statements have been prepared in that currency.

Basis of preparation

These financial statements have been prepared in accordance with applicable UK accounting standards. The accounting policies are consistent with the prior year.

The Company has adopted the following principal accounting policies:

Investments

Equity investments in subsidiaries are carried at cost less any provision for impairments.

Impairment

The carrying values of fixed assets are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amounts. Such review is undertaken on cash-generating units.

If the carrying value of a fixed asset exceeds the recoverable amount, a provision is recorded to reflect the asset at the lower amount. In assessing the recoverable amounts of fixed assets, the relevant future cash flows expected to arise from the continuing use and disposal of the assets have been discounted to their present value using a market-determined discount rate.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Deferred taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date that will result in an obligation to pay more, or a right to pay less, tax in the future. In particular:

- provision is made for tax on gains arising from the disposal of fixed assets, only to the extent that, at the balance sheet date, there is a binding agreement to dispose of the assets concerned. However, no provision is made where, on the basis of all available evidence at the balance sheet date, it is more likely than not that the taxable gain will be rolled over into replacement assets and charged to tax only when the replacement assets are sold;
- provision is made for deferred tax that would arise on remittance of the retained earnings of overseas entities only to the extent that, at the balance sheet date, dividends have been accrued as receivable; and
- deferred tax assets are recognised only to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Own shares

The cost of purchases of own shares held by the Employee Share Ownership Plan (ESOP) trust are deducted from equity. Where they are issued to employees or sold, no gain or loss is recognised in the profit and loss account. Any proceeds received on the disposal of the shares or on the transfer of shares to employees are recognised in equity.

Share-based payments

The expense recognised in the financial statements relates only to those share-based awards that are granted by the Company to its employees and directors. Expenses relating to awards granted to employees and directors of other subsidiaries of Xstrata Limited (together with Xstrata Limited the "Group") companies are allocated to those companies in accordance with UITF Abstract 44.

Equity-settled awards

For equity-settled awards, the fair value is charged to the Profit and loss account and credited to retained earnings, on a straight-line basis over the vesting period, after adjusting for the estimated number of awards that are expected to vest (taking into account the achievement of non-market-based performance conditions). The fair value of the equity-settled awards is determined at the date of the grant by external experts using an option pricing model. At each balance sheet date prior to vesting, the cumulative expense representing the extent to which the vesting period has expired and management's best estimate of the awards that are ultimately expected to vest is computed (after adjusting for non-market performance conditions). The movement in cumulative expense is recognised in the Profit and loss account with a corresponding entry within equity.

Cash-settled awards

For cash-settled awards, the fair value is recalculated at each balance date until the awards are settled based on the estimated number of awards that are expected to vest adjusting for market and non-market-based performance conditions. During the vesting period, a liability is recognised representing the portion of the vesting period that has expired at the balance sheet date multiplied by the fair value of the awards at that date. After vesting, the full fair value of the unsettled awards at each balance date is recognised as a liability. Movements in the liability are recognised in the Profit and loss account. The fair value is recalculated using an option pricing model.

Refer to note 19 of the Glencore Xstrata plc consolidated financial statements for the year ended 31 December 2013 for a full explanation of the valuation of and accounting for the share-based awards.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

1. Accounting policies (continued)

Loans from subsidiaries

Loans from subsidiaries are recognised at inception at the fair value of the proceeds received net of issue costs. Subsequently, they are measured at amortised cost using the effective interest method. Finance costs are recognised in the profit and loss account using the effective interest rate method.

Foreign currency transactions

Foreign currency transactions are booked in the functional currency (US\$) at the exchange rate ruling on the date of the transaction. Foreign currency monetary assets and liabilities are translated into the functional currency at rates of exchange ruling at the balance sheet date. Exchange differences are recorded in the profit and loss account. Foreign currency non-monetary assets and liabilities are not restated at balance sheet date.

Revenue

Interest income is recognised as earned on an accruals basis using the effective interest method.

Dividend income is recognised as earned when the Company's right to receive payment is established.

Income for other services is recognised when the service has been rendered, the amount of revenue (and associated costs) can be reliably measured, and it is probable that economic benefits will flow to the Company.

