TRAFIGURA

2014 ANNUAL REPORT

TRAFIGURA BEHEER B.V.

ADVANCING TRADE

ADVANCING TRADE

FINANCIAL AND BUSINESS HIGHLIGHTS*

$127.6bn
Group revenue
(2013: USD133.0 billion;
2013 like-for-like USD128.1 billion)

169.5mmt
Combined volume
of commodities traded
(2013: 150.7mmt**)

$2.0bn
Gross profit
(2013: USD2.9 billion;
2013 like-for-like USD1.8 billion)

$39.6bn
Total assets
(2013: USD40.0 billion)

74%
Oil and Petroleum Products revenue
as a percentage of Group income
(2013: 76 percent)

120.4mmt
Oil and Petroleum Products
total volume traded
(2013: 117.8mmt)

1.6%
Gross profit margin
(2013 like-for-like 1.4 percent)

$7.9bn
Total non-current assets
(2013: USD7.8 billion)

26%
Metals and Minerals revenue
as a percentage of Group income
(2013: 24 percent)

11.3mmt
Metals total volume traded
(2013: 11.0mmt)

$1.1bn
Net profit
(2013: USD2.2 billion)

$5.3bn
Shareholders' equity
(2013: USD5.0 billion)

37.8mmt
Minerals total volume traded
(2013: 21.9mmt)

$1.3bn
EBITDA
(2013 like-for-like USD1.2 billion)

5,326***
Average number of employees
over year (2013: 8,773)

Trafigura Beheer B.V. and the companies in which it directly or indirectly owns investments are separate and distinct entities. In this publication, the collective expressions 'Trafigura', 'Trafigura Group', 'the Company' and 'the Group' may be used for convenience where reference is made in general to those companies. Likewise, the words 'we', 'us', 'our' and 'ourselves' are used in some places to refer to the companies of the Trafigura Group in general. These expressions are also used where no useful purpose is served by identifying any particular company or companies.

* Trafigura's financial year runs from 1 October, 2013 to 30 September, 2014.
** Million metric tonnes.
*** In 2013, Puma Energy was deconsolidated from Trafigura's accounts. On the basis that deconsolidation occurred at the end of the 2013 financial year, the average number of Puma Energy employees was included within Trafigura's figures that year (8,773). Puma Energy's numbers have since been removed in full in 2014.

ADVANCING TRADE

Trafigura helps make trade happen. Without trade, countries don't develop, economies won't grow and international business cannot function. We move physical commodities from places where they are plentiful to where they are most needed – reliably, efficiently and responsibly. We have been connecting our customers to the global economy for more than two decades.

Trafigura is growing prosperity by advancing trade.

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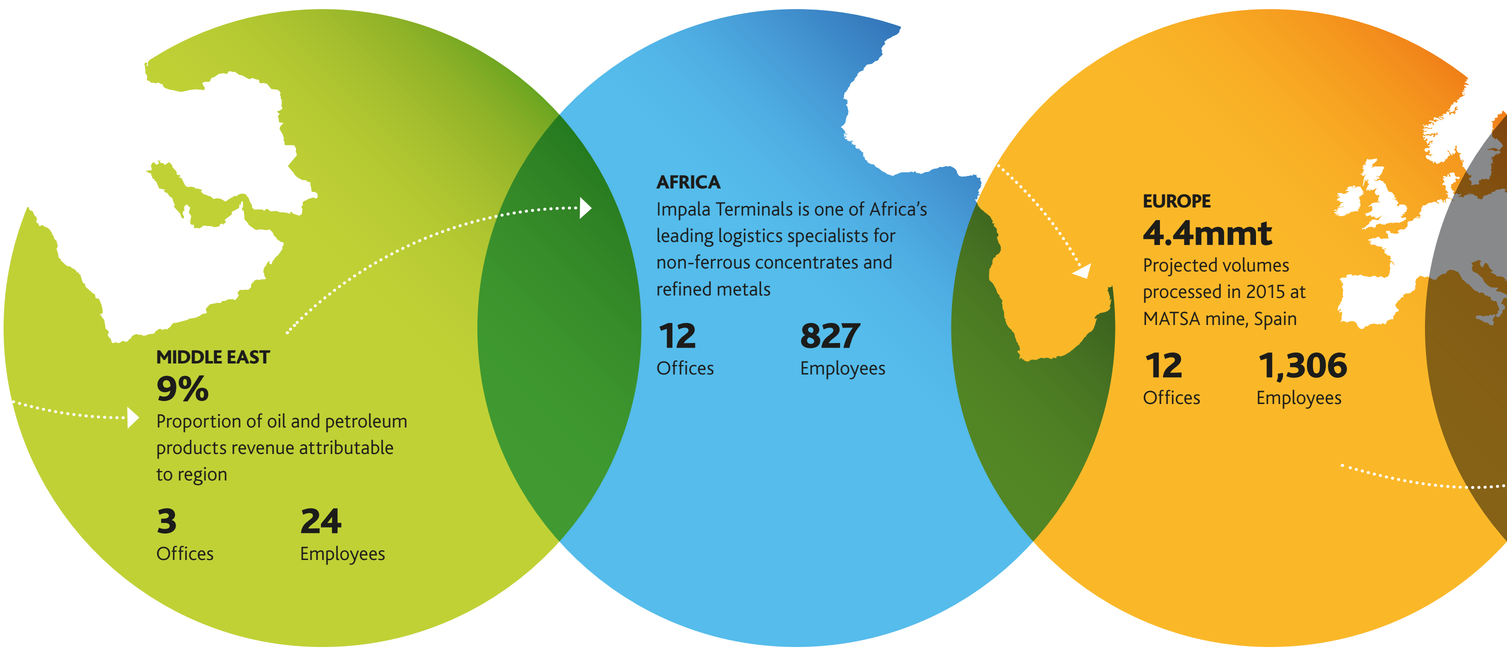
TRAFIGURA AT A GLANCE

Trafigura's core business is physical trading and logistics; our assets and investments complement and enhance these activities. Trafigura is managed through a global network of companies with central hubs and regional offices.

REGIONAL INFORMATION



TRADING ACTIVITIES

Oil and Petroleum Products

We are one of the world's largest traders by volume of oil and petroleum products. We operate in a fragmented market where no single company has a leading position. Trafigura is one of the few oil and petroleum products traders with global presence and comprehensive coverage of all major markets. Supported by offices worldwide, our Oil and Petroleum Products division operates from regional offices in Beijing, Calgary, Geneva, Houston, Johannesburg, Montevideo, Moscow, Mumbai and Singapore.

120.4mmt

Oil and Petroleum Products volume traded (2013: 117.8mmt)

Metals and Minerals

We are one of the world's largest metals and minerals traders. Supported by offices worldwide, our Metals and Minerals division operates from regional offices in Geneva, Johannesburg, Lima, Mexico City, Montevideo, Mumbai, Shanghai, Singapore and Stamford. We negotiate off-take agreements with miners and smelters and invest in logistics to improve market access for our clients.

49.1mmt

Metals and Minerals volume traded (2013: 32.9mmt)

Shipping and Chartering*

Our Shipping and Chartering desk is closely integrated into Trafigura's business model, providing freight services to the commodity trading teams internally and trading freight externally for third parties.

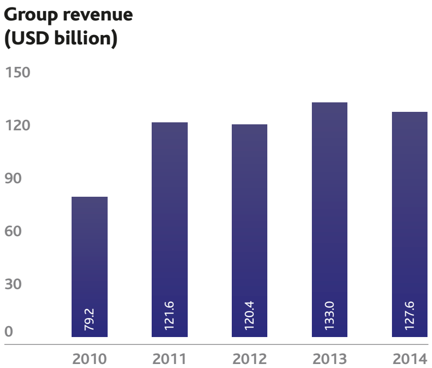
Operations are based in regional offices in Athens, Geneva, Houston, Montevideo and Singapore. All post-fixture operations are managed from our Athens office.

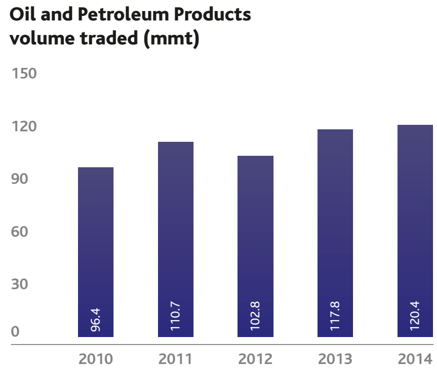
2,350+

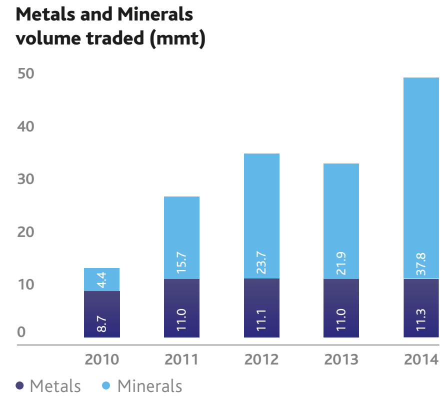
Shipping and Chartering fixtures (2013: 2,300+)

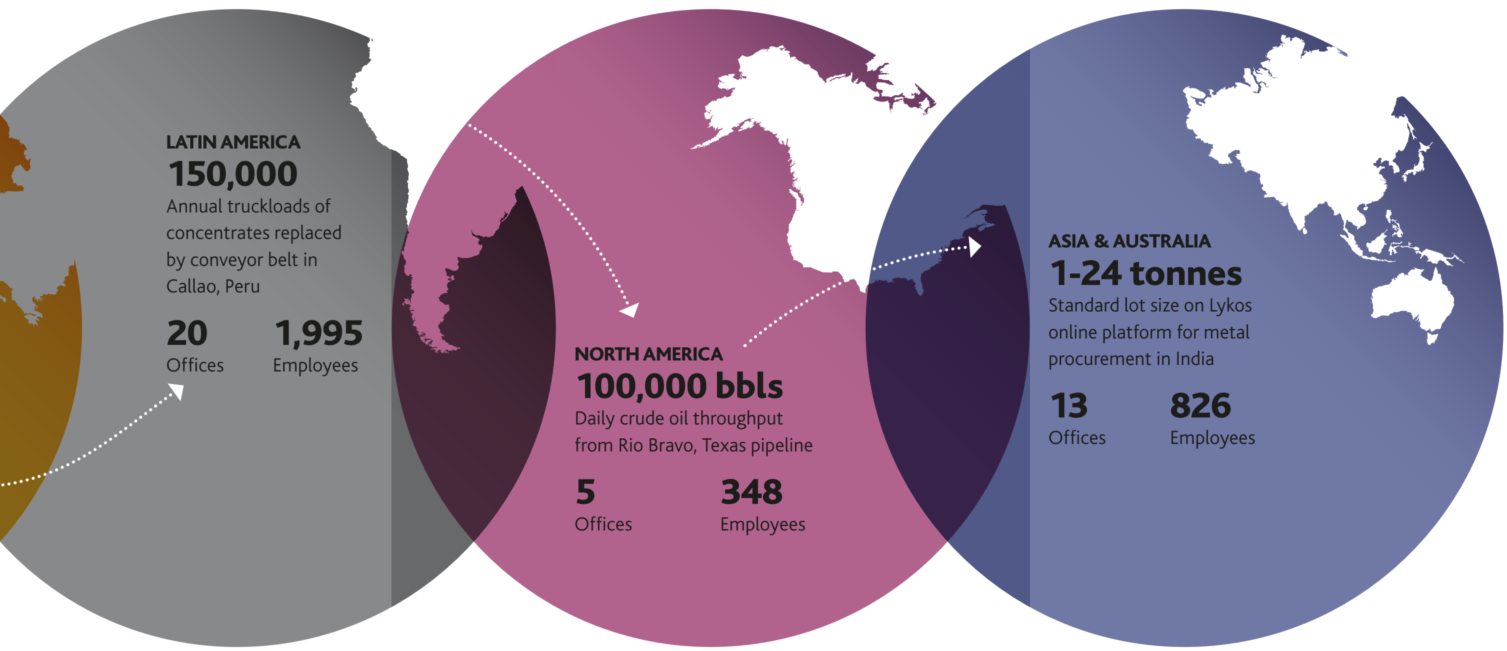
* Financials relevant to Shipping and Chartering are consolidated within Oil and Petroleum Products/Metals and Minerals trading activities.

DIVISIONAL PERFORMANCE









INDUSTRIAL AND FINANCIAL ASSETS

Puma Energy**
- Storage capacity: **5.6m m³** (2013: 4.6m m³)
- Service stations: **1,800+** (2013: 1,500+)

48.8%
ownership

7,000+
employees***

DT Group
- Countries of operation: **5** (2013: 5)
- Owned vessels: **4** (2013: 6)
- Total assets: **USD2.3bn** (2013: USD2bn)

50%
ownership

200
employees

Impala Terminals
- Countries of operation: **20+** (2013: 30+)
- Terminals: **25+**
- Storage capacity: **1.3m m²+** (2013: 1.3m m²+)

100%
ownership

1,624
employees

Mining Group
- Ore extracted at MATSA: **2.3mmt** (2013: 2.2mmt)
- Ore extracted at Catalina Huanca: **0.6mmt** (2013: 0.6mmt)

100%
ownership

1,269
employees

Galena Asset Management
- Liquid trading strategies: **USD1.7bn+**
- Credit strategy: **USD104m+**
- Real asset strategy: **USD407m+**

$2.2bn
Total funds under management, including managed accounts (2013: USD2.0 billion)

11
years in operation

** Effective 16 September, 2013, Trafigura held 48.79% in Puma Energy. Puma Energy was deconsolidated at the end of the 2013 financial year at which point Trafigura ceased to control Puma Energy.

*** All non-Puma Energy employee numbers represent average annual totals.

TRAFIGURA'S GLOBAL NETWORK

With 65 offices in 36 countries*, Trafigura's network extends to every corner of the globe. Our international, end-to-end services connect producers and consumers worldwide. This spread highlights some achievements over the past financial year.

CALGARY

STAMFORD

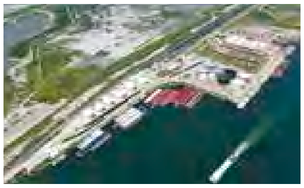
HOUSTON

MEXICO CITY

LIMA

MONTEVIDEO

GENEVA



TRAFIGURA AG, US
Trafigura successfully sells 80 percent of its share of an oil storage terminal network in Corpus Christi, US, for USD860 million. Trafigura retains a 20 percent stake and long-term commercial rights to use the terminal, whilst freeing up capital for reinvestment in other business activities.

IMPALA TERMINALS, COLOMBIA

1.5mmt

Impala Terminals builds Barrancabermeja river-port as part of its multimodal logistics and infrastructure project along the Magdalena River. It will have the capacity to handle 1.5 million tonnes of cargo a year.

MATSA, SPAIN
Trafigura's Mining Group inaugurates the new Magdalena mine. Lying just eight kilometres from our existing MATSA asset, the mine represents the first significant metals find in Spain for decades. The EUR300 million expansion plan is nearing completion, including a new treatment plant that will almost double production from 2.3 to 4.4 million tonnes during 2015.

