

The financing of Glencore and Xstrata

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Introduction

This report presents an overview of the financing of the mining company Xstrata and the diversified commodity trader Glencore in the past two years (since November 2010).

Glencore at this point holds a 34.2% share in Xstrata. However, the company announced already in 2011 its intention for an all-share merger of equals with Xstrata. The deal has been delayed due to battles over the price and £ 173 million (€ 206.45 million) of proposed bonuses for Xstrata bosses.¹ Glencore raised its offer after its first bid was opposed by key Xstrata shareholders, including Qatar Holding. It suggests now a merger ratio of 3.05 New Glencore Shares for each Xstrata Share, excluding the Xstrata Shares already held by the Glencore Group.²

The Glencore General Meeting held on 20 November 2012 voted with a large majority in favour of the merger.³ On 22 November 2012, the European Commission confirmed the initial clearing under the EU Merger Regulation. Completion of the Merger remains conditional upon the receipt of the outstanding regulatory approvals in China and South Africa and the completion of the Court process.⁴

The objective of this report is to get a better understanding of the role of financial institutions in the likely to be merged companies, looking at share and bond issuances, share- and bond holdings and loans. As there is rarely detailed information on the value of the involvement of individual financial institutions available, this often had to be estimated.

The report is organised as follows: Chapter 1 provides a short company profile of Glencore International. Section 1.2 summarises the company's financial structure. The subsequent paragraphs discuss the financing of Glencore since November 2010, covering share issuances (section 1.3), shareholders (section 1.4), bond issuances (section 1.5), bondholders (section 1.6) and bank loans (section 1.7).

The same issues are covered for Xstrata in Chapter 2, with section 2.2 looking at the financial structure, section 2.3 providing an overview of share issuances and section 2.4 listing the key shareholders. Sections 2.5 and 2.6 look at bond issuances and key bond holders.

Chapter 1 Glencore

1.1 Company profile

Glencore International (“Glencore”) is a public company limited by shares, incorporated in Jersey and domiciled in Baar, Switzerland. The company is one of the world’s leading diversified commodity traders and producers of commodities. It has worldwide activities in the production, sourcing, processing, refining, transporting, storage, financing and supply of metals and minerals, energy products and agricultural products.⁵

Glencore’s shares are listed on the London and Hong Kong Stock Exchanges since May 2011, with the initial listing being the largest ever at the London stock exchange. The company listed a 16.4 % stake, assuming no overallotment and no conversion of its convertible bonds. Previous shareholders, including Chief Executive Ivan Glasenberg, initially retained a stake of around 80%.⁶

In the financial year ended December 2011, Glencore generated revenues of US\$ 186,152 million (€ 143,746 million), resulting in a net income of US\$ 2,967 million (€ 2,291 million). At the end of December 2011, the company owned total assets of US\$ 86,165 million (€ 66,536 million).⁷

1.2 Financial structure

The total assets of US\$ 86,165 million (€ 66,536 million) owned by Glencore at the end of December 2011 were financed by the following groups of financial stakeholders:⁸

• Shareholders	US\$ 29,196 mln	33.9%
• Joint-venture partners	US\$ 3,070 mln	3.6%
• Banks	US\$ 16,981 mln	19.6%
• Bondholders	US\$ 8,936 mln	10.4%
• Trading partners	US\$ 18,160 mln	21.1%
• Tax agencies	US\$ 1,589 mln	1.8%
• Others	US\$ 8,233 mln	9.5%

1.3 Share issuances

Glencore was listed on the London and Hong Kong stock exchanges in May 2011.

- The total value of the issuance was US\$ 10,048.26 million (€ 7,021.72 million). The issue was divided in two tranches: a tranche offered in British Pound with a value of US\$ 9,780.81 million (€ 6,834.83 million) and a tranche offered in Hong Kong Dollar with a value of US\$ 267.46 million (€ 186.90 million). The proceeds were used to reduce indebtedness, for general corporate purposes, future acquisitions and capital Expenditures. The following financial institutions participated in the issuance, underwriting an estimated amount of:⁹

Bookrunners:

• Bank of America Merrill Lynch	United States	€ 1,053.26
• BNP Paribas	France	€ 1,053.26
• Citigroup Global Markets	United Kingdom	€ 1,053.26
• Credit Suisse	Switzerland	€ 1,053.26