Comparatives

Where applicable, comparatives have been adjusted to disclose them on the same basis as current period figures.

2. Operating expenses

US\$ million	2013	2012
Interest expense to group companies	6	31
Recharges from group companies	59	68
Realised loss on disposal of shares	276	-
Other operating expense	5	8
Total	346	107

US\$ thousand	2013	2012
Directors' remuneration		
Emoluments	950	2,292
Sums paid to third parties in respect of directors' service	-	386
Total	950	2,678
Remuneration of the highest paid director		
Emoluments	265	1,110

Audit fees

The audit fee is US\$ 37,500 (2012: US\$ 51,000) in respect of the Company.

Employee disclosure

The average monthly number of employees (excluding directors) was nil (2012: nil).

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

3. Other operating income

Investment income of US\$1,716 million (2012: US\$4,996 million) relates solely to dividend received by the Company from its equity investment as shown in note 7.

4. Non-operating expenses - net

US\$ million	2013	2012
Acquisition related expenses	29	486
Total	29	486

5. Dividends

US\$ million	2013	2012
Declared and paid during the year:		
Final dividend for 2012 - US\$nil (Final dividend for 2011 - 27.0 cents per ordinary share)	-	797
Interim dividend for 2013 - US\$nil (Interim dividend for 2012 - 14.0 cents per ordinary share)	-	413
Total	-	1,210

6. Taxation

US\$ million	2013	2012
Current tax charge		
Swiss corporation tax	-	-
Tax charge on profit on ordinary activities	-	-

Current tax reconciliation:

US\$ million	2013	2012
Profit on ordinary activities before taxation	1,341	4,403
Profit on ordinary activities multiplied by standard rate of corporation tax in Switzerland of 7.8% (2012: 7.8%)	105	344
Effects of:		
Non-taxable income	(105)	(344)
Tax charge on profit on ordinary activities	-	-

The Company is incorporated in the UK but by virtue of its place of effective management being in Switzerland it is tax resident in Switzerland.

The Company can benefit from the holding privilege at the Cantonal level and therefore the Company is exempt from corporate income taxes. The Company is only subject to Federal corporate income tax at an effective tax rate of 7.8%. Due to the fact that the Company's income mainly derives from dividends the participation exemption is available and therefore no Federal corporate income tax is due.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

7. Investments

US\$ million	Investment in subsidiaries	Investment in ultimate parent entity	Loan to subsidiaries	Total
At 1 January 2012	24,394	-	86	24,480
Additions	-	-	100	100
At 31 December 2012	24,394	-	186	24,580
Reclassifications ⁽²⁾	-	1,119	-	1,119
Additions	-	-	49	49
Disposals	(3) ⁽¹⁾	(304)	-	(307)
Fair value loss	-	(9)	-	(9)
At 31 December 2013	24,391	806	235	25,432

⁽¹⁾ There was the disposal of investment of US\$3 million due to the liquidation of Xstrata Finance (Luxemburg) S.a.r.L.

⁽²⁾ Refer to notes 9 and 10. The investment in the ultimate parent entity comprises of an available-for-sale investment which represents shares in Glencore Xstrata which was the Company's parent company at 31 December 2013. These shares are intended to be used to settle share based payments obligations of other group companies. These shares were originally the Company's investment in its own shares, and these converted to Glencore Xstrata shares on the acquisition of the Company. Prior to the acquisition, this investment was classified within Own Shares (relating to the Employee Share Ownership Plan) within reserves.