IMPALA TERMINALS, BRAZIL
Impala Terminals and Mubadala Development Company jointly purchase a majority stake of Porto Sudeste near Rio de Janeiro. The iron ore terminal represents the Group's largest construction project to date and will have the capacity to handle 50 million tonnes (mmt) a year, with the potential to upscale to 100mmt in the future.
› More on page 34

IMPALA TERMINALS, PERU
Impala Terminals inaugurates Peru's most modern mineral concentrates terminal in Callao after a total investment of USD80 million in the first stage of an expansion project. A 500 percent improvement in productivity at the terminal is expected as a result of the investment.

* In 2013, Puma Energy was deconsolidated from Trafigura's accounts. On the basis that deconsolidation occurred at the end of the 2013 financial year, office numbers and the number of countries Puma Energy operated in were included within Trafigura's figures that year (167 offices in 58 countries). Puma Energy's numbers have since been removed in full in 2014.

KEY
Oil and Petroleum Products
Metals and Minerals
Other Trafigura offices

MOSCOW

TRAFIGURA, CHINA
Trafigura agreed to acquire a 30 percent equity stake in the Jinchuan Group's newly established copper smelter in Fangchengang, People's Republic of China.

GALENA, SWITZERLAND

$400m

Galena Asset Management announces the close of its first Private Equity Resources Fund with USD400 million of total committed and invested assets. The fund will invest in small- and medium-sized metals and mining companies, which are in an expansion phase.

BEIJING

SHANGHAI

MUMBAI

TRAFIGURA, JAPAN

$250m

Trafigura raises JPY25.5 billion (USD250 million) through its first significant long-term Yen-denominated loan. This was backed by nine Japanese banks.

SINGAPORE

TRAFIGURA, SINGAPORE
Trafigura raises SGD200 million through its first Singapore Dollar perpetual subordinated bond. The bond was priced at 7.5 percent and listed on the Singapore Stock Exchange, drawing strong support from Singapore-based private banks and funds.

JOHANNESBURG

PUMA ENERGY, PAPUA NEW GUINEA
Puma Energy acquires InterOil's midstream and downstream assets for USD525 million in a significant expansion into Papua New Guinea, making Puma Energy one of the country's main fuel suppliers.
› More on page 24

SERVING THE GLOBAL ECONOMY

CLAUDE DAUPHIN
Executive Chairman
and Founding Partner

We have the confidence to invest because we believe in long-term growth and in the far-reaching efficiencies that a large-scale, independent player such as Trafigura can bring to the marketplace.

$127.6bn
Group revenue
(2013: USD133.0 billion;
2013 like-for-like USD128.1 billion)

$5.3bn
Shareholders' equity
(2013: USD5.0 billion)

$2.0bn
Gross profit
(2013: USD2.9 billion;
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$7.9bn
Total non-current assets
(2013: USD7.8 million)

GUIDING PRINCIPLES

The Trafigura Group's business model and service proposition are founded on three simple and related insights.

First, that over time, global trade in fossil fuels and industrial raw materials will continue to grow, driven by the trends of industrialisation, urbanisation and increasing prosperity that continue to spread across the developing world.

Second, that this expanding demand creates a need for a new type of commodity trading firm able to operate at scale with the financial resources and sophisticated information and risk management systems to match.

Third, that success in this business requires a genuinely long-term focus on customer needs and on new ways of connecting supply with demand – with a readiness to invest in everything from long-term client relationships to processes, logistics and infrastructure in support of trade flows.

FOCUS ON LONG-TERM GROWTH

The financial year we have just completed provided validation of all three of our guiding principles. First, trading volumes continued to grow in our two trading divisions, Oil and Petroleum Products, and Metals and Minerals. Our share of the freely traded oil and products markets continued to expand; we saw a sharp increase in coal volumes; and even in commodities where we have a particularly strong position such as refined metals, we were able to develop the book.

Second, in markets plagued this year by unusual uncertainty and political risk, our trading activity continued to benefit from the investments in IT and risk management capabilities that we have made and are still making. It is capacity of this kind that makes Trafigura a particularly resilient and adaptable player. In 2014, we showed once again how we guarantee reliable trade flows for our clients and counterparties, even in unpredictable and rapidly changing market conditions.

Third, we demonstrated the importance of having a view to the long term as well as the short term in our approach to customer relationships and to infrastructure investment in support of trade.

Increasingly during this financial year, we provided financial support to certain valued counterparties in the form of multi-year pre-paid offtake agreements. With our agreement to invest in Jinchuan Group's new copper smelter in Fangchengang, we reinforced our partnership with an important industrial player in China.

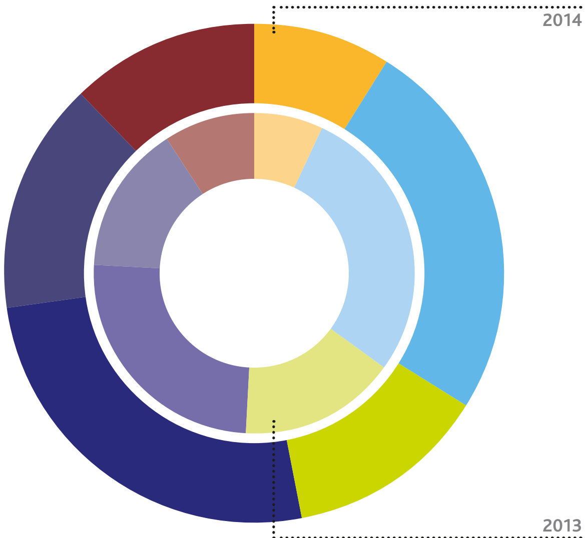
INVESTING IN INFRASTRUCTURE

In infrastructure, we reaped significant benefit from our investment in oil storage, transport, processing and export facilities in Corpus Christi, South Texas by selling an 80 percent interest to Buckeye Partners L.P. – while, importantly, retaining the commercial rights to use the facilities to handle the growing volume of crude oil and products we buy and transport from the Eagle Ford shale. And our investment programme in subsidiary Impala Terminals' ports and multimodal transport systems in Africa and Latin America passed new milestones, with commercial operations on the Magdalena River in Colombia and at the giant Porto Sudeste iron ore facility in Brazil poised to begin.

We have the confidence to make these investments because we believe in long-term growth and in the far-reaching efficiencies that a large-scale, independent player such as Trafigura can bring to the marketplace.

OIL AND PETROLEUM PRODUCTS

Revenue by geography (%)

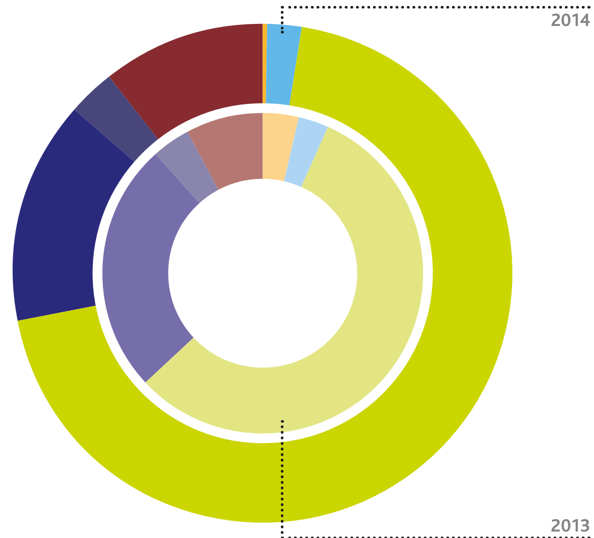


Region*	2014	2013
• Middle East	**9%**	7%
• Africa	**25%**	28%
• Asia & Australia	**13%**	16%
• Europe	**26%**	25%
• Latin America	**15%**	15%
• North America	**12%**	10%

*Figures rounded to the nearest full number.

METALS AND MINERALS

Revenue by geography (%)



Region*	2014	2013
• Middle East	**0.5%**	1%
• Africa	**2%**	3%
• Asia & Australia	**70%**	58%
• Europe	**15%**	27%
• Latin America	**3%**	4%
• North America	**11%**	8%

CONTINUED GROWTH IN CHINA

It is worth emphasising this confidence as a counterweight to the gloom that it has become fashionable to express about the outlook for commodity prices, notably in the light of a slowing of GDP growth in China this year.

Whatever the short-term numbers say, China remains a fundamental growth factor in markets as disparate as copper, coal and liquefied natural gas. It drove seaborne trade in thermal coal to triple in the last 15 years. Chinese monthly imports of iron ore are still double what they were only a few years ago.

Nobody expects these trends to go into reverse even if Chinese economic growth rates continue to soften. In any case, 7 percent annual growth on today's base equates to dramatically larger volumes of material than did 10-plus percent growth from the base of five years ago. At this pace, the Chinese economy will have doubled again in a decade.

What is more, there are encouraging signs that the Chinese authorities are taking carefully judged steps to make their economy's growth more sustainable, whether in the campaign against corruption, in the effort to rebalance investment or in the drive to eliminate irregular financing practices in some commodity markets. All these actions should create greater transparency and a healthier marketplace beyond the short-term turbulence.

Meanwhile, the growth path that China has charted in recent decades is one that is increasingly being followed by other emerging economies. As pointed out in an economic white paper commissioned by Trafigura in 2014 (see page 36), urbanisation is continuing across Latin America, Asia and Africa, with the forecast that by 2050 some two-thirds of the world's inhabitants are expected to be city dwellers. That will generate inexorably increasing demand for energy and industrial raw materials – and for the infrastructure and logistical services that get them from source to market.

FALLING COMMODITY PRICES AND THE GROWTH DIVIDEND

In the shorter term, it is also worth remembering that current lower commodity prices will themselves act as a boon to the world economy, along with lower freight and financing costs. As a physical commodities trader, Trafigura is in one sense indifferent to price as we hedge our flat-price risk. But we are not indifferent to the benefits of falling prices for growth. Indeed, we arguably have a role in this process as agents of discovery of fair price levels for physical commodities.

That is why we maintain a confident outlook after another year of strong performance by the Trafigura Group. The world needs, and will continue to need, more commodities to fuel its growth. As long as we remain focused on sourcing and delivering them to end-users reliably, efficiently and responsibly, we will have a useful role to play at the service of the global economy.

Claude Dauphin,
Executive Chairman and Founding Partner

A YEAR OF BROADENING AND DEEPENING

JEREMY WEIR
Chief Executive Officer

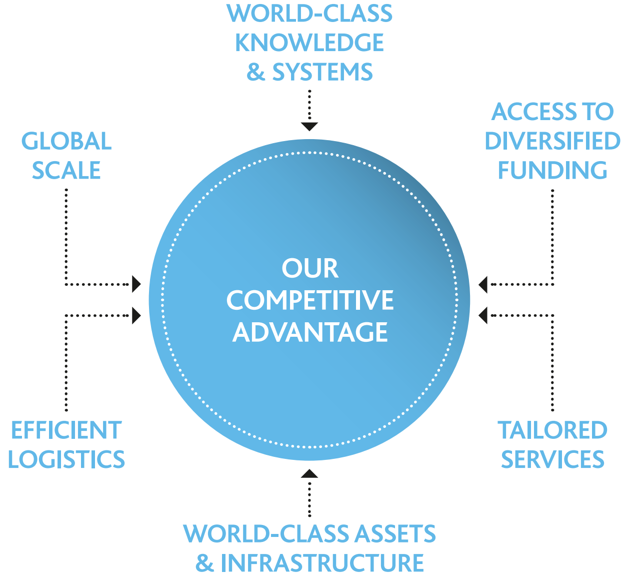
Through continuing profitable growth and investment, we are creating a company that is not only robust and responsible – but also nimble, flexible and adaptable.

For Trafigura, 2014 was a year of broadening and deepening.

The Group broadened its activity through profitable volume growth in both trading divisions; by expanding newer business lines as well as long-established ones; by entering new territories from Brazil to Papua New Guinea; and by exploring and executing new investment projects in infrastructure and logistics.

It deepened its capacity by further strengthening its balance sheet, equity base and credit worthiness; by realising significant value from its investments; and by further demonstrating the resilience of a business model based on independence and efficient use of capital.

KEY DIFFERENTIATORS OF TRAFIGURA'S BUSINESS MODEL



GROWING VOLUMES IN A COMPETITIVE MARKETPLACE

Revenue in 2014 totalled USD127.6 billion, a decrease of 0.4 percent from the figure of USD128.1 billion recorded in 2013 on a like-for-like basis. The like-for-like comparison excludes in both years significant divestments of previously consolidated subsidiaries and the related revaluation gains following their deconsolidation. On this basis, gross profit rose by 14 percent to USD2,045 million from USD1,788 million in 2013. EBITDA (earnings before interest, tax, depreciation and amortisation) was USD1,309 million, compared to USD1,155 million the previous year, a like-for-like increase of 13 percent.

Trading achievements during 2014 included:

- Continuing growth in our Oil and Petroleum Products book, which is now trading more than 2.5 million barrels per day (bpd) (2013: 2.4 million bpd); establishment of unrivalled market positions in products such as gasoline, naphtha and distillates; and market leadership in the relatively new segment of spot liquefied natural gas (LNG) trading.
- A strong year despite difficult conditions in Metals and Minerals, where we maintained our leading position in copper concentrates and refined metals.
- A rapid increase in coal flows, where we are now a top three player in the global trade.
- A gross profit margin of 1.6 percent against a figure calculated on the same basis for 2013 of 1.4 percent.

This was a creditable trading performance in a challenging market environment. Increasing competition and relatively low volatility continue to compress margins for the commodities trading sector. Additional challenges in 2014 included a softening rate of economic growth and a credit crunch in the vital end-user markets of China; geopolitical uncertainty in important oil producing regions; increasing regulatory pressures of various kinds; and emerging conditions of over-supply in several energy and industrial commodities.

Primary crusher at Trafigura's MATSA mine, Seville, Spain.

A RESILIENT BUSINESS MODEL

Trafigura's response to these challenges remains the same as it has been throughout its more than two decades of growth: to concentrate on creating a business diversified by geography, product, customers and financing that is resilient and delivers reliable and efficient service to our customers in the widest variety of economic and business circumstances.

In markets characterised by over-supply, we know we have to work harder to deliver value. In 2014, this involved five main areas of strategic focus.

INVESTING IN INFRASTRUCTURE

First, we combined growth in trade flows with a continued programme of targeted investments in logistics and infrastructure. Jointly with our partners in the Abu Dhabi sovereign wealth fund Mubadala, our Impala Terminals subsidiary acquired a controlling interest in a world-class iron ore export facility at Porto Sudeste in Brazil's Rio de Janeiro state. From early 2015, the port will be at the service of the mining industry in the so-called Iron Quadrangle of Minas Gerais, with an initial annual export capacity of 50 million tonnes and potential capacity of 100 million tonnes.

The Group broadened its activity through profitable volume growth in both trading divisions; by expanding newer business lines as well as long-established ones; by entering new territories from Brazil to Papua New Guinea; and by exploring and executing new investment projects in infrastructure and logistics.

This was the largest of a large array of infrastructure investment and construction projects around the world and around the Group. In Colombia, Impala Terminals' multimodal transport system centred on the Magdalena River and, on the Pacific Coast, the FDP railway is ramping-up operations. In Peru, Impala Terminals completed a major upgrade and expansion programme at its metals storage, blending and export terminal in the Port of Callao.