• Morgan Stanley & Co. International	United States	€ 1,053.26
Co-Managers:		
• ABN Amro	Netherlands	€ 97.52
• Banco Santander	Spain	€ 97.52
• Bank of China	China	€ 97.52
• Barclays	United Kingdom	€ 97.52
• Commerzbank	Germany	€ 97.52
• Credit Agricole	France	€ 97.52
• DBS Bank	Singapore	€ 97.52
• HSBC	United Kingdom	€ 97.52
• ING	Netherlands	€ 97.52
• Liberum Capital	United Kingdom	€ 97.52
• Mizuho Bank	Japan	€ 97.52
• Natixis	France	€ 97.52
• Rabobank	Netherlands	€ 97.52
• RBS	United Kingdom	€ 97.52
• Sberbank	Russia	€ 97.52
• Societe Générale	France	€ 97.52
• Standard Chartered Bank	United Kingdom	€ 97.52
• UBS Investment Bank	Switzerland	€ 97.52

1.4 Shareholders

Shareholders are important financial stakeholders of Glencore, financing 33.9% of the company's assets. A large amount of the shares of the company are held by a few major shareholders. These include company Directors Ivan Glasenberg holding 15.8% as of 31 December 2011, William Macaulay holding 1.79% and Steven Kalmin holding 1.0%.¹⁰

Table 1 presents an overview of institutional investors that owned or managed at least 0.03% of the outstanding shares of Glencore International at the most recent filing date. Together, these financial institutions own or manage 17.09% of Glencore's outstanding shares with a value of € 5,109.69 million.

Table 1 Key shareholders of Glencore International (at least 0.03%)

Investor	Country	Value (€ mln)	% of all shares	Filing date
BlackRock	United States	1,028.34	3.53	30-Sep until 16-Nov-2012
Verny Capital	Kazakhstan	733.46	2.49	11-Oct-2012
Legal & General Group	United Kingdom	530.79	1.84	09-Nov-2012
Aabar Investment	United Arab Emirates	510.35	1.40	02-Feb-2012
State Street	United States	385.45	1.34	15-Nov-2012
Capital Research & Management	United States	349.91	1.19	13-Nov-2012
Lloyds Banking Group (incl. Scottish Widows)	United Kingdom	315.96	1.11	05-Nov-2012
Standard Life Investments	United	252.03	0.86	12-Nov-2012

Investor	Country	Value (€ mln)	% of all shares	Filing date
	Kingdom			
Government of Singapore Investment Corporation	Singapore	178.04	0.62	15-Nov-2012
William Blair & Company	United States	187.54	0.61	30-Sep-2012
Government Pension Fund Global*	Norway	134.34	0.46	15-May-2012
Wellington Management Company	United States	123.79	0.40	30-Sep-2012
UBS	Switzerland	76.09	0.26	31-Dec-2011 until 13-Nov-2012
Vanguard Group	United States	51.52	0.18	02-May-2012
Capital Group	United States	58.77	0.17	31-Aug-2012
Fidelity Investments	United States	30.05	0.10	31-Jul until 15-Nov-2012
Deutsche Bank	Germany	20.39	0.07	30-Sep until 31 Oct-2012
Société Générale	France	18.14	0.06	31-Oct-2012
HSBC	United Kingdom	19.25	0.06	31-Mar until 30-Sep-2012
Ethna Capital Partners	Switzerland	17.25	0.06	30-Sep-2012
AXA	France	16.89	0.05	31-Jul until 30-Sep-2012
F&C Asset Management	United Kingdom	16.28	0.06	13-Nov-2012
Geode Capital Management	United States	14.87	0.05	30-Sep-2012
Credit Suisse	Switzerland	11.77	0.03	29-Feb until 31-Aug-2012
Pictet & Cie	Switzerland	10.49	0.03	31-Aug-2012
Eaton Vance	United States	9.01	0.03	30-Sep-2012
TIAA-CREF	United States	8.92	0.03	30-Sep-2012
Total		5.109.69	17.09	

*according to the holdings report of the Government Pension Fund, it held Glencore shares with a value of € 121.49 million as of 31 Dec. 2011; see: Government Pension Fund Global, "Holding of equities at 31 December 2011", *Government Pension Fund Global*, 31 December 2011.

Source: Thomson ONE Banker, "Share ownership", *Thomson ONE Banker (www.thomsonone.com)*, viewed November 2012.

1.5 Bond issuances

Table 2 lists the bond issuances of Glencore International and its subsidiaries that could be found since November 2010.

