TRAFIGURA

EXCELLENT TRADING AND FINANCIAL PERFORMANCE

PIERRE LORINET
Chief Financial Officer

As well as benefiting from a positive market environment, the Group is delivering improved operational efficiency.

PERFORMANCE INDICATORS

$48.2bn Group revenue (2014: USD63.8 billion)*	**$39.0bn** Total assets (2014: USD39.6 billion)**
$1,516.9m Gross profit (2014: USD960.8 million)*	**$8.6bn** Total non-current assets (2014: USD7.9 billion)**
3.1% Gross profit margin (2014: 1.5%)*	**$6.1bn** Total group equity (2014: USD5.6 billion)**
$653.8m Net profit (2014: USD469.7 million)*	**$1,120m** EBITDA (2014: USD618 million)*

* Six-month period ended 31 March 2015
** As at 30 September 2014

The Trafigura Group delivered a very strong financial performance in the first half of the 2015 financial year, with net profit of USD654 million for the six-month period ended 31 March 2015, an increase of 39 percent over the figure of USD470 million recorded in the same period a year ago.

PROFITABILITY

The increase reflects excellent trading performance in the relatively favourable conditions prevailing in global oil and refined product markets. This was coupled with profitable volume growth in both our principal trading divisions and continuing progress in delivering operational efficiency, with a beneficial effect on gross margins. The overall gross margin in the period was 3.1 percent, more than double the figure of a year ago.

Revenue in the first half amounted to USD48,238 million, a decrease of 24 percent from the figure of USD63,814 million a year ago, due entirely to the falls in energy and metal prices in the past year. Gross profit reached USD1,517 million, an increase of 58 percent on the figure of USD961 million recorded in the first half of 2014.

Results from operating activities were USD903 million, an increase of 42 percent on the figure of USD635 million a year ago. General and administrative expenses including staff costs rose by 10 percent to USD527 million from the figure a year ago of USD477 million, reflecting the continuing build-out of the organisation and investment in IT systems.

EBITDA* was USD1,120 million in the half-year, compared with USD618 million in the same period of 2014. From an operating profit perspective, we believe that EBITDA is the appropriate indicator to assess our performance as the amount of depreciation and amortisation has steadily increased following the growth in our fixed asset portfolio.

Net financing costs were USD155 million; little changed from the USD153 million recorded in the first half of 2014. Within this figure, higher gross financing costs for working capital to finance oil storage were offset by an increase in finance income, largely generated from ongoing prepayment operations.

* EBITDA (earnings before interest, tax, depreciation and amortisation) is operating profit excluding the share in results of equity-accounted investees, depreciation and amortisation, gains/losses on divestments of subsidiaries, equity-accounted investees and other investments, impairment losses and other operating income and expense.

Corpus Christi oil storage facility, Texas, US.

Group income tax expense in the period more than doubled to USD136 million, reflecting increased profitability including increased profitability in jurisdictions with higher income tax rates.

BALANCE SHEET

The Group's total assets as at 31 March 2015 amounted to USD38,992 million, little changed from the figure of USD39,575 million recorded at the end of the 2014 financial year on 30 September 2014. Fixed and non-current assets grew by 9 percent from their end-2014 level to USD8,550 million as the Trafigura Group continued its fixed asset investment programme. The net book value of Trafigura's property, plant and equipment increased by USD414 million or 14 percent during the half-year. An impairment charge of USD70 million was recorded on various fixed assets including Impala Terminals' Burnside coal facility in the US state of Louisiana.

Current assets stood at USD30,442 million, down 4 percent from the 30 September 2014 figure of USD31,695 million. Inventories were USD8,715 million, 10 percent above the 30 September figure of USD7,905 million, largely reflecting an increase in inventories of oil and petroleum products. In line with the Group's market risk policy of not taking any outright price risk on its physical business, all inventories in the period were either pre-sold or hedged for index price risk. Short-term prepayments (recorded as current assets) amounted to USD2,270 million, compared with USD2,301 million in September, reflecting a continuing reliance by our clients on financing facilities that we source, structure and syndicate with our financial partners.

Non-current loans and borrowings increased slightly to USD6,227 million. The Group manages capital using an adjusted debt-to-equity ratio, which is adjusted total debt divided by Group equity. For this purpose, the adjusted debt metric represents the Group's total long- and short-term debt less cash, readily marketable stock, debt related to the Group's securitisation programme and the non-recourse portion of loans to third parties.