In Africa, Impala Terminals and other Group companies worked on a number of infrastructure improvement projects in support of Trafigura trading flows. In Spain's southern province of Andalucía, our MATSA mine completed a significant expansion programme including installation of a new treatment plant, and embarked on creation of a new export facility at the Port of Huelva.

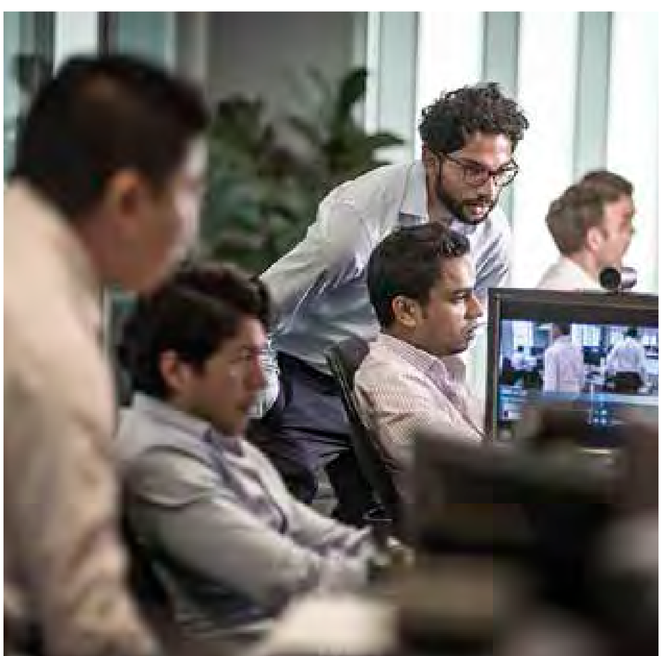
IMPROVING OPERATIONAL EFFICIENCY

The Group's second area of strategic focus was reducing cost by investing in efficient systems and processes that enhance the benefits of operating at scale. We have established three Global Service centres in Shanghai, Mumbai and Montevideo with the task of providing concentrated mid- and back-office support for trading activities in each time-zone and region. This created considerable efficiencies in administration and operations and allowed us to sustain rapid growth.

ACCESS TO CAPITAL

Our third strategic focus involved strengthening our financial resources while exercising tight discipline in allocating capital and in recycling funds from mature investment projects into new ones. At a time of acute financial and market uncertainty, we believe access to capital is itself a competitive advantage for a commodity trading firm, not least because of the observable 'flight to quality' on the part of lenders to the sector. More than ever, we need to ensure we have the ability to fund our working capital requirements.

So we further increased our access to banking liquidity to maximise our resilience. In addition, we significantly strengthened the balance sheet by deepening and broadening our pool of longer-dated (12-month-plus) financing, increasing the equity base and restructuring our pre-payment offering.



Trafigura's Singapore trading floor.

Recently, we have broken new ground in addressing the corporate responsibility agenda by becoming the first commodities trader to join the Extractive Industries Transparency Initiative (EITI), a global coalition of governments and companies working together to improve openness and accountability in management of revenues from natural resources.

A key highlight of the year that shows our disciplined capital allocation process at work was the continued investment in energy infrastructure assets in Corpus Christi and surrounding regions of South Texas, and the realisation of a gain through the sale of an 80 percent interest in those assets to Buckeye Partners L.P. in September, 2014. As a result of this transaction, Trafigura recognised an after-tax gain of USD316 million.

In selling this interest we freed up capital invested in the Corpus Christi port and storage terminal and built a new partnership with a well-established US infrastructure provider, at the same time as maintaining full commercial rights for our trading operation to use the terminal's storage, terminal, wharf and fractionation services under seven- and ten-year commercial agreements. Increasing volumes of Trafigura-owned crude oil, naphtha and liquefied petroleum gas (LPG) flowed into these facilities during the year as production from the nearby Eagle Ford Shale formation continued on its rapid growth curve – a trend that we fully expect to continue and accelerate throughout 2015.

ADDING VALUE WITH INTEGRATED SOLUTIONS

Our fourth strategic focus was on adding value for customers through integrated solutions using trading, finance, infrastructure investment and risk management. We believe this to be a key element in Trafigura's competitive offering. In over-supplied markets, the ability to establish significant relationships on the supply and demand side is a crucial success factor. Hence the continued importance of the close relationship between Trafigura's Oil and Petroleum Products Trading division and Puma Energy, which is expanding rapidly as a mid-stream and down-stream fuel provider in fast-growing consumer and industrial markets – most recently via its acquisition of the largest retail network and a refinery in Papua New Guinea. Trafigura's efficient global supply network is a vital source of product for Puma Energy; equally, Puma Energy purchases constitute valuable and stable building blocks for the Trafigura trading book.

In Metals and Minerals, our decision to invest in a new Chinese smelter as described by our Executive Chairman (see page 06) shows how long-term partnership can help grow trading volumes, while our offering to iron ore miners in Brazil includes everything from financial solutions to global logistics.

Impala Terminals' multimodal terminal at the Port of Callao, Peru.

At a time when the world's banks are in retreat from lending to some of the more exotic geographical risks, Trafigura's ability to structure innovative financial solutions for resource producers is more needed than ever. And at a time when emerging economies face severe challenges in financing or executing infrastructure development, so is the Group's expertise in and action-oriented approach to infrastructure projects.

STRENGTHENING OUR STATUS AS A RESPONSIBLE OPERATOR

Last, and certainly not least in terms of Trafigura Group's strategic focus in 2014, was the task of improving our control framework and further enhancing our reputation as a responsible and reliable operator. This has become an evermore central mission for the company as our global activity and our physical footprint have grown.

We have invested and continue to invest heavily in risk management systems to handle the multiplicity of operational, performance, financial and event risks we face on a daily basis. Our approach to Compliance and to management of Health, Safety, Environment and Communities issues is among the best in the commodities trading sector and is being developed further.

Recently, we have broken new ground in addressing the corporate responsibility agenda by becoming the first commodities trader to join the Extractive Industries Transparency Initiative (EITI), a global coalition of governments and companies working together to improve openness and accountability in management of revenues from natural resources (see page 72). We also joined the World Business Council for Sustainable Development and sought membership of the UN Global Compact, two broad-based corporate responsibility initiatives. And we took the lead in explaining our company's economic contribution and demystifying our sector by commissioning White Papers on a variety of themes including the economics of commodities trading firms and infrastructure investment in emerging markets (see pages 36 and 46).

We see leadership in these areas as a positive differentiator for the company, and the feedback we have received from counterparties, business partners and stakeholders so far serves to confirm that view.

By doing all these things, we believe we are creating a company that is robust and responsible – but also as nimble, flexible and adaptable as a business focused on finding attractive commodity trading opportunities needs to be. That means we will be able to sustain continuing rapid growth without compromising our independence or our focus on sensible and conservative risk management – and while avoiding the necessity of tapping external equity capital at Group level.

It is our aim to continue on that path so as to ensure that our next decade is at least as successful as our first two have been.

Jeremy Weir,
Chief Executive Officer

Scan for an interview with Jeremy Weir, discussing Trafigura's performance or visit www.trafigura.com/financials/2014-annual-report/

A SOLID FINANCIAL PERFORMANCE

PIERRE LORINET
Chief Financial Officer

Operating performance of the Group increased year-on-year, and the 2014 result reflects continued profitable growth in volumes in both trading divisions.

PERFORMANCE INDICATORS

$127.6bn
Group revenue
(2013: USD133.0 billion; 2013 like-for-like USD128.1 billion)

$2.0bn
Gross profit
(2013 USD2.9 billion; 2013 like-for-like USD1.8 billion)

$1.6%
Gross profit margin
(2013 like-for-like 1.4 percent)

$1.1bn
Net profit
(2013 USD2.2 billion)

$7.9bn
Total non-current assets
(2013: USD7.8 billion)

$39.6bn
Total assets
(2013: USD40.0 billion)

$5.3bn
Shareholders' equity
(2013 USD5.0 billion)

$1.3bn
EBITDA
(2013 like-for-like USD1.2 billion)

The Trafigura Group recorded solid financial performance in 2014, with net profit for the year of USD1.080 billion, a decrease of 50 percent from the figure of USD2.181 billion in 2013. The decrease in the headline number is mainly due to the deconsolidation of Puma Energy that occurred at the end of 2013. In fact, the operating performance of the group has increased year-on-year. The 2014 result reflects continued profitable growth in volumes in both trading divisions.

Main highlights of the year in our industrial divisions included the acquisition by Impala Terminals, together with Mubadala, of a controlling interest in the Porto Sudeste iron ore export facility in Brazil and the completion of a number of other important investment projects including a strong increase of capacity at our MATSA mine in Spain, a significant expansion of Impala Terminals' warehouse and export terminal at Callao in Peru and completion of the development phase of our multimodal transport project in Colombia as well as the sale of an 80 percent interest in our Corpus Christi terminal.

We expect investments made during the year to increase our access to trading flows in both our Oil and Petroleum Products and Metals and Minerals segments.

We expect investments made during the year to increase our access to trading flows in both our Oil and Petroleum Products and Metals and Minerals segments, and to continue generating significant value that can be realised in coming years.

2014 also saw a further strengthening of our overall liquidity stemming from increased bank lines availability and longer-dated capital markets issuance.

Impala Terminals' and Mubadala's Porto Sudeste iron ore export facility in Brazil.

PROFITABILITY

Revenue in 2014 totalled USD127.6 billion, a decrease of 0.4 percent from the figure of USD128.1 billion recorded in 2013 on a like-for-like basis.

The like-for-like comparison excludes in both years significant divestments of previously consolidated subsidiaries and the related revaluation gains following their deconsolidation. Specifically, these divestments related to Puma Energy and the Condestable mine in 2013 and to two events in 2014: the sale of an 80 percent interest in our oil storage terminal in Corpus Christi, South Texas, and the sale of Trafigura's bitumen business to Puma Energy Holdings in March, 2014.

On a like-for-like basis*, gross profit rose by 14 percent to USD2,045 million from USD1,788 million in 2013. This figure comprised an increase of USD376 million in the Oil and Petroleum Products segment, partly offset by a decrease of gross profit by USD119 million in the Metals and Minerals segment. Overall, this represented a gross profit margin of 1.6 percent against a figure calculated on the same basis for 2013 of 1.4 percent. This was a creditable performance in challenging trading conditions.

In addition to the disposal of Trafigura Terminals LLC and the bitumen business, other income also includes some exceptional items which we have not taken out for our like-for-like comparison. These include on the one hand a USD113 million mark-to-market gain on listed securities linked to our Porto Sudeste acquisition and, on the other, USD189 million of impairments on both financial and non-financial assets. The majority of these impairments related to Impala Terminals' Burnside facility in the US owing to lower coal prices, as well as to the prolonged decrease in the price of shares of listed equity investments due to the general commodity price environment.

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. EBITDA in 2014 was USD1,309 million, compared to USD1,155 million the previous year on a like-for-like basis, a net increase of 13 percent year-on-year.

General and administrative expenses including staff costs rose to USD1,005 million, representing an increase of 10 percent on the USD912 million recorded in 2013. The increase was due to higher depreciation and amortisation, which increased to USD236 million from a like-for-like figure of USD212 million in 2013, and higher staff costs coming from an increase in performance-related pay and increased staff numbers linked mainly to our infrastructure investments.

Net financing costs were USD308 million, an increase of 31 percent on the like-for-like 2013 figure. This reflects an increase in borrowing to finance our capital investment programme. Trafigura's gross financial income and expense includes interest on cash balances and loans respectively as well as interest from commercial operations.

* To aid comparison between the years, all figures derived from the consolidated statement of income in the remainder of this financial review section are similarly adjusted to show comparisons excluding significant divestments and revaluations and treating Puma Energy as an equity-accounted investee. Detailed figures can be seen on page 102 of the Annual Report.

** EBITDA 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.

Construction of Impala Terminals' Barrancabermeja riverside port, Colombia.

CAPITAL ALLOCATION

The partial disposal of our Corpus Christi terminal this year, and of various other assets in previous years, form part of a consistent approach and strategy with regards to capital allocation and investment. As a private Group we have to deploy our capital wisely. Our stated strategy has always been to develop assets that offer strong synergies with our physical trading business, warehouse them during construction and when they reach maturity open up their capital base to third parties while retaining the strong commercial link to Trafigura's trading business. Through this approach we are able to monetise the value created and recycle our capital into new investments, while increasing our flows and access to markets for our physical trading activity. Puma Energy and the Corpus Christi terminal are perfect examples of such a strategy. We were able to release capital, create strong partnerships with credible players (Sonangol and Buckeye Partners, L.P.) and retain full commercial synergies. We expect the Group to continue following this approach for the foreseeable future.

ASSETS

As at 30 September, 2014, total assets amounted to USD39,575 million, little changed from the same date in 2013 when total assets stood at USD40,027 million. Fixed and non-current assets were likewise little changed from a year earlier at USD7,880 million (2013: USD7,818 million), reflecting on the one hand the sale of a majority stake in our South Texas infrastructure assets and on the other hand, a continuation of our fixed asset investment programme elsewhere. Loans receivable and advances fell to USD724 million from USD2,053 million in 2013, reflecting the restructuring of our pre-payment loan to Rosneft into an off-balance-sheet financing vehicle. Excluding the Rosneft prepayment we have seen an increase of our long-term prepayment facilities of more than USD200 million. When factoring in the more than doubling of our short-term prepayment portfolio (recorded as current assets) to USD2,301 million, it reflects a significant expansion of our structured finance activity in support of increasing our trade flows and exemplifies the role we play in intermediating between clients and banks.

Current assets were broadly in line with the 2013 figure at USD31,695 million compared to USD32,209 million the previous year. Inventories were USD7,905 million, compared to USD7,856 million. In line with Trafigura's risk management policies, all stock was either pre-sold or hedged at all times throughout the year.

EQUITY AND LIABILITIES

Group equity reached USD5,557 million as of 30 September, 2014, compared to USD5,304 million as at September, 2013. This demonstrates a continued strengthening of our balance sheet, including a contribution from a SGD200 million Perpetual Subordinated Bond issued in Singapore in February, 2014, which is counted towards equity. Current liabilities and short-term bank borrowings were slightly down from the 2013 figure at USD27,229 million compared to USD28,283 million. The ratio of adjusted debt to Group equity stood at 1.31x as of 30 September, 2014 (see below for more detailed explanation of this metric).

CASH FLOW

Operating cashflow before working capital changes was USD1,288 million in 2014. This compares with a figure of USD1,711 million in 2013, including Puma Energy. Trafigura believes its financial performance is best assessed on the basis of cash flow before working capital changes, since 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. Cash flow from operating activities after working capital changes was a net outflow of USD569 million (2013: cash inflow of USD1,687 million). Investing activities resulted in a net outflow of USD1,485 million compared to a net outflow of USD4,033 million in 2013. Net cash generated from financing activities was USD2,936 million compared to USD2,794 million in 2013. The overall balance of cash and cash equivalents as of 30 September, 2014, was USD3,710 million, an increase of USD497 million compared to the figure of USD3,213 the previous year.