The subsidiary undertakings of the Company at 31 December and the percentage holding of ordinary share capital are set out below:

Company name Country of incorporation	Country of Incorporation	Activity	2013 Ownership	2012 Ownership
Glencore (Schweiz) AG (formerly Xstrata (Schweiz) AG)	Switzerland	Holding	100%	100%
Glencore Finance (Dubai) Limited. (formerly Xstrata Finance (Dubai) Limited)	U.A.E.	Finance	90%	90%
Xstrata Commodities Middle East DMCC	U.A.E.	Marketing	90%	90%
Xstrata (Nederland) BV	Netherlands	Finance	75%	75%
Glencore Coal Sales Pte Ltd (formerly Xstrata Coal Sales Pte Ltd)	Singapore	Operating	90%	90%
Xstrata Finance (Luxemburg) S.a.r.L	Luxembourg	Finance	-	90%

In accordance with Section 410 of the Companies Act 2006, the table above comprises significant subsidiaries. All subsidiaries listed operate in their country of incorporation. The year end for all subsidiaries listed is 31 December. A full list of the Company's direct and indirect subsidiaries is included on the Company's Annual Return filed with the Registrar of Companies.

8. Creditors: amounts falling due within one year

US\$ million	2013	2012
Amounts owed to subsidiaries	-	1,122
Other creditors	1	100
At 31 December	1	1,222

All loans and payables are due for repayment within one year.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

9. Called up share capital

US\$ million

Issued, called up and fully paid	
2,964,692,076 ordinary shares of US\$0.50 each at 1 January 2012 and 31 December 2012	1,482
38,000,000 ordinary shares issued on 5 March 2012 to the ESOP	19
3,002,692,076 ordinary shares of US\$0.50 each at 31 December 2012	1,501
28,679,495 ordinary shares issued on 29 April 2013 to the ESOP	15
3,031,371,571 ordinary shares of US\$0.50 each at 31 December 2013	1,516

Share premium

At 1 January 2012	15,458
38,000,000 ordinary shares issued on 5 March 2012 to the ESOP	704
Dividends paid	(1,210)
At 31 December 2012	14,952
28,679,495 ordinary shares issued on 29 April 2013	425
At 31 December 2013	15,377

Authorised share capital

A new Articles of Association was adopted, effective 17 May 2013, which resulted in only one class of share capital being available for allotment.

Issue of ordinary shares

On 05 March 2012, 38,000,000 ordinary shares of US\$ 0.50 each were issued to the ESOP at a price of US\$19.04 per share.

On 29 April 2013, 28,679,495 ordinary shares of US\$ 0.50 each were issued to the ESOP at a price of US\$15.33 per share.

10. Capital and reserves

US\$ million	Share Capital	Share premium	Share distributable premium reserves	Other reserves ⁽³⁾	Own shares	Retained earnings	Total
At 1 January 2013	1,501	8,184	6,768	949	(269)	6,271	23,404
Issue of share capital ⁽¹⁾	15	425	-	-	(440)	-	-
Profit for the year	-	-	-	-	-	1,341	1,341
Fair value loss on investment ⁽²⁾	-	-	-	(9)	-	-	(9)
Own shares purchased	-	-	-	-	(440)	-	(440)
Own shares sold	-	-	-	-	30	(25)	5
Reclassifications ⁽³⁾	-	-	-	-	1,119	-	1,119
Equity-settled share based payments	-	-	-	-	-	23	23
At 31 December 2013	1,516	8,609	6,768	940	-	7,610	25,443

⁽¹⁾ Refer to note 9.

⁽²⁾ Refer to note 7.

⁽³⁾ Other reserves include the available-for-sale reserve which includes the fair value loss on the mark to market of the investment in the ultimate parent entity. Refer to note 7.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

10. Capital and reserves (continued)

US\$ million	Share Capital	Share premium	Share premium distributable reserves	Other reserves	Own shares	Retained earnings	Total
At 1 January 2012	1,482	15,458	-	949	(107)	1,867	19,649
Issue of share capital	19	704	-	-	(723)	-	-
Profit for the year	-	-	-	-	-	4,403	4,403
Own shares purchased	-	-	-	-	(22)	-	(22)
Own shares sold	-	-	-	-	583	(420)	163
Share premium reduction	-	(7,978)	7,978	-	-	-	-
Equity-settled share based payments	-	-	-	-	-	421	421
Dividends	-	-	(1,210)	-	-	-	(1,210)
At 31 December 2012	1,501	8,184	6,768	949	(269)	6,271	23,404

Share premium

In May 2012, the US\$7,978 million reduction of the share premium account was confirmed following the passing of a resolution at the Company's Annual General Meeting and finalisation of regulatory approvals. This reduction enabled the creation of a distributable share premium reserve.