Table 2 Bond issuances of Glencore International since November 2010

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Coupon (%)	Use of proceeds	Participating banks (BR=bookrunner)	(Est.) amount per bank (€ mln)	Source
Glencore Finance (Europe)	18-Jan-2011	CHF 225	174.43	6-Apr-2016	3.63	General corporate purposes	• RBS • UBS	87.21 87.21	11
Glencore Finance (Europe)	8-Sep-2011	US\$ 800	576.24	31-Dec-2014	5	General corporate purposes	• Credit Suisse • Morgan Stanley	288.12 288.12	12
Glencore Finance (Europe)	14-Oct-2011	US\$ 175	126.09	31-Dec-2014	5	General corporate purposes	• Goldman Sachs	126.09	13
Glencore Finance (Europe)	28-Oct-2011	US\$ 63.5	44.88	31-Dec-2014	5	General corporate purposes	• Citi	44.88	14
Glencore Finance (Europe)	27-Mar-2012	€ 1,250	1,250.00	3-Apr-2018	4.13	General corporate purposes	• Barclays • BNP Paribas • ING • Lloyds TSB	312.50 312.50 312.50 312.50	15
Glencore Finance (Europe)	27-Mar-2012	£ 300	359.23	3-Apr-2022	5.5	General corporate purposes	• Barclays • BNP Paribas • ING • Lloyds TSB	89.81 89.81 89.81 89.81	16
Glencore Finance (Europe)	19-Jun-2012	CHF 450	374.70	3-Dec-2018	2.63	General corporate purposes	• UBS • Credit Suisse	187.35 187.35	17
Glencore Finance (Europe)	5-Nov-2012	£ 200	249.70	3-Apr-2022	5.5	General corporate purposes	• HSBC • Banco Santander	124.85 124.85	18

1.6 Bondholders

Bondholders are important financial stakeholders of Glencore International, financing 10.4% of the company's assets at the end of December 2011. Table 3 presents an overview of the financial institutions that owned or managed at least 0.25% of the outstanding bonds of Glencore International at the most recent filing date. Together, these financial institutions own or manage 22.93% of Glencore's outstanding bonds with a value of € 2,133 million.

Table 3 European bondholders of Glencore International (at least 0.25%)

Investor	Country	% of all bonds	Value (€ mln)	Filing date
Government of Singapore Investment Corporation	Singapore	4.96	462.96	1-Nov-2012
BlackRock	United States	6.56	612.37	31-Jul until 1-Nov-2012
Carmignac Gestion	France	0.91	84.88	31-Jul-2012
Zazove Associates	United States	0.85	79.47	1-Nov-2012
Lombard Odier	Switzerland	0.82	76.89	31-Aug until 30-Sep-2012
Fidelity Investments	United States	0.72	56.98	31-Dec-2011 until 31-Oct-2012
UBS	Switzerland	0.57	53.96	30-Jun until 31-Jul-2012
Ethenea Independent Investors (76% Haron Holding (CH), 19% DZ Privatbank (D))	Luxembourg	0.56	52.61	30-Sep-2012
Schroder Investment Management	United Kingdom	0.53	49.62	29-Feb until 30-Jun-2012
Lloyds Banking Group (incl. Scottish Widows Investment, Lloyds TSB)	United Kingdom	0.49	45.87	30-Sep-2011 until 31-Oct-2012
BTG Pactual	Brazil	0.46	43.21	1-Nov-2012
Aegon (incl. Transamerica)	Netherlands	0.46	42.95	30-Jun until 30-Sep-2012
Swiss Cantonal Banks (incl. Swisscanto Fondsleitung)	Switzerland	0.44	42.25	31-Aug-2012
Lord, Abbett & Co	United States	0.43	40.02	30-Sep-2012
Magnetar Financial UK	United Kingdom	0.41	37.89	1-Nov-2012
Union Investment Lux (part of DZ Bank)	Germany	0.38	35.08	31-Mar-2012
USAA	United States	0.37	33.95	30-Jun until 31-Jul-2012
Danske Bank	Denmark	0.36	33.73	30-Jun until 31-Oct-2012
Massachussets Mutual Life Insurance	United States	0.35	32.89	30-Jun until 31-Aug-2012
Arca SGR	Italy	0.34	31.83	31-Oct-2012
Eton Park International	United Kingdom	0.34	31.80	1-Nov-2012
Deutsche Bank (incl. DWS Investment)	Germany	0.31	29.09	30-Jun until 30-Sep-2012
F&C Asset Management	United Kingdom	0.28	26.39	1-Nov-2012
Henderson Investors	United Kingdom	0.26	24.65	30-Jun-2012
GLG Partners	United States	0.26	24.31	1-Nov-2012
Overland Advisors (part of Wells Fargo)	United States	0.26	24.31	1-Nov-2012
Credit Suisse	Switzerland	0.25	23.04	31-May until 30-Sep-2012

Investor	Country	% of all bonds	Value (€ mln)	Filing date
Total		22.93	2,133.00	

Source: Bloomberg Database, "Bond Holdings", *Bloomberg Database*, viewed November 2012.