LIQUIDITY

As at 30 September, 2014, the Group had USD6.8 billion (2013: USD5.9 billion) of committed revolving credit facilities of which USD2.5 billion (2013: USD1.9 billion) remained unutilised. The Group had USD1.6 billion (2013: USD1.2 billion) of immediately (same day) available cash in liquidity funds. The Group had access to available liquidity balances from liquidity funds and corporate facilities in excess of USD4.1 billion (2013: USD3.1 billion).

PUBLIC RATINGS

Trafigura does not hold a public rating and does not seek to obtain one.

There are a number of reasons for this, including the fact that Trafigura's strategy has always been to obtain funding from stakeholders who understand its business model, rather than make investment decisions on the basis of a rating. In addition, holding a rating could cause Trafigura to take more short-term focused decisions in order to maintain a particular rating level. This would conflict with the Group's focus on long-term value creation and maintenance of a strong balance sheet.

Trafigura has been highly successful in securing funding without a public rating and has access to over USD46 billion, as at 30 September, 2014, in credit facilities through various funding sources. Financial discipline is inherent to Trafigura's business and finance model due to its reliance on debt markets for capital and liquidity. Trafigura's significant expansion of its sources of financing over the years has been achieved on the basis of the Group maintaining an acceptable and sustainable credit standing, consistent with an investment grade profile. The Group's financial discipline is reinforced by the financial covenants provided to our unsecured lenders and is underlined by the strong support we receive from our banking group and investors.

FINANCING

As a privately owned company, Trafigura funds itself primarily from the banking and debt capital markets, relying on a combination of diversified funding sources and strong banking relationships.

For a number of years and throughout various commodity cycles and financial market environments, Trafigura has cemented strong relationships with its lending banks. In the past year, Trafigura has added 22 new banks to its banking group which consists, as at 30 September, 2014, of more than 135 banks across the world.

A key reason for Trafigura's leading competitive position is its access to capital and liquidity. During our fiscal year, lines have increased from around USD42.5 billion at the end of 2013 to USD46.2 billion by September, 2014. Trafigura has been successful in sourcing funding from a number of markets: syndicated bank loans, securitisation markets, bond markets and trade finance. Of total current lines of USD46.2 billion, we have USD16.9 billion of headroom or excess liquidity to ensure resilience in all market conditions.

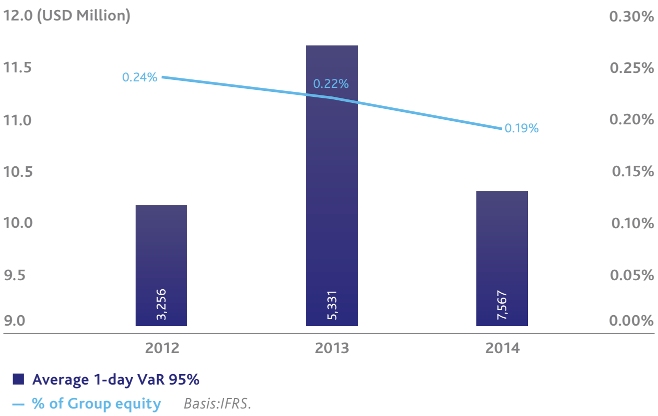
TRAFIGURA DEBT AND CAPITAL MARKETS ISSUANCES

In recent years, Trafigura has increasingly sought financing outside of the traditional commodity trade finance loan markets in order to diversify funding sources, but also to lengthen our maturity profile, particularly given our focus on matching assets with liabilities. Following successful issuances in 2013, Trafigura completed in 2014 further transactions in the debt capital markets. Firstly, in November, 2013, Trafigura issued a EUR500 million 5.25 percent senior fixed rate bond, the first issuance under its EMTN programme of total size EUR2 billion. This was followed in February, 2014, by a second SGD200 million perpetual subordinated resettable bond, listed on the Singapore Stock Exchange which drew strong support from Singapore-based private banks and fund managers. Similar to our first perpetual bond, issued in April, 2013, the new bond receives equity treatment under IFRS accounting rules. Finally, in June, 2014, Trafigura completed a liability management exercise where we exchanged EUR109 million of our Eurobond with a maturity of 2015 for a tap of EUR107 million of our 2018 EMTN. The purpose of this liability management was to extend the duration of a portion of our long-term debt in attractive market conditions.

Corpus Christi oil storage facility, Texas, US.

VALUE AT RISK

The Value at Risk (VaR) metric is one of the various risk management tools Trafigura uses to monitor and limit its market risk exposure. Trafigura uses an integrated VaR model which captures risks including commodity prices, interest rates, equity prices and currency rates (see further details in note 26). During 2014, average 95 percent one day VaR for derivative positions was USD10.3 million (2013: USD11.7 million) which represented less than 1 percent of Group equity.



SHAREHOLDER STRUCTURE

Trafigura is exclusively owned by over 600 employees and its management, who are therefore focused on the long-term success of the business, promoting management depth and stability, and encouraging prudent risk management. The decision as to which employees may become shareholders is discretionary based upon management's evaluation of the individual's performance, seniority and future potential.

Trafigura has continuously built up its shareholders' equity since inception in 1993 and the Group retains profits to further increase its capital base. No dividend or profit distribution is paid other than through share buy-backs. Any share buy-backs are discretionary and each buy-back can be deferred indefinitely subject to sufficient liquidity being available/compliance with financial covenants.

LEVERAGE AND ADJUSTED DEBT

As a physical trading group, Trafigura relies on a specific funding model. As a result, one cannot apply the same financial analysis framework as for other, more typical industrial companies. Financial leverage must be considered after excluding some specific balance sheet items (eg transactional finance, securitisation) resulting in the use of adjusted debt as an overall leverage metric.

The adjusted debt metric represents Trafigura's total long- and short-term debt less cash, deposits, readily marketable inventories, debt related to the Group's securitisation programme and the non-recourse portion of loans to third-parties. This metric is a better measure of the Group's financial leverage and enables a better understanding of the balance sheet. In particular, the following adjustments need to be made:

- The securitisation programme should be taken out on the basis it is an entirely distinct legal entity from Trafigura with no recourse to the Group and is only consolidated into the financial statements in accordance with the Group's accounting rules.
- Cash and short-term deposits should be deducted from debt.
- Pre-sold or hedged stock should be deducted from debt. This reflects the great liquidity of the stock and the ease at which this could be converted to cash. As previously described, Trafigura's policy is to have 100 percent of stock hedged at all times.

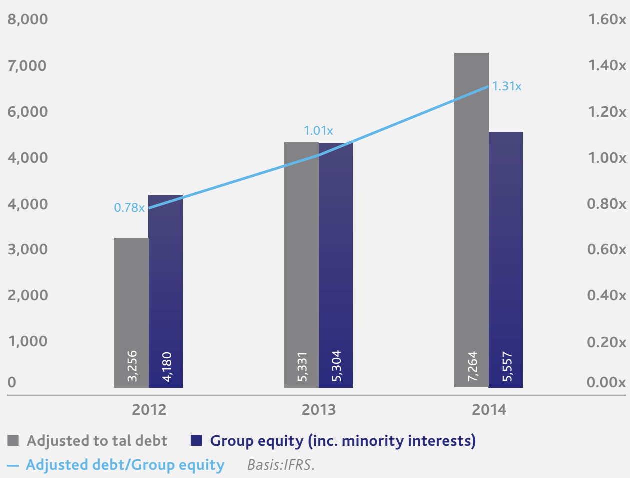
A key reason for Trafigura's leading competitive position is its access to capital and liquidity.

As at September, 2014, the ratio of adjusted net debt to Group equity stood at 1.31x. The increase at year end is due to our continued investment in fixed assets on the one hand and the expansion of our prepayment portfolio (both short term and long term) on the other, the latter having had a bigger impact. The nature of the ratio means it fluctuates between quarters, but Trafigura's long-term commitment is to ensure it does not remain significantly above its target of 1.0x on a long-term basis. We expect this ratio to revert to our stated target within the next 18 months.

Stacker reclaimer being tested at Porto Sudeste, Brazil.

Impala Terminals' jointly owned covered conveyor belt expansion at the Port of Callao, Peru.

Trafigura adjusted debt (USD Million)



QUESTIONS FROM STAKEHOLDERS: TAX

How much tax does Trafigura pay?

Trafigura operates in a multitude of jurisdictions and adheres to applicable local and international tax law in the countries in which it operates, including legislation on transfer pricing. The Group's tax policy is to pay appropriate tax according to work carried out in each jurisdiction, as determined by a functional analysis of operations using standard measures wherever possible, underpinned by reports prepared to fulfil local transfer pricing requirements. Trafigura Pte is the Group's main trading company. The Group's effective tax rate – the average rate at which consolidated pre-tax profits are taxed – varies from year to year according to changing circumstances but in 2014 it was 17.1 percent.

OUTLOOK

In the coming year, we will pursue our strategy of growing traded volumes while bringing to full operation our key infrastructure investments. This approach ensures that we not only maintain our trading margin but eventually grow it. Our key goal is to be in a position to generate a base load profitability whatever the market environment. As stated by Claude and Jeremy, the last few years have provided a challenging trading environment in which the Group has nonetheless performed strongly thanks to this strategy. Should the market fundamentals become more favourable, we can expect some significant upside to our base case.

In parallel to our business strategy, we will continue to focus on improving our operations, finance and risk management through investment in advanced IT systems and global service centres.

Finally, with liquidity being essential to the sustainability of our operations, we will seek to enhance it further as we have done in the past while maintaining our credit standing and balance sheet integrity.

Pierre Lorinet,
Chief Financial Officer

Smelter analysis in the MATSA mine laboratory, Seville, Spain.

OUR BUSINESS MODEL
CREATES VALUE...

Our vision is of an increasingly interconnected and prosperous world in which commodities pass seamlessly from their points of origin to points of need.

WHAT WE DO

We connect producers and end-users of commodities by performing transformations in space, time and form. We use our market knowledge, logistics and infrastructure to move physical commodities from places where they are abundant to where they are in demand.

ADVANCING TRADE: HOW WE CREATE VALUE

BY ACCESSING MARKETS
We focus energy and resources on activities that make trade work better. We continually invest in high-quality infrastructure. We build innovative, end-to-end services to bridge the gap between buyers and sellers more effectively.

BY DEVELOPING MARKETS
We contribute to the global economy by finding new ways to trade. We identify and act on arbitrage opportunities. We bring in new counterparties, and develop product categories and trading routes. Our activities help to create more efficient markets, reducing long-term costs for participants.

BY SERVICING MARKETS
Trafigura's services add value at every stage of the supply chain. We offer technical advice and financial support. We build infrastructure and devise logistics to streamline and simplify transportation for our clients.

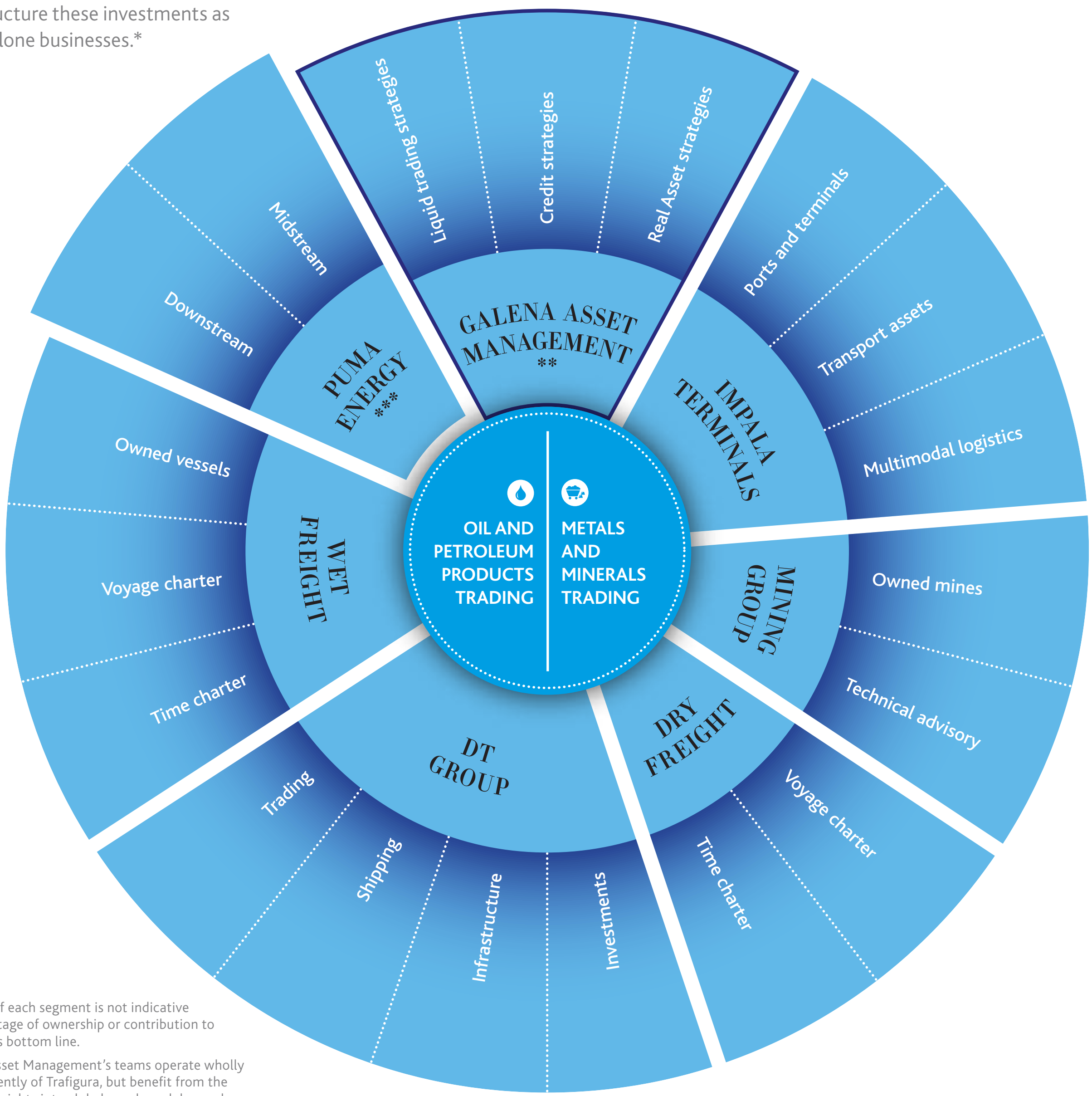
BY SUSTAINING MARKETS
Responsible trade drives economic and social progress. We aim to conduct our activities so as to benefit communities where we operate.

BY MAKING THE CASE FOR GLOBAL TRADE
As a specialist independent trading house, Trafigura is well placed to take on an advocacy role. We communicate the economic and social benefits of global trade generally and, more specifically, the positive role that Trafigura plays.

...OUR STRUCTURE
DELIVERS IT

Trafigura's core business is physical trading and logistics. Our assets and investments complement and enhance this activity. The chart below graphically represents the centrality of trading to our approach.

Strategic investments in storage and logistics capabilities create arbitrage opportunities. As firm believers in the benefits of local rather than central control, we structure these investments as standalone businesses.*



* The size of each segment is not indicative of percentage of ownership or contribution to Trafigura's bottom line.