The combined share premium accounts comprise capital contribution reserves of US\$13,487 million (2012: US\$13,487 million) and share premium arising from the issue of shares to the ESOP of US\$1,890 million (2012: US\$1,465million).

Total capital contribution reserves amount to US\$14,422 million (2012: US\$14,422 million) including the capital contribution reserves from the other reserves.

Other reserves

US\$935million of Other reserves, principally originated during 2002 from the issue of shares related to the acquisition of the Duiker and Enex Groups and constitutes a capital contribution reserve.

Own shares

Own shares comprised of shares of Xstrata plc held in the Employee Share Ownership Plan (ESOP). Following completion of the acquisition of Xstrata plc by Glencore International plc through an all share exchange of 3.05 Glencore International plc share for every Xstrata plc share, the own shares are now equity instruments of the ultimate parent company (being Glencore plc) rather than of Xstrata Limited and therefore they no longer meet the definition of Treasury Shares and presentation in accordance with FRS 25 is no longer applicable.

Financial Reporting Standard No. 26 'Financial Instruments: Recognition and measurement' (FRS 26) governs the accounting treatment of equity investments other than Own shares, subject to certain recognition criteria being met. These shares are classified in accordance with FRS 26 as 'Available-for-sale' investment as they are not held for trading, consequently they were reclassified to within Investments (refer to note 7) and they are remeasured to fair value at each balance sheet date.

Previously the Own shares met the definition of Treasury Shares and were presented as a negative balance within equity in accordance with Financial Reporting Standard No. 25 'Financial instruments: Presentation' (FRS 25).

The shares of Xstrata plc acquired by the ESOP were either stock market purchases or share issues from the Company. The ESOP is used to co-ordinate the funding and manages the delivery of ordinary shares for options and free share awards under the Group's employee schemes.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

10. Capital and reserves (continued)

Own shares (continued)

At 31 December 2012, 14,144,089 shares, equivalent to 0.5% of the total issued share capital, were held by the trust with a cost of US\$269 million and market value of US\$243 million. The trust has waived the right to receive dividends from the shares that it holds. Costs relating to the trust are expensed in the period in which they are incurred.

11. Ultimate parent company

The ultimate parent and controlling company is Glencore plc, a company incorporated in Jersey with registered offices at Queensway House, Hilgrove Street, St. Helier, Jersey JE1 1ES. This is the largest group for which consolidated financial statements are prepared. Copies of the consolidated financial statements of Glencore plc may be obtained from Queensway House or from www.glencore.com.

12. Related party disclosures

The Company has taken advantage of the exemption contained within Financial Reporting Standard No. 8 'Related Party Disclosures' and has not disclosed transactions with Glencore Group companies.

13. Guarantees

The Company has provided guarantees for the financial obligations of a number of Group companies.

Specifically, the Company has provided:

In November 2012, the Group issued EUR2,250 million of notes in two tranches under its Euro Medium-Term Note Programme. These comprised EUR1,250 million 1.75% guaranteed notes due May 2016 and EUR1,000 million 2.625% guaranteed notes due November 2018. The notes were issued by Glencore Finance (Dubai) Limited (formerly Xstrata Finance (Dubai) Limited). These capital market notes are guaranteed by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG (formerly Xstrata (Schweiz) AG), Glencore Finance (Dubai) Limited, Glencore Canada Financial Corporation (formerly Xstrata Canada Financial Corporation) and Glencore Finance (Canada) Limited (formerly Xstrata Finance (Canada) Limited). In addition, the notes were swapped into US\$ currency with the swaps guaranteed by the Company and Glencore (Schweiz) AG.

In October 2012 the Group issued US\$ denominated capital market notes in a US\$4,500 million four-tranche transaction comprising 3 year, 5 year, 10 year and 30 year notes. The fixed interest facilities were issued by Glencore Finance (Canada) Limited. The capital market notes comprise US\$1,250 million 2.05% guaranteed notes due October 2015, US\$1,750 million 2.70% guaranteed notes due October 2017, US\$1,000 million 4.25% guaranteed notes due October 2022 and US\$500 million 5.55% guaranteed notes due October 2042. These capital market notes are guaranteed by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG, Glencore Finance (Dubai) Limited and Glencore Canada Financial Corporation.