1.7 Bank loans

Table 4 lists bank loans secured by Glencore International and its subsidiaries since November 2010.

Table 4 Bank loans secured by Glencore International since November 2010

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Use of proceeds	Participating banks (BR = bookrunner)	(Estimated) amount per bank (€ mln)	Source
Glencore International	7-Dec-2010	US\$ 750	565.43	7-Dec-2013	Finance linked-trade	<ul style="list-style-type: none"> • Societe Generale • Banco Santander • Barclays • BNP Paribas • Deutsche Bank • HSBC • RBS 	123.79 37.51 93.78 60.12 60.12 93.78 93.78	19
Glencore International	3-May-2011	US\$ 11,265	8,009.02	1 May 2012 – 9 May 2014	Refinance bank debt; General corp. purp.	<ul style="list-style-type: none"> • ABN AMRO Bank • Santander • Bank of America Merrill Lynch • Barclays • BNP Paribas • Credit Agricole CIB • Citigroup • Commerzbank • Credit Suisse • Deutsche Bank • Hongkong & Shanghai Bank (HK) • ING Bank • JP Morgan • Lloyds • Morgan Stanley • Rabobank • RBS • Societe Generale • Standard Chartered Bank • DBS Bank • UBS • Banco do Brasil • Royal Bank of Canada • Intesa SanPaolo • Agricultural Bank of China • ANZ Banking Group • BBVA • Banco Bradesco • Banco Itau • Banesto Valores • Bank Negara Indonesia • Bank Leumi Le Israel 	152.55 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23 63.23	20

Source	(Estimated) amount per bank (€ mln)	Participating banks (BR = bookrunner)	Use of proceeds	Maturity date	Total amount (€ mln)	Total amount (original currency mln)	Issue Date	Company
	63.23	· Bank Mandiri						
	63.23	· Bank of Ayudhya						
	63.23	· Bank of China						
	63.23	· Bank of East Asia						
	63.23	· Bank of Kaohsiung						
	63.23	· Scotiabank						
	63.23	· Bank of Taiwan						
	63.23	· Bank of Tokyo-Mitsubishi						
	63.23	· Banque Cantonale de Geneve						
	63.23	· Banque Cantonale Vaudoise						
	63.23	· Banque Misr						
	63.23	· Basler Kantonalbank						
	63.23	· Banque Internationale de Comm						
	63.23	· Cathay United Bank						
	63.23	· Chang Hwa Commercial Bank						
	63.23	· China Construction Bank						
	63.23	· China Development Industrial						
	63.23	· Chinatrust Financial Holding						
	63.23	· CoBank ACB						
	63.23	· Commonwealth Bank of Australia						
	63.23	· DZ Bank						
	63.23	· European Arab Bank						
	63.23	· Fifth Third Bancorp						
	63.23	· First Commercial Bank (Taiwan)						
	63.23	· FirstRand Bank						
	63.23	· Goldman Sachs						
	63.23	· Gulf International Bank						
	63.23	· Landesbank Hessen-Thuringen						
	63.23	· Hua Nan Financial Holdings						
	63.23	· Industrial & Comm Bank China						
	63.23	· Israel Discount Bank						
	63.23	· KBC Bank						
	63.23	· KFW International Finance						
	63.23	· Korea Exchange Bank						
	63.23	· Caixa d'Estalvis y Pensions						
	63.23	· Land Bank of Taiwan						
	63.23	· Landesbank Baden-Wurtemberg						
	63.23	· Macquarie Bank						
	63.23	· Mega Intl Coml Bank Co						
	63.23	· Mizuho Corporate Bank						
	63.23	· National Australia Bank						
	63.23	· National Bank of Greece						
	63.23	· National Bank of Kuwait						
	63.23	· National Bank of Abu Dhabi						
	63.23	· Natixis						
	63.23	· Nedbank						
	63.23	· Nomura Securities						
	63.23	· Oversea-Chinese Banking						
	63.23	· Qatar National Bank						
	63.23	· Raiffeisenlb Niederoest-Wien						
	63.23	· Raiffeisen Zentralbank						
	63.23	· SEB Merchant Bank						
	63.23	· State Bank of India						
	63.23	· Sumitomo Mitsui Banking						
	63.23	· Taishin International Bank						
	63.23	· Taiwan Business Bank						