** Galena Asset Management's teams operate wholly independently of Trafigura, but benefit from the Group's insights into global supply and demand.

*** Puma Energy is a separate company to Trafigura, 48.79 percent of its share capital is owned by Trafigura.

OIL AND PETROLEUM PRODUCTS TRADING

JOSE LAROCCA
Head of Division

Trafigura is one of the world's largest independent traders by volume of oil and petroleum products. We continued to grow volumes during the year. At the end of the year the division was trading over 2.5 million barrels daily.

Trafigura is one of the few Oil and Petroleum Products traders with global presence and comprehensive coverage. Our trading teams operate from Geneva, Houston, Montevideo and Singapore and are supported at offices in Beijing, Calgary, Johannesburg, Moscow and Mumbai.

74%
Contribution to global revenue (2013: 76 percent)

120.4mmt
Total volume traded (2013: 117.8mmt)

Oil and Petroleum Products traded (mmt)	2014	2013
Aromatics and petrochemicals	**0.7**	1.3
Biodiesel	**0.5**	1.1
Bitumen	**0.3**	0.5
Condensates	**4.5**	1.8
Crude oil	**49.0**	40.7
Fuel oil	**9.5**	15.0
Gasoline	**17.5**	20.3
Liquefied Petroleum Gas (LPG)	**2.7**	1.7
Middle distillates	**25.9**	26.7
Naphtha	**8.1**	8.7
Liquefied Natural Gas (LNG)	**1.7**	n/a
Total	**120.4**	**117.8**

Oil and Petroleum Products total volume traded (mmt)

HIGHLIGHTS

- Access secured to new crude and condensates pipeline from Eagle Ford to the Gulf Coast, US
- Volumes in the US domestic lease business more than double
- Trafigura becomes lead trader in the LNG market
- Agreement with Magellan Partners to build a crude and condensate splitter at Corpus Christi, Texas
- The sale of a majority interest in Corpus Christi terminal realises capital while allowing continued control of throughput.

SERVICE AND PERFORMANCE

Another profitable year for the Oil and Petroleum Products division saw volumes increase for the second year in succession. This was achieved in a volatile global market amid considerable geopolitical and economic uncertainty.

The US shale oil and gas revolution is having far reaching effects across the energy spectrum. We are now operating in a world that is well supplied with oil and has sufficient refining capacity to meet global demand.

Having the agility to adapt to these kinds of new realities is the hallmark of an effective trading operation. We are achieving this at Trafigura as a result of a number of inbuilt strengths.

As a global trading house we have a detailed overview of micro and macro trends. We are physical traders; we derive our profitability from meeting actual needs for a broad base of customers. That gives us a firm grasp of economic fundamentals as they play out on the ground.

Our emphasis on service and performance strikes a chord with our customers. Our trading desks work together to serve them better. We are constantly looking for different ways to deliver improved solutions.

Trafigura's investment in the Corpus Christi terminal complex in Texas has given us access to the world's most prolific shale fields. This is becoming an important platform for global growth. Although we sold a majority stake in the business this year, we retain the right to manage throughput.

We buy, sell and move barrels more efficiently by maintaining and investing in world-class assets that benefit end-users. In increasingly competitive markets, we are building a sustainable competitive edge through improved logistics and consistently high levels of service and performance.

Oil storage terminal, Corpus Christi, Texas, US.

CRUDE OIL

The crude desk enjoyed another successful and profitable year. We grew volumes globally and our trading activities kept pace with changing market conditions. With crude trading centres in Beijing, Calgary, Geneva, Houston, Moscow and Singapore we are attuned to the distinctive characteristics of regional markets.

In crude oil markets generally, dramatic shifts in outright price levels and market structure reflected more plentiful supply and relatively slack global demand. A precipitous decline in prices at the end of the year was indicative of a sea-change in both the market mindset and fundamentals.

The shift in Brent structure from backwardation to contango after June has made tankage more productive and was generally supportive for our profitability as a physically-based trading unit.

The crude team has strong technical capabilities. Our understanding of physical flows and of the specifics of particular grades allows us to identify complex technical opportunities and react quickly to changing market dynamics. We completed a number of notable transactions this year that helped transform previously uncommercial products into valued cargoes for our customers. We coordinated refining, legal and logistical expertise to extract, blend and transport valuable material to receptive international markets.

Our US domestic lease activity is making an increasingly important contribution to the global crude book. The US onshore team acquired additional resources to build up our lease business at Eagle Ford. We have more than doubled last year's volumes and deal regularly with well over 50 producers in the region. We extended the lease model to the Permian basin in West Texas this year. This too is now handling significant daily volumes.

In September, we sold a majority stake in our Corpus Christi terminal in Texas, but retained the right to manage throughput. This allows us to trade significant quantities of crude from local producers. With new condensate splitters being constructed on site we are able to optimise the value of local crude and condensate.

We signed an agreement in November, 2013, to utilise the Rio Bravo pipeline in Texas, which strengthens our logistics-based offer still further. The pipeline has now been converted from natural gas and is set to carry 100,000 barrels of crude oil and condensate daily.

We have continued to build on our substantial business in West Africa, we remain active in numerous territories and trade flows grow into receptive Asian and European markets.

Next year, we expect to double our volumes in both Eagle Ford and the Permian basin and will continue to develop infrastructure both globally and in the US onshore domestic market. The crude team is well positioned both structurally and strategically and is confident about our prospects for 2015.

GASOLINE

With one of the world's largest and most active gasoline trading teams, Trafigura has both scope and depth to adapt to constantly changing markets.

We manage one of the largest seaborne gasoline books in the world. We also have extensive, strategically located tankage. It is a combination that allows us to deliver great service and optimise performance.

In the market at large, US and Eastern hemisphere refiners performed well. However, it has been a more difficult year for European and North Asian refiners. Improved feed logistics in the Gulf Coast boosted US refineries. In the Arab Gulf and the Far East, National Oil Companies have been building captive refineries and trading their own product.

For the gasoline desk, this was another successful year. We increased volumes and improved our profitability. Importantly, we have also attracted a more diverse customer base.

At the same time we have reshaped the desk into a leaner, more focused organisation to meet changing global dynamics in the gasoline sector.

During the year we restructured our aromatics trading capability in response to changing market dynamics. We continue to maintain a market presence in aromatics, primarily as a blending component in gasoline.

We have managed to extend our customer base and unlock additional volume by concentrating on delivering consistently high performance.

We have been strengthening our relationships with refiners. Downstream, we continue to service Puma Energy's vast and growing network. We are gaining traction with new customers in Latin America and the Caribbean.

The market ahead is full of opportunities for companies that value customer service and place performance at the centre of their business. We look forward to continuing to provide solutions for our customers and navigating changing markets.

FUEL OIL

The fuel oil desk trades as a global team with strong representation in the US, Singapore, China and the Arab Gulf. We have access to storage and blending in multiple locations.

Currently, around 47 percent of global demand is for bunkers, 30 percent for power generation and the remainder for refinery feedstocks, but there is a trend away from fuel oil for both bunkers and power generation. We are optimising flows to reflect changing patterns of demand.

The high cost of freight has incentivised ship owners and charterers to reduce their fuel oil consumption. They are slow steaming and selecting routes with more care. More are buying bunkers in smaller volumes at multiple locations to take advantage of falling prices. Those with long haul and larger vessels are demanding bigger discounts for buying in bulk. Recently launched ships have better performance characteristics and are more flexible with the bunker grades they can take.

In addition, environmental initiatives are restricting the usable grades for bunkers. The Sulphur Emission Control Area (SECA) around Northern Europe and North America is tightening sulphur restrictions on bunkers to control and combat seaborne pollution. Next year SECA regulations will cap sulphur emissions at 0.1 percent. We are anticipating a strong take-up of diesel for bunkers as well as new blends of fuels to fulfil this change in parameter during 2015.

Consumption patterns are also changing in the power generation space where there is also a move towards lower sulphur grades. Generators are increasingly switching to LPG, LNG and cleaner coal grades.

All of this is occurring against the backdrop of weaker global demand and this has made for a challenging year in fuel oil markets as a whole.

We have used the year to consolidate the team. We are focusing on developing supply options and infrastructure that will allow us to respond effectively to market trends.

We continue to capture value by aligning our blends with specific pockets of demand. The low sulphur portion of our portfolio is increasing, in line with global trends and as such we are well positioned for 2015 and future years.

MIDDLE DISTILLATES

The distillates team trades globally from its desks in Singapore, Geneva and Houston. Traders manage deal flow between the export and refining centres in Asia and America and the diesel import markets of Africa and Europe.

Volumes have more than doubled over the last three years. This year we handled around 200 million barrels of distillate products. With around 40 chartered ships at sea at any one time, and blending and storage facilities at multiple locations, we have the global reach to respond rapidly to changing demand conditions.

The growth in shale production has transformed the dynamics of distillates markets. US refineries are benefitting from cheaper feedstock and exporting more products.

Trafigura's investment in Corpus Christi proved timely. In addition to the benefits of our existing export facility, we are now building two splitters, which are due online in 2015.

Newly constructed refineries in the Arab Gulf have now started production. Their first cargoes appeared at the year-end. In due course, these will generate substantial additional product flows.

The world now has plenty of refining capacity. Indeed, in current economic conditions, product supply is beginning to outstrip demand. European, Japanese and Korean refiners may be worst affected. They will need to adapt their business models; those that are less efficient could be forced to close.

In early 2015, the European futures trading screen officially turns into a low-sulphur screen. Dieselisation is gathering pace. We are managing the transition from high sulphur and shifting the balance of our business towards lower sulphur grades.

We continue to be a large mover and exporter of diesel and jet around the world, particularly from the US. The improved quality and efficiency of the diesel bench has been key to our strong performance this year. We are now replicating this in the jet market.

NAPHTHA

Historically, Far Eastern refiners received much of their naphtha feedstock from European producers. The abundance of shale gas is generating large stocks of naphtha in the US and much of it is exported. The flow of naphtha across the Atlantic has reversed. The US is now a major exporter, supplying both European and Asian markets.

Naphtha is useful as a diluent for crude, a feedstock for petrochemical production and for use in splitters. As splitter capacity has grown in Asia, so too has demand.

Europe has ceded its pivotal role in driving naphtha flows. Asian refiners can generally source US naphtha more cost-effectively. Flows between North, Central and South America and the Far East are becoming increasingly important.

Increasing complexity in the naphtha market is triggering more competitive pricing. Trafigura has been working hard to develop its US presence and to supply naphtha to more markets. We have negotiated multi-year off-take agreements to gain a regular, consistent supply for our customers. We are servicing Far East demand from the US and selling into new territories, including Canada and Colombia.

We await US regulatory developments to determine whether naphtha and condensates are likely to become competing products. In the meantime, our naphtha and condensate desks are working in parallel for optimal flexibility.

Finding long-term homes for naphtha will continue to be a key focus for the desk. We are developing close trading relationships with diverse customer categories worldwide.

The abundance of shale gas is generating large stocks of naphtha in the US and much of it is exported. The flow of naphtha across the Atlantic has reversed.

CONDENSATE

Trafigura is a leading international condensate trader. We have been highly effective at establishing new markets and identifying uses for this versatile product. We are finding applications at refineries, splitters, petrochemical plants and power generation facilities.

As the shale revolution gathers pace it raises the prospect that condensate will move from being a fringe energy product to becoming a major export market in its own right.

The US Government briefly relaxed its longstanding ban on unrefined oil exports in June. Two Texas companies won permission to export a minimally processed condensate that had not been through a splitter or a refinery. While volumes were limited there are potentially far-reaching implications for the market. According to some estimates, condensate accounts for over 10 percent of daily US crude production.

The US legislation remains subject to extensive discussion and Trafigura, along with other market participants, is seeking additional clarification.

Regardless of the position ultimately taken by US legislators, Trafigura has maintained suitable optionality for the future. We have joined forces with Magellan Midstream Partners to build a 50,000 barrel a day condensate splitter at Corpus Christi, Texas. The facility is scheduled to open in 2015.

Far Eastern refiners in particular have been struggling this year with poor refining margins. They are interested in cheaper feedstock that can help protect their margin. Our strong representation in Asia and infrastructure in the US put us in a good position to meet their requirements cost-effectively.

LIQUEFIED PETROLEUM GAS (LPG)

The desk's volumes have grown considerably over the last twelve months. The book increased its market share and is benefitting from improved trading and logistical synergies. Following a satisfactory year in 2014 we see more room for future growth.

The LPG market continues to evolve rapidly. The US is consolidating its position as the world's biggest LPG exporter. There is more demand from Asia, with new developments in the petrochemical industry. There are opportunities in the Caribbean and Africa as propane for power supply becomes even more economical. Africa's residential consumption continues to grow.

The LPG desk's growing profitability is supported by a strong logistical system. Effective vessel rotations and increased trading volumes allow us to respond more quickly to changes in market and our clients' requirements.

Our LPG export terminal in Corpus Christi, Texas, began small-scale operations this year and will be fully operational in 2015. As a result, we are now able to engage in the US export business in a more structured way and have managed to consolidate flow from the US to different markets across the globe.

This year also brought challenges. Competitive pressure ratcheted up as more companies looked to get involved or increase their presence in the sector. Growing LPG trade flows are not yet matched by shipping capacity and freight rates traded at record highs. While we expect shipping rates to remain high in 2015, we anticipate a strong reduction in rates by mid to late 2016.

Looking ahead, we intend to keep on growing our market share, expand into new regions and remain at the forefront of this quickly changing market.

LIQUEFIED NATURAL GAS (LNG)

Trafigura is the world's leading independent trader of LNG, one of the fastest growing energy markets. Our volumes doubled last year.

LNG cannot exist without extensive infrastructure. It takes time for that to be developed. Once in place the economics of LNG quickly become compelling.

The market endured an exceptionally tight start to the year, but was better supplied by the second half. The increase in shipping capacity this year promoted liquidity and helped to energise the market.

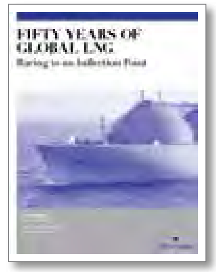
The LNG desk works closely with our LPG colleagues and the coal desk's natural gas team. We have now grown our team and trade from multiple locations.

We aim to increase our market presence East of Suez where markets are relatively inflexible – in places like the Middle East, India, and Asia-Pacific.

The LNG market is still dominated by long-term contracts, with the tradable market representing a small proportion of overall activity, but we expect over half of LNG to be tradable by 2020. Liquid trading of LNG will become the norm rather than the exception.

A liquid LNG derivatives market is a key element for the increase in liquidity. Plans for this are still at an early stage, but we strongly support recent initiatives in Japan and Singapore to create an Eastern hub for trading LNG paper.

We believe LNG markets will reach a tipping point during the second half of this decade and expect growth to accelerate as infrastructure comes online. We are acting now to be sure we are ready. We have the marketing expertise, the financial strength, the geographic coverage and the understanding of product flows required to succeed in these markets.



For further information on our LNG White Paper, please visit **www.trafigura.com/research**

BIODIESEL

Worldwide biodiesel production is around 20 million tonnes annually, of which one third is traded internationally. Trafigura's biodiesel desk manages a significant proportion of the traded volumes in this complex market.