As at 31 March 2015, Trafigura's adjusted debt ratio was 1.43x. This compares with 1.31x at 30 September 2014 but marks a decrease from the ratio of 1.62x recorded at 31 December 2014. The variation is mainly due to higher short-term debt as a result of increased prepayments and increased inventories, combined with lower short-term cash balances and a reduced securitisation programme due to lower prices. The latter two factors reduce the adjustment factor in the ratio.

The nature of the ratio means that it fluctuates between quarters, but Trafigura's long-term commitment is to maintain a disciplined approach to leverage, with the aim of ensuring that the ratio does not rise significantly above 1.0x on a long-term basis.

Importantly, the long-term debt-to-equity ratio decreased from 1.1x on 30 September 2014 to 0.96x on 31 March 2015, and remains well inside the covenant level.

Total Group equity rose to USD6,086 million as of 31 March 2015, compared to USD5,557 million at the previous year-end. This increase in net worth largely reflects increased retained earnings.

LIQUIDITY AND FUNDING

Trafigura maintained a strong liquidity position throughout the half-year, with access to diverse sources of funding. The Trafigura Group enjoys strong support from its bank group of more than 130 institutions located around the world. The Group continues to finance the majority of its day-to-day trading activity through uncommitted, self-liquidating bilateral trade finance lines. It uses corporate credit facilities to finance other short-term liquidity requirements, such as the bridge financing of investment projects until dedicated financing facilities are in place, and margin calls. Trafigura firmly believes that this financing model is ideal for financing physical trading activity, particularly during periods of high price volatility, since utilisation of the bilateral lines can be increased at times of higher prices and vice versa. Trafigura has also increased its presence in the debt capital markets over the past year, allowing the company to increase its access to longer-term finance to support its programme of investment in fixed assets.

During the six-month period ended 31 March 2015, a number of important transactions were completed. In October 2014, the Group refinanced its Asian Revolving Credit Facility, which is syndicated mostly with South Asian, Australian and Middle Eastern banks, for a total of USD1,730 million including a USD-denominated 364-day tranche, a new three-year USD tranche and a one-year offshore Renminbi (CNH) denominated tranche. Overall, 29 banks participated in the transaction, of which five were newcomers to the Group, contributing an increase in net liquidity of USD380 million.

Also in October 2014, Trafigura Securitisation Finance plc (TSF), the securitisation vehicle of the Trafigura Group, issued the Series TSF 2014-1 Notes, a new series of public notes totalling USD300 million on the US 144A asset-backed securities (ABS) market. Despite challenging market conditions, the offering was oversubscribed by 1.7x for the USD279 million of AAA/Aaa rated notes and by 2.9x for the USD21 million of BBB/Baa2 rated notes. In this transaction, the third since the programme's inception in 2004, Trafigura continued to diversify its investor base in the ABS market with the addition of six new investors, further demonstrating the attractiveness of TSF's assets and issuance structure.

In March 2015, Trafigura closed its 10th European revolving Credit Facility. The facility was launched in January at USD4,250 million but garnered significant interest from Trafigura's banking pool during the syndication phase and eventually closed at USD5,300 million on 30 March. Of the 51 banks that committed to the facility, nine were new to the Group and many of our existing lenders significantly increased their participation.

In April 2015, the Group continued its European Medium-Term Note Programme with the issuance of a EUR550 million five-year bond, the second in a series launched in November 2013. The offering was 1.6x oversubscribed, with institutional investors taking more than 50 percent of the notes issued, and the notes have performed strongly in market trading since the close. Such issuance at longer maturities supports Trafigura's fixed asset investment programme.

The Group was in compliance with all its corporate and financial covenants as at 31 March 2015.

MATSA copper mine, Huelva, Spain.

CASH FLOW

After adjusting profit before tax for non-cash items, the operating cash flows before working capital changes for the half-year amounted to USD1,121 million. Trafigura believes its financial performance is best assessed on the basis of operating cash flow before working capital changes as the level of working capital is predominantly driven by prevailing commodity prices, and price variations are financed under the Group's self-liquidating finance lines. Net cash outflow from operating activities after working capital changes was USD1,084 million (H1, 2014: outflow of USD894 million). Investing activities show a net outflow of USD805 million, compared to a net outflow of USD1,051 million in the first half of 2014. This reflects the Group's continued strategy of investing in fixed assets. Net cash from financing activities amounted to USD954 million compared to USD3,105 million in the first half of 2014; the higher 2014 figure reflected bond issuance and a high level of utilisation of our Revolving Credit Facilities. The overall balance of cash and cash equivalents stood at USD2,774 million as at 31 March 2015.

Pierre Lorinet,
Chief Financial Officer