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Use of proceeds	Participating banks (BR = bookrunner)	(Estimated) amount per bank (€ mln)	Source
						<ul style="list-style-type: none"> · Rabobank · RBS · Santander · Societe Generale · Standard Chartered Bank · ABN AMRO Bank · UniCredit · Bank of Montreal · Banco do Brasil · Royal Bank of Canada · National Australia Bank · ANZ Banking Group · Commonwealth Bank of Australia · Goldman Sachs & Co · Natixis · Westpac Banking · Mizuho Corporate Bank · Skandinaviska Enskilda Banken · DZ Bank · Sumitomo Mitsui Banking Corp · KBC International Group · Landesbank Baden-Wurtemberg · Raiffeisen Bank International · Scotiabank · Zuercher Kantonbank · Bank of Taiwan · European Arab Bank Ltd · Hua Nan Commercial Bank (HK) · Israel Discount Bank Ltd · Banque Cantonale de Geneve · Chang Hwa Commercial Bank · First Commercial Bank NA 	<ul style="list-style-type: none"> 91.83 91.83 91.83 91.83 91.83 91.83 91.83 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 53.87 	
Glencore International	14-Jun-2012	US\$ 1,477.89	1,178.56	14-Jun-2013	Acquisition finance	<ul style="list-style-type: none"> · Bank of America Merrill Lynch · Royal Bank of Canada · BBVA · Citi · Commerzbank · JP Morgan · HSBC Holdings · Mizuho Corporate Bank · Sumitomo Mitsui Banking · Bank of Tokyo-Mitsubishi UFJ · RBS · Scotia Bond · Canadian Imperial Bk Commerce · Commonwealth Bank of Australia · National Australia Bank · National Bank of Canada Intl · Toronto-Dominion Bank · Westpac Banking 	<ul style="list-style-type: none"> 235.71 235.71 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 44.20 	23
Glencore International	25-Oct-2012	US\$ 2,220	1,715.17	24-Oct-2013	Working capital	<ul style="list-style-type: none"> · BNP Paribas · Bank of America Merrill Lynch · Citi · Rabobank · Credit Agricole 	<ul style="list-style-type: none"> 90.27 90.27 90.27 90.27 90.27 	24

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Use of proceeds	Participating banks (BR = bookrunner)	(Estimated) amount per bank (€ mln)	Source
						<ul style="list-style-type: none"> • Credit Suisse • DBS Bank • Deutsche Bank • HSBC • ING • Lloyds TSB Bank • Mizuho Corporate Bank • Natixis • Scotiabank • Societe Generale • Standard Chartered Bank • Sumitomo Mitsui Banking • Bank of Tokyo-Mitsubishi UFJ • UBS 	90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27 90.27	
Glencore International	31-Oct-2012	US\$ 755	582.56	10/31/13	Refinance bank debt	<ul style="list-style-type: none"> • ING Bank • BNP Paribas • DBS Bank • Deutsche Bank • Intesa SanPaolo • Raiffeisen Bank International • Sumitomo Mitsui Banking • ATRADIUS • Commonwealth Bank of Australia • DZ Bank AG Deutsche New York • Garanti Bank • Landesbank Hessen-Thuringen • Mizuho Corporate Bank • National Australia Bank • National Bank of Abu Dhabi • SEB • ANZ Banking Group • Banco Espanol de Credito • BHF-Bank • Euler Hermes • ICICI Bank • UniCredit Bank • Westpac Banking • Zuercher Kantonalbank • Industrial & Comm Bank China 	38.65 38.65 38.65 38.65 38.65 38.65 38.65 23.19 23.19 23.19 23.19 23.19 23.19 23.19 23.19 23.19 23.19 11.59 11.59 11.59 11.59 11.59 11.59 11.59 11.59 11.59	25

Chapter 2 Xstrata

2.1 Company profile

Xstrata is a public company limited by shares, domiciled in Zug Switzerland. It claims to be the fourth largest mining company worldwide, ranked among the global top-5 producers of copper, export coking coal, ferrochrome, nickel and zinc. Xstrata's shares are listed on the London Stock Exchange since March 2002.²⁶

In the financial year ended December 2011, Xstrata generated revenues of US\$ 33,877 million (€ 26,160 million), resulting in a net profit of US\$ 605 million (€ 467 million). At the end of December 2011, the company owned total assets of US\$ 74,832 million (€ 57,785 million).²⁷

2.2 Financial structure

At the end of December 2011, Xstrata owned total assets of US\$ 74,832 million (€ 57,785 million). These assets were financed by the following groups of financial stakeholders:²⁸