We have the ability to use, blend, store and transport biodiesel anywhere in the world, wherever there is an economic or mandated requirement. The biodiesel team is fully integrated with our global distillates team. This allows us to optimise opportunities as they arise from commonalities with diesel trading.

We use Puma Energy's downstream specialist logistics in Asia to process and blend biodiesel.

Biodiesel blending is driven by both economic and regulatory imperatives. This year, regulatory conditions in two major markets have restricted mandate-driven trading opportunities.

We are delivering into territories around the world. During this fiscal year, we have mostly been sourcing Argentinian and Indonesian palm oil-based biodiesel and delivering blends into Latin America, Africa and Asia.

BITUMEN

In 2014, Trafigura sold its bitumen trading business and operations in full to Puma Energy Holdings Pte Ltd.

Bitumen markets operate differently from the other commodities we trade in the Oil and Petroleum Products division. There are high logistics costs and cost-effective delivery can only be achieved through a tightly integrated supply chain. Product has to be loaded and unloaded at purpose-built terminals. It is transported in specialist vessels where it is stored in heated containers. The large investment needed across the supply chain makes this harder to do if multiple counterparties are involved. Puma Energy was already investing in terminals and downstream. It therefore made more sense for every stage of the process to be integrated within Puma Energy.

The sale of assets and operations to Puma Energy was completed on 31 March, 2014. The USD93.6 million income this transaction realised is included as a gain on divestment of subsidiaries.

CHALLENGE

ACCESSING AND DEVELOPING MARKETS IN PAPUA NEW GUINEA

Image: Puma Energy service station in Australia.

SOLUTION

TRAFIGURA IS INVESTING ACROSS THE SUPPLY CHAIN

Papua New Guinea's (PNG) wealth of natural resources including oil, gas, copper and precious metals has enabled strong economic development in recent years.

Large-scale private investment in mining, additional LNG production capacity and liberalisation in strategic sectors are driving rapid GDP growth. This is estimated at 6 percent for 2014 and the World Bank is predicting that GDP will grow by as much as 20 percent in 2015.

PNG has made important progress in key areas of structural reform, but considerable scope remains for a company such as Trafigura, already very active in the Asia Pacific region, to accelerate private sector-led growth.

In July 2014, Puma Energy became the largest fuel supplier. With its acquisition of InterOil's midstream and downstream businesses in PNG, it gained a 28,000 barrel per day refinery, 52 service stations as well as fuel depots, terminals and aviation sites.

If PNG is to capitalise fully on its potential, the development of the country's transport network will be key. The fast and efficient passage of natural resources to international markets will be critical.

Trafigura's extensive experience of operating in developing markets and proven aptitude for challenging environments will play a central role in building the country's long-term growth.

For further information please visit www.pumaenergy.com

$525.6m

Puma Energy acquisition of InterOil's midstream and downstream assets in Papua New Guinea

20%

Forecast real GDP growth in 2015 (World Bank)

DT GROUP

MARIANO MARCONDES FERRAZ
CEO, DT Group

DT Group is a joint venture between Trafigura and Cochan. It develops markets in sub-Saharan Africa, with a particular focus on Angola. It works closely with international and local partners in the logistics, trading and natural resources sectors.

With offices in Geneva, Luanda and Singapore, DT Group's interests span trading, shipping infrastructure, asset management, logistics and mining.

$2.3bn
Total assets
(2013: USD2 billion)

$5.3bn
Sales revenue
(2013: USD5.7 billion)

4
Owned vessels
(2013: 6 vessels)

HIGHLIGHTS

- Angofret is constructing two multifunctional logistics platforms on the CFB rail network and has consolidated plans to build a further two platforms, commencing 2015
- Development of a new business model for Angolan agriculture.

INVESTING IN ANGOLA'S FUTURE

DT Group acts as an incubator and investment vehicle for a range of businesses, predominantly focussed on Angola. The Group is a 50:50 joint venture leveraging the market capabilities and financial strength of Trafigura and the incisive local knowledge and networks of Cochan, a leading Angolan management and investment firm.

Our co-owners facilitate activities by contributing specialist expertise and substantial capital. We are helping to develop new markets in Angola and beyond by participating in ambitious and transformative projects.

Angola's oil revenues have stimulated rapid economic development, but the benefits have been concentrated on certain industries and regions. The country has abundant natural resources, but lacks infrastructure.

DEVELOPING MARKETS IN ANGOLA

The Angolan Government is promoting infrastructure and large-scale projects as it invests to diversify its economy and extend prosperity beyond the oil sector. We are involved in a range of initiatives that are developing new markets and strengthening the economy.

Our flexible business model allows us to seed, incubate and develop a wide array of projects. We are active in key sectors supporting Angola's economic development.

Our trading services leverage Trafigura's international presence and expertise to connect Angola with global markets. Our logistics businesses manage infrastructure and transportation. In the natural resource arena we are promoting agriculture and developing mineral assets.

DT Group subsidiary Angofret is in the process of constructing two multifunctional logistics platforms at stations along the railway line... They will increase the efficiency of Angola's transportation system and help to activate the railway.

DT Group's Mandume oil/chemical tanker at the Port of Lobito, Angola.

ACCESSING GLOBAL MARKETS

Our two trading entities, DTS Refining and DTS Commercial, trade crude oil, gasoil, gasoline, jet and bunker fuel with Sonangol, Angola's State energy company.

As Angola's commercial and industrial growth continued this year, demand for our products remained relatively robust. Sales for clean products such as gasoil, gasoline and jet fuel fell marginally from 4.75mmt in 2013 to 4.53mmt in 2014.

MANAGING SHIPPING

In 2014, DT Shipping sold two bitumen vessels to Puma Energy. DT Group's remaining fleet, chartered predominantly to Sonagol Distribuidora, includes four bunkering vessels. Vessels transport gasoil from Sonangol's storage facility at Lobito to Angola's offshore platforms.

Trafigura and Puma Energy's shipping operations team also manages DT vessels on time charter around the West African coast.

OPERATING PORTS AND TERMINALS

Lobito is set to become a regional hub port, second only to Luanda. In 2013, the Angolan Government invested USD2 billion to modernise and extend it. A bulk port facility has recently been completed. An advanced container terminal with scope for 700,000 units and a nearby dry dock are now being constructed.

Terminals have direct access to the recently upgraded Caminho de Ferro de Benguela (CFB) railway line traversing Angola from west to east. This multimodal port is well located for the African copper belt. Its rail access equips it as an import/export terminal – not just for Angola, but for neighbouring countries too.

DT Group subsidiary Angofret is now constructing two multifunctional logistics platforms at stations along the railway line. New platforms at Huambo and Luena will include container stacking facilities and technology for cargo logistics. Plans for a further two multimodal platforms at Catumbela and Lobito have been finalised with construction due to commence in 2015. They will increase the efficiency of Angola's transportation system and help to activate the railway as part of a multimodal transport network.

HARNESSING NATURAL RESOURCES

DT Group has invested in Angola's agribusiness sector through our DT Agro subsidiary. We have established a 90-hectare pilot project in Catumbela, which is growing fruit and vegetables. The site also includes a packing plant. The project is investigating how technology, modern processes and vertical integration improve yields.

DT Group's majority-owned mining joint venture AEMR has conducted extensive geological testing across the country. Infrastructural improvements will be needed before it can develop mining operations. In the meantime, this business remains on standby.

BUILDING BETTER FUTURES

DT Group's activities are deeply rooted in Angolan society. The social dimension is a key element in our business model – the more connected with our communities we become, the better our businesses function. We recruit locally and build talent through training and development programmes. We pursue initiatives that promote social inclusion, social entrepreneurship and self-reliance – these activities are supported by the work of the DT Foundation.


DT Group employee at the Port of Lobito, Angola.

METALS AND MINERALS TRADING

SIMON COLLINS
Head of Division

Trafigura is one of the world's largest metals and mineral traders. We are expanding traded volumes by building global connectivity between miners, smelters and refined metal fabricators. The division traded 49.1 million tonnes during the year.

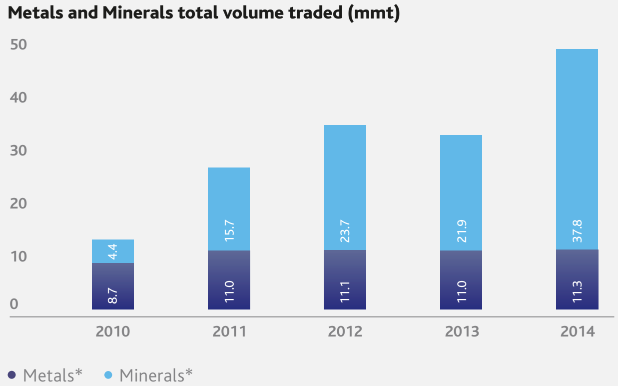
Our global trading teams are based in Geneva, Montevideo, Singapore and Stamford and are supported by offices in Johannesburg, Lima, Mexico City, Mumbai and Shanghai.

26%
Contribution to global revenue
(2013: 24 percent)

49.1mmt
Total volume traded
(2013: 32.9mmt)

Metals and Minerals traded (mmt)	2014	2013
Non-ferrous metal concentrates	**6.4**	7.5
Non-ferrous refined metals	**4.9**	3.4
Coal	**32.9**	17.0
Iron ore	**4.8**	4.3
Others	**0.09**	0.7
Total	**49.1**	32.9

Metals and Minerals total volume traded (mmt)



* Metals include non-ferrous metal concentrates and refined metals.
Minerals include coal, iron ore and others.

HIGHLIGHTS

- First concentrate cargo is loaded using the Callao Port conveyor belt system in Peru
- Trafigura maintained its position as market leader in concentrates and refined metals
- Agreement to acquire a 30 percent stake in Jinchuan Group's copper smelter in Guangxi
- Coal volumes traded almost double in a year.

COMMODITY TRADING IN A BEARISH MARKET

Macro-economic indicators suggest that the global economy is likely to face a period of sub-par growth in the coming months and years.

On the surface, the outlook is negative. Iron ore and coal prices have fallen; energy prices are down. Analysts have suggested that commodity prices are likely to fall further. In China, demand growth is slackening and finance is becoming increasingly scarce as the credit crunch there takes hold.

Yet paradoxically from Trafigura's perspective, the prevailing conditions also bring advantages.

We have limited direct exposure to absolute prices. Our profitability stems from the provision of logistics services, financing and physical arbitrage.

Lower commodity prices can actually encourage global trade, because less capital is required for each transaction. Fuel and freight costs are falling too. In these instances location becomes less relevant and there are more opportunities to use trade to optimise assets.

These market trends support our long-term objectives. Trafigura's chief priority is to grow volumes in all our markets so that we can develop economies of scale. We are constantly looking for better ways to connect producers with end-users.

We participate in off-take agreements and develop downstream outlets that underpin volume growth. We form strategic alliances and invest in infrastructure that streamline and simplify supply chains.

We are investing in the right places and for the long term. We are scaling up the business wherever we can. We are benefitting from bearish market sentiment by growing traded volumes.

Copper cathode, Lubumbashi Terminal, DRC.

ZINC CONCENTRATES

Trafigura is a leading market participant in zinc concentrate. The 30 percent of our business in China is the most dynamic part of the book. Our Chinese orders are priced in the spot market and can be initiated at any time during the year. In other territories, we typically agree longer-term contracts at the end of the calendar year.

Zinc concentrate markets remained broadly in balance, trading within a range across the year. The market had factored in the closure of some major mines in 2015, which put a floor under the spot price.

Zinc concentrates are traded in a mature market with relatively few short-term opportunities. We focus on developing strategic relationships with miners and smelters. We support miners through the provision of high-quality infrastructure, logistics, and with financial and technical assistance. We have established strong relationships with several South American miners. We supply smelters globally.

We use our market knowledge to manage risk and optimise our physical positions. We maintain multiple optionalities in our portfolio. We restructured our paper trading operation over the year to enhance our ability to do this.

Trafigura's logistics capability is an important source of competitive advantage for independent miners. We work closely with our subsidiary Impala Terminals in Peru, Bolivia and Mexico to store, blend and transport concentrates efficiently and responsibly.

Impala Terminals' Callao facility in Peru incorporates blending services that allow us to optimise qualities for vessel-sized shipments. The recently opened conveyor belt system has enhanced connectivity with the nearby port. The first cargo was shipped at the beginning of the year.

Looking ahead, we are well positioned to grow our international presence and to increase profitability across the book.

LEAD CONCENTRATES

Trafigura is a market leader in lead concentrate, trading a wide variety of qualities sourced from different locations and allocated to markets around the world, with China the largest of them.

The challenge for us is to maintain market leadership while continuing to develop our activities in a mature and relatively stable market. We approach this by pursuing long-term agreements. We are building sustained volume growth through a combination of strategic partnerships with suppliers and spot market trading.

The desk performed well this year. We faced challenging market conditions, but met both strategic and financial objectives.

Overall, lead concentrate has transitioned from a tight market in 2013 to a better supplied one in 2014 as a result of the shutdown of the biggest US smelter and the closure at the La Oroya smelter in Peru. On the supply side, mine production has remained relatively stable. We anticipated these changes early on and were able to reposition our book accordingly.

Looking ahead, tight credit conditions in China will continue to have an impact. Some clients are already financially constrained, particularly those that rely heavily on bank lending. We anticipate that this will continue to affect demand for commodities for some time.

In the longer term, we are expecting to see stricter environmental controls for the lead industry. We are committed to developing best practice operations not least because as the regulatory framework evolves we believe this will become an increasingly valuable source of competitive advantage.

ALUMINA

A global network of regional specialists supports Trafigura's core trading teams in Geneva and Shanghai. The alumina desk performed well this year. New business grew, we took on strategic positions and managed risk effectively.

Globally, we are forming long-term partnerships with smelters and refineries to create a more coherent supply chain for our customers. We remain particularly focused on developing our business in China.

Outside China, increased production, lower non-Chinese demand and reduced aluminium smelting capacity all contributed to an alumina market in surplus.

This surplus was absorbed by strong domestic demand within China as the country continued to increase its smelting capacity. At the end of the fiscal year alumina prices were at twelve-month highs, which indicates the extent of the global market's dependence on China.

Globally, we are forming long-term partnerships with smelters and refineries to create a more coherent supply chain for our customers.

We remain particularly focused on developing our business in China.

COPPER CONCENTRATES

The geographical structure of Trafigura's copper concentrates trading business reflects the global market. Over 40 percent of our sales are to China and that proportion is growing as Chinese copper consumption grows.

Market dynamics in copper concentrates shifted this year. After a decade of tight conditions, treatment charges (the discount received by smelters) moved higher in a better-supplied market.

On the supply side, new sources of production are opening up. Miners are proving effective at bringing new projects into production on schedule. However, much of this new production is of a more complex quality, especially in terms of arsenic content. Efficient blending services and best practice handling are becoming more important; our strengths here are self-evident. We continue to invest in improving our processes. We aim to be meticulous in every aspect of the services we deliver.

There has been more disruption (both unforeseen and scheduled) on the smelting side than in previous years. Most of the growth in smelting is coming from China, where substantial new plants, equipped with modern technology, are being built. Going forward we foresee tighter environmental controls, but a better credit situation domestically.