In November 2011 the Group issued US\$ denominated capital market notes in a US\$3,000 million four-tranche transaction comprising 3 year, 5 year, 10 year and 30 year notes. The fixed interest facilities were issued by Glencore Finance (Canada) Limited. The capital market notes comprise US\$800 million 2.85% guaranteed notes due November 2014, US\$700 million 3.60% guaranteed notes due January 2017, US\$1,000 million 4.95% guaranteed notes due November 2021 and US\$500 million 6.00% guaranteed notes due November 2041. These capital market notes are guaranteed by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG, Glencore Finance (Dubai) Limited and Glencore Canada Financial Corporation.

Xstrata Limited

Notes to the financial statements Year ended 31 December 2013

13. Guarantees (continued)

In October 2011 the Group entered into a guaranteed US\$6,000 million multi-currency revolving syndicated loan facility maturing in October 2016. Interest was payable on drawn down amounts at a rate that is the aggregate of LIBOR, or in relation to Euro, EURIBOR and the relevant margin, which is 85 basis points per annum. The loan was entered into by Glencore (Schweiz) AG, Glencore Canada Financial Corporation, Glencore Finance (Dubai) Limited and Glencore Finance (Canada) Limited and was guaranteed by the Company, Glencore (Schweiz) AG, Glencore Canada Financial Corporation, Glencore Finance (Dubai) Limited and Glencore Finance (Canada) Limited. The facility was cancelled in June 2013.

In May 2008, the Group issued EUR600 million of notes under its Euro Medium-Term Note Programme. These comprised EUR600 million 6.25% fixed guaranteed notes due 2015. In May 2008, the Group issued GBP500 million 7.375% fixed guaranteed notes due 2020. The notes were issued by Glencore Canada Financial Corporation. These capital market notes are guaranteed by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG, Glencore Finance (Dubai) Limited, Glencore Canada Financial Corporation and Glencore Finance (Canada) Limited. In addition, the notes were swapped into US\$ currency and a floating rate with the swaps guaranteed by the Company and Glencore (Schweiz) AG.

In November 2007, the Group completed a US\$500 million 30-year bond issue bearing interest at 6.90% per annum. The bond was issued by Glencore Finance (Canada) Limited. These bonds are fully and unconditionally guaranteed on a senior, unsecured and joint and several basis by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG and Glencore Finance (Dubai) Limited.

In June 2007, the Group issued EUR500 million of notes under its Euro Medium-Term Note Programme. These comprised EUR500 million guaranteed 5.250% notes due 13 June 2017. The notes were issued by Glencore Finance (Canada) Limited. These capital market notes are fully and unconditionally guaranteed on a senior, unsecured and joint and several basis by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG, Glencore Finance (Dubai) Limited, Glencore Canada Financial Corporation and Glencore Finance (Canada) Limited. In addition, the notes were swapped into US\$ currency and a floating rate with the swaps guaranteed by the Company and Glencore (Schweiz) AG.

In November 2006, the Group issued US\$1,000 million of capital market notes to refinance existing debt facilities. These comprised US\$1,000 million guaranteed 5.8% notes due 2016. The notes were issued by Glencore Finance (Canada) Limited. These capital market notes are guaranteed by the Company, Glencore plc, Glencore International AG, Glencore (Schweiz) AG and Glencore Finance (Dubai) Limited. In addition, the notes were swapped into a floating rate with the swaps guaranteed by the Company and Glencore (Schweiz) AG.

Included in the financial obligations of a number of Group companies that were assumed by the Glencore Group were a number of US\$ bonds assumed from the Group's acquisition of Falconbridge Limited. Pursuant to the terms of the note indentures as amended by supplemental indentures, the Company has fully and unconditionally guaranteed in favour of the holders of the bonds the payment, within 15 days of when due, of all financial liabilities and obligations of Falconbridge Limited to such holders under the terms of the bonds.