• Shareholders	US\$ 43,664 mln	58.3%
• Joint-venture partners	US\$ 2,037 mln	2.7%
• Banks	US\$ 390 mln	0.5%
• Bondholders	US\$ 9,776 mln	13.1%
• Trading partners	US\$ 2,562 mln	3.4%
• Tax agencies	US\$ 7,146 mln	9.5%
• Others	US\$ 9,257 mln	12.4%

2.3 Share issuances

Sphere Minerals (Australia) operates since 13 May 2011 as a subsidiary of Xstrata. Sphere Minerals has been listed on the Australian stock exchange since 1986. On 13 July 2011, Sphere Minerals proceeded with a share issuance:

- The total value of the issuance was US\$ 130.48 million (€ 91.93 million). The issue was divided in two tranches: a tranche offered in British Pound with a value of 9,780.81 million (€ 6834.83 million) and a tranche offered in Hong Kong Dollar with a value of US\$ 250 million (€ 151.8 million). The proceeds were used for mining exploration, product development and research, project finance, capital expenditures and as working capital. **Deutsche Bank** (Germany) acted as manager for the share issuance.²⁹

2.4 Shareholders

Shareholders are very important financial stakeholders of Xstrata, financing 58.3% of the company's assets. Largest shareholder is Glencore International, holding a 33.64% stake in Xstrata as of 8 March 2012. This is followed by Qatar Investment, the investment arm of the Gulf state's sovereign wealth fund, who continuously increased its stake in 2012 from 3.58% in March to 11.86% in October.³⁰ The remainder is owned or managed by a large number of institutional investors.

Table 5 presents an overview of institutional investors that owned or managed at least 0.20% of the outstanding shares of Xstrata at the most recent filing date. Together, these financial institutions own or manage 82.2% of Xstrata's outstanding shares with a value of € 16.93 billion.

Table 5 Key shareholders of Xstrata (at least 0.20%)

Investor	Country	Value (€ mln)	% of all shares	Filing date
Glencore International	Switzerland	13,153.10	34.20	08-Mar-2012
Qatar Investment Authority	Qatar	4,274.77	11.86	22-Oct-2012
BlackRock	United States	1,888.40	5.41	22-Dec-2011 until 16-Nov-2012
Government Pension Fund Global*	Norway	1,071.54	3.01	29-Aug-2012
Credit Suisse	Switzerland	973.19	2.83	21-Dec-2011 until 30-Jun-2012
Legal & General	United Kingdom	757.35	2.14	15-Nov-2012
State Street	United States	755.96	2.15	31-Jul until 16-Nov-2012
Standard Life	United Kingdom	507.56	1.46	12-Nov-2012
UBS	Switzerland	499.80	1.44	30-Jun until 16-Nov-2012
SAFE Investment Company Limited	Hong Kong	454.11	1.06	02-Feb-2012
Ameriprise Financial (incl. Threadneedle Investments)	United States	417.61	1.19	28-Dec-2011 until 8-Nov-2012
Lloyds Banking Group	United Kingdom	408.02	1.16	15-Nov-2012
Batiss Investments	United Kingdom	370.39	0.96	06-Mar-2012
Bank of Nova Scotia	Canada	359.53	1.04	16-Nov-2012
Northern Cross	United States	346.69	0.98	14-Sep-2012
Government of Singapore Investment Corporation	Singapore	333.92	0.95	15-Nov-2012
Schroder Investment Management	United Kingdom	317.68	1.00	03-May-2012
Vanguard Group	United States	314.82	0.99	02-May-2012
UMB Financial	United States	213.83	0.62	21-Dec-2011
CI Financial	Canada	198.91	0.58	20-Dec-2011
JPMorgan	United States	188.3	0.54	28-Dec-2011 until 1-Nov-2012
Knight Vinke Asset Management	United States	187.34	0.54	21-Dec-2011
ABP (incl. APG Asset Management)**	Netherlands	172.00	0.50	30-Jun-2012
M & G	United Kingdom	169.45	0.50	01-Nov-2012
Fidelity Investments	United States	168.75	0.47	28-Dec-2011 until 16-Nov-2012
Capital Research & Management	United States	148.69	0.41	29-Oct-2012
Van Eck Associates	United States	136.05	0.39	01-Nov-2012