As increased competition puts margins under pressure, we are building up economies of scale and lowering costs through strategic partnerships with first-class miners and smelters. In February, we took a 30 percent stake in Jinchuan Group's copper smelter in Guaugxi province. This is the first co-investment by an international trading house in a Chinese smelting business. The partnership arrangement includes a multi-year supply and off-take agreements and aligns our trading flows with a leading non-ferrous group.

Trafigura is well placed in the copper concentrates market. We are protecting our margins and market share by focusing on our key points of differentiation: access to global markets, dedicated logistics infrastructure and the quality and flexibility of the service we provide, products and processes.

REFINED METALS

Trafigura is a world leading participant in the global refined metals market. We trade mainly copper, aluminium, zinc, lead and nickel and are developing new lines of business in tin and silver.

We mainly trade London Metals Exchange (LME)-grade metals in refined form as well as cast producers such as for copper rod and aluminium billet.

The year was characterised by a significant improvement in volumes and profitability in all our main markets with a 42 percent increase in volumes from 2013.

China accounts for approximately 40 percent of global metals consumption. We are increasingly active there through our domestic subsidiary. We have put several structured finance transactions in place this year, involving both concentrates and their associated metals.

In June, came revelations of fraudulent metal financing practices at Qingdao Port. The direct effect on Trafigura was not material, but the issue has impacted some partners and affected confidence in the industry as a whole. Market participants have become more cautious in the wake of the affair. In the longer term, we believe it will create a better foundation for trading commodities in China. This should play to our strengths as a recognised, stable and reliable organisation.

We are building closer links with end-users. In China, our domestic sales teams trade directly to local businesses in RMB. In India, we launched Lykos in 2014, an online retail platform for metal buyers which has been designed to attract small- to medium-sized manufacturers. We have also gained increased market penetration in Europe and the US. Demand for refined metals continues to grow, driven by industrial projects, increasing personal consumption and urbanisation. We depend on excellent knowledge of physical movements on the ground. We need to be able to source metals at short notice from the most cost-effective suppliers, wherever they are in the world. We rely on strong logistics and an efficient operations department to deliver shipments when and where required.

We are a global market player in all metals that we trade. We trade aluminium and move substantial volumes of tin, zinc and copper. Whether we are transporting tin from Indonesia to the US or copper from Africa to China, we specialise in global solutions that meet customers needs.

Demand for refined metals continues to grow, driven by industrial projects, increasing personal consumption and urbanisation.

Effective risk management is a high priority. With no bad debts or serious defaults, our systems proved effective this year. In the next financial year we will roll out advanced IT systems that will provide real-time monitoring and a range of automated processes.

Looking ahead, changes in international warehousing rules as governed by the LME will have a significant impact on metals and particularly aluminium. We are always interested in developments that increase market liquidity and the ability to use our resources in a more efficient and profitable manner.

COAL

Trafigura's coal trading team has substantially increased volumes traded over the last financial year.

In the global coal market, the major producers have responded to structural oversupply by ramping up production to lower their per tonne cost and maintain revenue streams. Production has increased in Australia, Indonesia and China.

We have steadily been building up our book since entering this market four years ago. Today, we are a top-three coal trading company. Our key objective is to increase traded volumes. This year we almost doubled our volumes to over 32 million tonnes. We are projecting continued growth next year.

We have also been improving the quality of our assets by diversifying product range and extending our global reach. We have strengthened our team to match our global operations with important new hires in strategic locations.

In Asia, we are supplying India's fast-growing power generation sector. We have a burgeoning interest in Malaysia, Indonesia, South Korea, Thailand and Japan. We are also growing our supply into India as demand from the power and cement sectors increase rapidly.

We have been developing our aggregation and blending business in Indonesia through promoting our 'TEK' brand (Trafigura East Kalimantan). We have also started trading coking coal, sourced from Colombia, US and Australia.

We have steadily been building up our book since entering this market four years ago. Today, we are a top-three coal trading company. Our key objective is to increase traded volumes. This year we almost doubled our volumes to over 32 million tonnes.

In Indonesia, we are investing in logistics. South Sumatra's landlocked mines are rich in resources, but difficult to access. We are building over 100 kilometres of road to create a viable route to the coast as well as a port with a capacity of 12 million tonnes. Once complete, this new route and port will release a million tonnes a month onto traded markets.

Impala Terminals' Burnside facility on the Mississippi commenced operations at the start of the year. We are gaining greater access to US coal shipments through strategic partnerships and structured finance. We have doubled our US exports and are developing new outlets in Latin America.

We believe seaborne coal supplies, which have risen markedly since 2000, will continue to grow and the market will remain in oversupply for some time. Low freight costs will further accelerate and prolong this factor and as such, make this a good time to build up volumes.

INDIA'S FIRST ONLINE REFINED METAL PROCUREMENT PLATFORM

Trafigura subsidiary Lykos is transforming the way metal is bought in India.

The small- and medium-sized manufacturers who make up 40 percent of India's USD8.4 billion metals market have been poorly served in the past. They need to place frequent orders for small lots and it was always a time-consuming, bureaucratic process. They had to contend with slow delivery, uncertain quality and inconsistent pricing.

When Trafigura launched the Lykos online platform in July, 2014, metal procurement became simpler and more transparent. Aluminium, copper, lead, nickel, tin and zinc can now be ordered on a just-in-time basis, with prices published at the point of sale. From start to finish, it takes less than six minutes to complete a transaction.

The platform caters for consignments between one and 24 tonnes; metal stocks are guaranteed and quality levels assured. Lykos worked with Trafigura Group subsidiary Impala Terminals to set up dedicated logistics behind the scenes, ensuring consistent supplies. Customers collect their metal from state-of-the-art warehouses in Ahmedabad, Bhiwadi and Kolkata, located near manufacturing centres in North, West and East India respectively.

With more warehouse locations scheduled for the coming years Trafigura is well placed to meet rapidly expanding demand.

For further information please visit www.lykos.in

IRON ORE

Iron ore markets experienced a low price environment in 2014 driven by surplus mine production, particularly from Australia, and a decrease in Chinese demand. Trafigura grew volumes where possible, whilst protecting margins through improved efficiency and embedded controls.

In the short term, challenging market conditions look set to remain. In such uncertain conditions, our strategy is to focus on low cost high quality supplies and to be well positioned for a future market recovery.

Trafigura has orientated its geographical focus to directly benefit from higher quality, greater volume regions, namely Australia and Brazil. The company will also deploy its financial strength to support independent miners in these challenging times on the basis that the partnerships forged now will bear fruit in future.

Through its subsidiary Impala Terminals, Trafigura has invested in one of the world's most advanced iron ore terminals: Porto Sudeste in Brazil. With the efficiencies that the project will yield, Trafigura is well placed to drive down future freight costs in the region.

IMPALA TERMINALS

NICOLAS KONIALIDIS
CEO, Impala Terminals

Impala Terminals is a multimodal logistics provider focused on export-driven emerging markets. We own and operate ports, port terminals and warehouses which together with our transport assets provide end-to-end logistics solutions for dry and liquid bulk cargoes, general cargo and containers.

2.1bn+
Total assets
(2013: USD1.1 billion)

20+
Countries of operation

1.3m m^2 +
Storage capacity

25+
Terminal sites worldwide

$405.3m
Sales revenue
(2013: USD441.4 million)

$300m+
Investment in Burnside Terminal

$1.0bn+
Investment in Colombian operations

$200m+
Investment in Callao Terminal, Peru

1,624+
Employees
(2013: 1,209)

HIGHLIGHTS

- Operations get underway at Burnside Terminal, US
- Conveyor system at the Port of Callao, Peru, is fully operational
- Porte Sudeste, Brazil, nears commercial operations
- Global container freight forwarding business nears operational start-up
- First-phase rollout in 22 countries of new ERP system.

FOCUS ON TERMINALS AND MULTIMODAL LOGISTICS

Impala Terminals has made significant progress over the last two years. It has transformed itself from a warehousing and logistics group into a fully integrated terminals and multimodal logistics provider.

Our major investments focus on terminals which provide multimodal logistics solutions. We have a substantial presence in emerging markets and particular expertise in challenging environments and hard-to-reach locations. We add value through our ability to handle minerals, bulk commodities and containers safely, reliably, efficiently and securely. Few can match this combination of attributes.

Our multimodal capabilities connect producers, end-users and international markets more efficiently. We look for logistics solutions that combine direct deep sea berth access with both connections to fluvial and rail networks. In Brazil, Peru, Colombia and Africa we are able to integrate rail facilities with port terminal storage and direct berth access. In Colombia, we are constructing a full multimodal logistics chain connecting major coastal ports with the economic heartland via a fluvial network.

FIRST CARGOES AT BURNSIDE, US

Our state-of-the-art export terminal at Burnside Terminal on the Mississippi River, US is now fully operational. The flagship coal and petroleum coke (petcoke) terminal received the first vessel at its main berth in July, 2014. It is attracting major coal and petcoke producers and traders who look to Impala Terminals for logistic flexibility and optionality.

The midstream business is also performing well, with over one million tonnes of coal, grains, bauxite and other dry bulk goods handled to date. We are currently investigating expansion options at Burnside Terminal, including rail connectivity and liquids storage.

Ship loader on main berth at Burnside Terminal, Louisiana, US.

MORE EFFICIENT HANDLING AT CALLAO, PERU

Our ongoing Latin American operations continued to perform above expectations. This was in large part due to our success at Callao. The Callao conveyor belt and its associated pre-shipment warehouses started operations in April, 2014, and had exported 600,000 tonnes by the year-end.

We are now constructing a roof to cover our 120,000m^2 yard at Callao. This will be the only fully covered storage facility at the port, far exceeding local environmental regulations.

PROGRESS IN COLOMBIA

Our USD1 billion investment in a multimodal logistics platform for Colombia continues to gather pace. The purpose-built river port at Barrancabermeja is nearing completion, with operations scheduled for 2015. Trucking activity for crude oil has already begun. On the fluvial side, we are active in the steel products market and are gaining valuable operational experience, prior to full start-up.

FDP, our rail concession on Colombia's Pacific coast, is moving substantial cargo volumes between Buenaventura and Yumbo/Cali. There are plans to extend the line and add locomotive capacity in 2015.

> We have strengthened our leadership team to help us manage operations more effectively.

PORTO SUDESTE, BRAZIL IS READY TO COMMENCE OPERATIONS

The USD2 billion joint venture investment with Mubadala in the Porto Sudeste iron ore project is in its final phase of pre-operation commissioning. The port will be handling shipments from the start of 2015. With a projected initial 50 million tonne capacity and scope to expand to 100 million tonnes, it will give Brazil's independent miners unprecedented access to global markets.

DEVELOPING RELIABLE LOGISTICS IN AFRICA

Our team in Africa is improving service quality and reliability in challenging operating environments. We have upgraded our facilities in Ndola, Zambia and our recently refurbished port terminal in Dar es Salaam benefits from multimodal connectivity, linking two-way traffic by road, rail and sea.

ENHANCING OPERATIONAL CONTROL IN CHINA

In China, we are restructuring our activities to strengthen operational control on the ground. We are exiting third-party warehouses, and focusing our energies on four locations where we lease or own the site and employ our own staff.

A NEW GLOBAL CONTAINER TEAM

We established a global container freight forwarding business during the year. This is now operating at seven sites and is winning business with Trafigura and third-party customers. We have been especially successful at the Port of Callao, where we have taken over all Trafigura Group freight booking and have captured significant third-party tonnage at highly competitive rates.

OPTIMISATION, INTEGRATION AND OPERATIONAL CONTROL

This year saw a series of concerted moves to optimise our investments, promote integration and improve operational control where required.

In pursuit of better control, we plan to exit locations that do not meet our required standards. In order to further align our business model globally, we will cease operations in Taiwan, South Korea, Malaysia, Vietnam, Thailand and Italy by the end of the 2014 calendar year.

We will focus our refined metals operations on Antwerp, Dubai and China. We are retaining London Metals Exchange accreditation, thus committing our business globally to its strict global operational standards.

The launch of the first two modules in our new Enterprise Resource Planning (ERP) system prefigures a wider development process, which will soon result in all our operations being managed on a single integrated global platform.

We have strengthened our leadership team to help us manage operations more effectively. Julian Walker, our new COO, has extensive experience in the ports industry and strong health and safety credentials.

LOOKING AHEAD

Over the next 12 months we will optimise and integrate our service offerings and step-up commercial operations at new sites. We will intensify our focus on safety and environmental impacts as we continue to grow the business and consolidate progress.

For further information please visit www.impalaterminals.com

CHALLENGE

CONNECTING IRON ORE MINERS IN BRAZIL WITH THE GLOBAL ECONOMY

SOLUTION

IMPALA TERMINALS AND MUBADALA JOIN FORCES TO TAKE A CONTROLLING INTEREST IN A MAJOR NEW IRON ORE TERMINAL

Porto Sudeste, a state-of-the-art, iron ore port in Rio de Janeiro state, Brazil will start commercial operations in early 2015. Brazil's miners will soon be able to access international markets quickly, efficiently and reliably.

A private railway line operated by MRS Logística will carry iron ore direct from the mines where it will be stockpiled and loaded onto a deep sea vessel for export. The iron ore arrives at a dedicated rail spur equipped with car dumpers that offload onto state-of-the-art conveyors with no need for uncoupling. The ore is then transferred to one of two 2.5 million tonne capacity storage yards.

When vessels are ready for loading, stacker-reclaimers transfer the ore from the yards onto a conveyor. It moves rapidly through a 1.8 kilometre tunnel to Porto Sudeste's 20-metre deep berths.

Two ship loaders on the main berth can be operated together or used independently on different vessels. Each loads 12,500 tonnes per hour enabling a capesize vessel to be fully loaded in less than eight hours.

With an initial capacity of 50 million tonnes per year and scope to double that, Porto Sudeste is a major new route to export for miners in the iron ore quadrangle.

50mmt*

Annual throughput capacity

* Million metric tonnes.

12,500mt

Maximum hourly loading rate per ship loader

For further information please visit www.portosudeste.com

EXTERNAL VOICE*

INFRASTRUCTURE:
A PLATFORM FOR SUSTAINABLE GROWTH

Trafigura this year commissioned an economic white paper on the topical theme of the benefits of private-sector investment in emerging-market infrastructure, to be published early in 2015. Below one of the authors, Russell Jones of Llewellyn Consulting, sets out his arguments.

RUSSELL JONES
LLEWELLYN CONSULTING

Not only can companies satisfy the aspirations of their ownership, they can also make a profound and long-lasting difference to the lives and prospects of many people in the countries in which they operate.

The idea that professional economists struggle to agree on anything of substance is a well-rehearsed joke of which the non-economist community never seems to tire. But there is at least one subject that provides an exception to this supposed rule; a topic on which economists find themselves in near universal agreement: the unambiguous value to an economy of good infrastructure.

LlewellynConsulting
Independent Economics

*'External Voices' as included within this Annual Report, represent the unedited views of key opinion formers that Trafigura has worked alongside over the reporting year. External Voices have been included within this report with a view to furthering debate on issues of key interest to our business and to our stakeholders.