Investor	Country	Value (€ mln)	% of all shares	Filing date
Och-Ziff Capital Management	United States	124.29	0.35	12-Nov-2012
F&C Asset Management	United Kingdom	113.12	0.33	01-Nov-2012
AXA	France	114.49	0.38	23-Nov-2011 until 30-Sep-2012
BNP Paribas	France	110.91	0.34	30-Jun-2011 until 1-Nov-2012
Universities Superannuation Scheme (USS)	United Kingdom	106.28	0.31	01-Nov-2012
Allianz	Germany	95.48	0.27	21-Dec-2011 until 01-Nov-2012
TIAA-CREF	United States	94.98	0.28	21-Dec-2011
Dimensional Investment Group	United States	87.62	0.26	28-Dec-2011 until 1-Nov-2012
ING	Netherlands	83.79	0.25	22-Dec-2011
Aegon	Netherlands	82.52	0.24	21-Dec-2011 until 1-Nov-2012
Ignis Asset Management	United Kingdom	74.52	0.22	01-Nov-2012
Falcon Private Bank	Switzerland	70.58	0.21	20-Dec-2011
California Public Employees' Retirement System	United States	68.86	0.20	21-Dec-2011
Zürcher Kantonalbank	Switzerland	68.64	0.20	21-Dec-2011
Total		16,930.74	82.20%	

Source: Thomson ONE Banker, "Share ownership", *Thomson ONE Banker (www.thomsonone.com)*, viewed November 2012; , viewed November 2012;

*according to the holdings report of the Government Pension Fund, it held Xstrata shares with a value of € 566.70 million as of 31 Dec. 2011; see: Government Pension Fund Global, "Holding of equities at 31 December 2011", *Government Pension Fund Global*, 31 December 2011.

**ABP, "Listed investments of ABP – shares & convertible bonds", *ABP*, 30 June 2012; percentage of shares estimated based on value.

2.5 Bond issuances

Table 6 lists the bond issuances of Xstrata and its subsidiaries that could be found since November 2010.

Table 6 Bond issuances of Xstrata since November 2010

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Coupon (%)	Use of proceeds	Participating banks	(Est.) amount per bank (€ mln)	Source
Xstrata Finance (Canada)	3-Nov-2011	US\$ 800	579.20	10-Nov-2014	2.85	Reduce indebtedness; General Corporate purposes	<ul style="list-style-type: none"> • Barclays • Citi • JP Morgan • Hongkong & Shanghai Bank (HK) • RBS 	72.40 72.40 72.40 72.40 72.40	31

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Coupon (%)	Use of proceeds	Participating banks	(Est.) amount per bank (€ mln)	Source
							<ul style="list-style-type: none"> • Deutsche Bank • Commerz Markets • Lloyds TSB Capital 1 • Mitsubishi UFJ • Mizuho Securities • RBC Capital Markets • Santander • Credit Agricole 	72.40 20.69 20.69 20.69 20.69 20.69 20.69 20.69	
Xstrata Finance (Canada)	3-Nov-2011	US\$ 700	506.80	15-Jan-2017	3.60	Reduce indebtedness; General Corporate purposes	<ul style="list-style-type: none"> • Barclays • Citi • JP Morgan • Hongkong & Shanghai Bank (HK) • RBS • Deutsche Bank • Commerz Markets • Lloyds TSB Capital 1 • Mitsubishi UFJ • Mizuho Securities • RBC Capital Markets • Santander • Credit Agricole 	63.35 63.35 63.35 63.35 63.35 18.10 18.10 18.10 18.10 18.10 18.10 18.10 18.10 18.10	32
Xstrata Finance (Canada)	3-Nov-2011	US\$ 500	362.00	15-Nov-2041	6.00	Reduce indebtedness; General Corporate purposes	<ul style="list-style-type: none"> • Barclays • Citi • JP Morgan • Hongkong & Shanghai Bank (HK) • RBS • Deutsche Bank Commerz • Markets • Lloyds TSB Capital 1 • Mitsubishi UFJ • Mizuho Securities • RBC Capital Markets • Santander • Credit Agricole 	45.25 45.25 45.25 45.25 45.25 45.25 12.93 12.93 12.93 12.93 12.93 12.93 12.93 12.93	33
Xstrata Finance (Canada)	18-Oct-2012	US\$ 1,750	1,334.84	25-Oct-2017	2.45	Reduce indebtedness; general corporate purposes	<ul style="list-style-type: none"> • RBS • Barclays • JP Morgan • Mizuho Securities • RBC Capital Markets • Scotia Capital (USA) 	222.47 222.47 222.47 222.47 222.47 222.47	34
Xstrata Finance (Canada)	18-Oct-2012	US\$ 500	381.38	25-Oct-2042	5.30	Reduce indebtedness; general corporate purposes	<ul style="list-style-type: none"> • RBS • Barclays • JP Morgan • Mizuho Securities • RBC Capital Markets • Scotia Capital (USA) 	63.56 63.56 63.56 63.56 63.56 63.56	35
Xstrata Finance (Canada)	18-Oct-2012	US\$ 1,000	762.76	25-Oct-2022	4.00	Reduce indebtedness; general corporate purposes	<ul style="list-style-type: none"> • RBS • Barclays • JP Morgan • Mizuho Securities • RBC Capital Markets 	127.13 127.13 127.13 127.13 127.13	36

Company	Issue Date	Total amount (original currency mln)	Total amount (€ mln)	Maturity date	Coupon (%)	Use of proceeds	Participating banks	(Est.) amount per bank (€ mln)	Source
							• Scotia Capital (USA)	127.13	
Xstrata Finance (Dubai)	15-Nov-2012	€ 1,250	1,250	19-May-2016	1.50	General corporate purposes	• Deutsche Bank • Lloyds TSB Group • Mitsubishi UFJ • Banco Santander • Credit Agricole • HSBC	234.37 234.37 234.37 234.37 156.25 156.25	37
Xstrata Finance (Dubai)	15-Nov-2012	€ 1,000	1,000	19-Nov-2018	2.38	General corporate purposes	• Deutsche Bank • Lloyds TSB Group • Mitsubishi UFJ • Banco Santander • Credit Agricole • HSBC	187.50 187.50 187.50 187.50 125.00 125.00	38
Xstrata Finance (Canada)	18-Oct-2012	US\$ 1,250	953.46	23-Oct-2015	1.25	Reduce indebtedness; general corporate purposes	• RBS • Barclays • JP Morgan • Mizuho Securities • RBC Capital Markets • Scotia Capital (USA)	158.91 158.91 158.91 158.91 158.91 158.91	39

2.6 Bondholders

Bondholders are important financial stakeholders of Xstrata, financing 13.1% of the company's assets at the end of December 2011. Table 7 presents an overview of the financial institutions that owned or managed at least 0.25% of the outstanding bonds of Xstrata at the most recent filing date. Together, these financial institutions own or manage 10.04% of Xstrata's outstanding bonds with a value of € 1,181.77 million.

Table 7 European bondholders of Xstrata (at least 0.25%)

Investor	Country	% of all bonds	Value (€ mln)	Filing date
Teachers Insurance & Annuity Insurance (TIAA-CREF)	United States	1.13	132.95	30-Jun-2012
American International Group (incl. American General Life Ins., United States Life Ins. Co. of NY, Variable Annuity Life Ins.)	United States	1.06	125.35	30-Jun-2012
MetLife (incl. Metropolitan Life)	United States	1.04	121.79	30-Jun-2012
Hartford Financial Services (incl. Hartford Life & Annuity Insurance, Hartford Fire Insurance and others)	United States	0.77	91.75	30-Jun-2012
Prudential plc (incl. Jackson National Life Insurance)	United Kingdom	0.67	79.78	30-Jun-2012
Capital Group	United States	0.66	77.35	30-Sep-2012
Liberty Mutual Holding	United States	0.54	62.27	30-Jun-2012
Lincoln National Life Insurance	United States	0.52	61.46	30-Jun-2012
Manulife Financial Corp (incl. John Hancock Life Insurances)	Canada	0.48	56.14	30-Jun-2012
New York Life Insurance Co.	United States	0.48	56.10	30-Jun-2012
ING (incl. ING Life Ins. & Annuity, ING Investment Management, ING USA Annuity & Life Ins.)	Netherlands	0.47	55.65	30-Jun-2012
Nationwide Life Insurance	United States	0.44	51.98	30-Jun-2012
Prudential Financial	United States	0.41	47.73	30-Jun-2012
Aegon (incl. Transamerica)	Netherlands	0.39	46.64	30-Jun until 30-Sep-2012
Harbinger Group (incl. Fidelity & Guaranty Life Insurance)	United States	0.38	44.20	30-Jun-2012
Principal Life Insurance (part of Principal Financial Group)	United States	0.35	41.67	30-Jun-2012
Massachusetts Mutual Life Insurance	United States	0.25	28.96	30-Jun-2012
Total		10.04	1,181.77	

Source: Bloomberg Database, "Bond Holdings", *Bloomberg Database*, viewed November 2012.

2.7 Bank loans

Table 8 lists bank loans secured by Xstrata and its subsidiaries since November 2010, in which European financial institutions participated, could be found.

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