Provided that it is efficiently executed, infrastructure investment helps in two important ways. First, it boosts the level of spending in an economy, thereby helping to keep growth going, and the workforce fully employed. Second, and even more importantly, infrastructure investment enhances aggregate supply, or productive capacity, thereby contributing to the sustainability of growth over the longer term.

What is more, over time the so-called network effects of infrastructure investment fan out to temper the costs of production, enhance competition, expand trade, encourage economies of scale and the division of labour, foster the diffusion of new technologies, inspire better organisational practices, and improve access to raw materials and other resources.

In these ways, overall economic development is promoted, poverty can be alleviated, countries and regions may be brought closer together and, in some cases at least, even long-standing enmities may be overcome. This is especially the case with multi-modal transport schemes and with projects that, by spanning national borders, thereby directly encourage international and inter-regional trade.

Infrastructure investment is thus of vital importance to economies everywhere, but especially to the developing world.

THE MOUNTING INFRASTRUCTURE DEFICIT

The world is suffering from an enormous shortfall of appropriate and efficiently-run infrastructure assets. And given rapid population growth, increasing urbanisation, the expansion of world trade, and the burgeoning exigencies of climate change, this shortfall is likely only to increase over the coming decades.

The world's population is set to rise from around 7 billion today to some 9.6 billion by 2050, and most of this growth will occur in the developing regions. Today, half of the world's population lives in cities: by 2050 more than two-thirds of all people will be urbanised. So-called 'South-South' trade has been increasing rapidly, outpacing 'North-South' trade since 2007. Since 1990, global CO_2 emissions have risen by more than 50 percent, with the developing countries accounting for most of this increase.

This worldwide and growing infrastructure deficit extends to all the major categories of spending – energy, water and sanitation, telecommunications, and transport – but it is in the most under-developed areas of the world, many of which are in Africa, that the greatest transformation is required. Nearly 70 percent of the population in developing countries has no access to electricity; road links – particularly paved road links – are minimal, especially in rural areas; and nearly 800 million people are without access to an adequate, safe water source.

CONSTRAINTS ON PUBLIC SECTOR PROJECTS

Working out how to meet these burgeoning requirements is not straightforward, whether for economists or politicians, involving as it does vexed and complex issues of how, and by whom, the associated projects are to be planned, financed, sequenced, overseen, and managed. And the problem has been compounded in the wake of the global financial crisis, with public sector finances more or less everywhere under acute duress, while the conventional banking sector has been constrained by a need to come to terms with its previous excesses and tighter regulation, including more demanding capital ratios.

Furthermore, the unfortunate fact is that historically in the developing world infrastructure resources have all too often been misallocated across sectors, across regions, and over time, often as a result of malign political interference and inadequate governance. A particular problem for resource-exporting countries has been that they have tended to spend all their money in the good years, leaving them with no option but to cut expenditure, often sharply, in years when commodity prices are weak.

THE VALUE OF PRIVATE SECTOR PARTICIPATION

Newer, innovative ways are being developed to improve the prospects for sustained investment in infrastructure: and in this large companies stand to play an exciting and growing role. Companies have long been involved in the physical delivery of infrastructure assets as contractors to governments, or to support their own businesses. But a broader application by the private sector, of both its financial sector resources and the practical expertise of its major companies, is a growing source of optimism about the future.

Historically, the problem has been that, while the requisite resources and expertise are available in many cases, harnessing them such that they work to the benefits of both public and private sectors has proved a limiting factor.

What is needed is a more innovative approach, both to finance and to project management. In emerging markets infrastructure project finance and delivery are especially complex and challenging. Barriers include: political and sovereign risks; the limited number, and sporadic nature, of suitable projects, in particular too many 'greenfield' schemes; inadequate government guarantees to mitigate private sector risks; regulatory instability; lack of appropriate financing vehicles; investor 'short-termism'; and a paucity of adequate transparency and data.

At the same time, emerging market infrastructure investment clearly offers highly profitable opportunities right across the private sector, and not least for knowledgeable and experienced multinational corporates.

This exciting new development seeks to bring these two sets of interests together. Over recent years, the more enlightened entities in this sector have become increasingly aware not only of global citizenship responsibilities that extend some way beyond those owed to immediate shareholders; but also of the fact that partnerships between the private sector and the public authorities can produce outcomes that neither partner could achieve alone.

ALIGNING PRIVATE INTERESTS WITH SOCIAL GAIN

One particularly fertile area is private sector financing of the private benefit part of the operation, and additional elements that are undertaken specifically for the public benefit. Transport projects in which the private sector pays for its needs, while additional feeder roads or rail links are provided for social purposes, such as linking to major towns, are just one such example.

Moreover, the proven managerial capability of large companies to undertake large, complex projects within budget and on time can be of enormous benefit to the host country.

In this way, not only can companies satisfy the aspirations of their ownership, they can also make a profound and long-lasting difference to the lives and prospects of many people in the countries in which they operate.

Russell Jones
Llewellyn Consulting

FOUNDATIONS FOR GROWTH
From January, 2015 you can download the white paper at http://www.trafigura.com/research/

MINING GROUP

JEREMY WEIR
CEO, Mining Group

The Mining Group manages mining operations, develops projects, conducts technical audits of existing and potential partner projects and provides advisory and support services to Galena Asset Management, Trafigura trading desks and trading partners.

Trafigura's Mining Group oversees mining operations in Europe, Latin America, Africa and Asia.

2.3mmt
Ore extracted at MATSA mine (2013: 2.2 mmt)

0.6mmt
Ore extracted at Catalina Huanca mine (2013: 0.6 mmt)

HIGHLIGHTS

- MATSA mine expansion plan nears completion
- Official opening of Magdalena mine
- Copper ore production commences in the DRC.

Copper oxide, Kalumines, DRC.

We aim to grow our global mining operations and interests organically, primarily through increased efficiencies. Where there are specific opportunities we may also extend existing sites and develop new projects.

We also provide technical services to Trafigura and to affiliated companies, investments and also to trading partners. Our global team includes specialists from around the world. They conduct technical due diligence audits ahead of possible new investments or financing agreements. They also provide consultancy on technical, operational and financial performance issues.

Rather than pursuing growth for its own sake we target our capital at those projects where our approach can add value. This year we restructured the Mining Group to create an even leaner, more responsive organisation.

EXPANDING AND EXTENDING PRODUCTION AT MATSA

The Mining Group's flagship operation is the Aguas Teñidas mine (MATSA) producing copper, zinc and lead concentrates along with some silver on the Iberian Pyrite Belt in Southwestern Spain.

We have put in place a EUR300 million, two-year expansion plan for the MATSA mine, which is now nearing completion. This includes a new treatment plant, which will almost double processing capacity from 2.3 to 4.4 million tonnes during 2015.

By the end of 2014, the expansion works on the treatment plant will be completed and it will be ready to begin operations. It is expected to be operating at full capacity by June, 2015.

Sotiel, a satellite mine near MATSA will provide additional ores from early 2015.

Geophysical surveys identified anomalies at a new location just a few kilometres from the main MATSA mine. Follow-up exploratory drilling confirmed this to be an exceptionally large and rich resource.

The Magdalena mine was officially inaugurated in September, 2014, and will start production in 2016. This is the first new mine to open in Spain in decades. Its deposits will extend the life of MATSA and its satellites beyond 20 years, safeguarding hundreds of jobs and securing valuable production for Trafigura's Metals and Minerals trading division.

Mining Infrastructure Manager Stuart Docherty inspects Kalumines stock piles, DRC.

IMPROVED ECONOMIC VIABILITY AT CATALINA HUANCA, PERU

Achieveing cost and production efficiencies at Catalina Huanca, Peru, was another important achievement this year. The mine produces copper and zinc concentrates with some gold and silver. This has always been a relatively expensive extractive source, primarily because of its remote location and limited mine-life. The Mining Group has been effective at increasing efficiency and lowering production costs at the mine.

Another important achievement at the mine location was receiving support from the local community, after years of opposition, for proposals for the development of a larger tailings facility.

These developments have improved the mine's economic viability and helped to extend its productive life beyond ten years.

PROGRESS IN AFRICA

In Angola, we participate in the AEMR mining joint venture through DT Group. All four Angolan mining projects there are currently on standby while necessary basic infrastructure is introduced.

In the neighbouring Democratic Republic of Congo (DRC) we are co-developing Kalumines, a small copper property, with Congolese State-owned entity Gecamines in Katanga province. This mine produced its first ore in September, 2014. The success of this project may unlock other opportunities in the country.

TECHNICAL DUE DILIGENCE

Our technical team employs internationally renowned mining specialists. The team includes geologists, mining engineers, metallurgists, project management experts and mining industry veterans. They travel the world, providing assistance wherever it is needed.

In Brazil, Trafigura's technical team is conducting intensive due diligence work in the iron ore sector. Impala Terminals' iron ore export terminal, Porto Sudeste, has the capacity to handle over 50 million tonnes of iron ore annually. The facility will afford mid-tier producers significant logistics economies and access to international markets. The Mining Group's technical team has been commissioned by Trafigura to conduct a series of technical audits to assess which producers are best suited to work with Impala Terminals and Trafigura's trading teams in future.

In the US, the team is conducting analysis and evaluation on various development projects proposed by Bowie Resource Partners, Galena Asset Management's coal producing joint venture asset.

FUTURE PRIORITIES

Over the next 12 months we will continue to focus on our investment and exploration programme along Spain's Pyrite belt, will look to implement our expansion plan at MATSA, and further develop our capabilities both in Peru and in the DRC.

GALENA ASSET MANAGEMENT

DUNCAN LETCHFORD
CEO, Galena

Galena Asset Management has provided investors with specialised alternative investment solutions since 2003, leveraging Trafigura's leading position and market intelligence to achieve superior, risk-adjusted returns.

Duncan Letchford became Chief Executive Officer of Galena Asset Management in March, 2014, following Jeremy Weir's appointment as Trafigura's CEO. Duncan was previously Galena's Chief Investment Officer and portfolio manager for the metals fund and long-only funds. After more than two decades in the base and precious metals sector, Duncan brings a wealth of experience to the role.

PERFORMANCE INDICATORS

$2.2bn

Total funds under management, including managed accounts (2013: USD2 billion)

TOTAL FUNDS:

$1.7bn

Liquid trading strategies (2013: USD1.6 billion)

$104m

Credit strategy (2013: USD84 million)

$400m

Real asset strategy (2013: USD325 million)

HIGHLIGHTS

- Private Equity Resource Fund closes at USD400 million
- Duncan Letchford appointed CEO.

Galena Asset Management (Galena) is a wholly owned subsidiary of Trafigura. We offer institutional investors specialist alternative investment solutions. Our funds provide a deep and broad offering of investment opportunities in commodities markets that consistently deliver above-average, risk-adjusted returns. Our long-term performance confirms the effectiveness of our investment strategy.

The firm, which focuses on financial commodity markets, has a deep understanding of physical contracts through its parent company. We combine rigorous, top-down financial analysis with the detailed practical knowledge of physical flows that is only available by being actively involved in the field. We operate independently, but derive significant benefits from our relationship with Trafigura.

SHARPENING FOCUS

In highly liquid markets futures and options trading can have a big impact on pricing. Speculative activity and sentiment can sometimes prevail at the expense of supply and demand fundamentals.

An in-depth understanding of physical markets is what makes Galena distinctive. We gain practical insights through our connection with Trafigura and achieve the most success in markets where actual trade flows underpin price behaviour.

We have pared back our portfolio to put more emphasis on markets and opportunities, especially in the metals and minerals sectors where we have a strong competitive edge. At the end of the financial year we were managing fewer funds, but had increased total assets.

ATTRACTING VALUE-BASED INSTITUTIONAL INVESTORS

Galena's business model attracts the attention of institutional investors focused on value and long-term performance, rather than those more driven by league tables and short-term performance.

In the markets where we are most active, clients are looking for deep sources of value. They view our relationship with Trafigura as a key value driver.

Galena manages three categories of funds on behalf of institutional investors globally.

LIQUID TRADING STRATEGIES

Most assets are managed in Galena's liquid trading strategies. These take long-short, directional and strategic positions on metals and minerals.

There are two main funds:

- The Galena Malachite Fund is a single client fund managed against an agreed benchmark. The Fund has significantly outperformed its benchmark since inception.
- The Galena Metals Fund is the company's flagship fund. It has generated outstanding performance over more than a decade, with low volatility and a compound net annual return of 9.21 percent. Across the 2013/14 financial year, the Fund again outperformed most competitor funds, returning over 9.22 percent net in a year when many comparable funds were reporting negative returns.

CREDIT STRATEGIES

The Galena Commodity Trade Finance Fund continues to grow steadily. This year it passed the USD100 million mark.

The Fund generates stable and uncorrelated returns with extremely low volatilities. It has been returning close to 5 percent over London Interbank Offered Rate (LIBOR) to investors annually. The Fund participates in the low risk segment of global pre-export commodity trade finance transactions alongside banks. It is typically held by institutional investors as part of a larger portfolio of assets to diversify their fixed income risk.

> We gain practical insights through our connection with Trafigura and achieve the most success in markets where actual trade flows underpin price behaviour.

REAL ASSET STRATEGIES

The Private Equity Resources Fund closed in September, 2014, with over USD400 million of total committed and invested assets. The Fund invests in both the equity and debt of metals and mining companies, particularly those that are in a development or expansion phase. The Fund invests globally in coal mining, and base, ferrous and precious metal assets.

Its major independent investors sit on a Limited Partners Advisory Committee (LPAC). The LPAC is currently composed of two family offices and a university endowment fund. Trafigura also has a seat on the committee as a non-voting member. The LPAC vets all investment decisions. Any transaction with implications for Trafigura or a related party is independently assessed and reviewed by the LPAC.

SYNERGIES BETWEEN GALENA AND THE TRAFIGURA GROUP

Since the global financial crisis, performance outside the equity asset class has been challenging for many institutional investors. As a result, many are seeking deep value at its source. They are increasingly willing to look at more unconventional investment opportunities.

Galena's proximity to Trafigura has been further formalised with the launch and closure of the Private Equity Resources Fund. The Fund heavily relies on different parts of the Group to deliver superior returns independently from commodity cycles.

With its successful USD400 million close, one of the largest in the industry this year, Galena has received a powerful endorsement. Sophisticated institutional mining investors have committed to the Fund for the next seven years. This strong support from the investment community for Galena's offering has acted as a catalyst – more projects are now being developed in the real assets space.

For further information please visit www.galena-invest.com

2014 FUND PERFORMANCE

Liquid Trading Strategies	Inception Date	Assets Under Management*	Performance Since Inception	Compounded Annual Return	Largest Monthly Gain	Largest Monthly Loss	Annualised Volatility
Galena Metals Fund	Jun-04	$1.1bn	148.55%	9.21%	9.14%	-10.40%	10.71%
Galena Malachite Fund	May-07	$640m	10.97%	1.41%	13.49%	-25.32%	21.49%
Galena Malachite Benchmark**			-19.09%	-2.82%	12.41%	-24.49%	21.01%
Credit Strategy							
Galena Commodity Trade Finance Fund	Sep-14	$104m	21.67%	4.93%	0.62%	0.00%	0.35%
Real Asset							
Galena Private Equity Resources Fund	Dec-12	$407m***					

* Including Managed Accounts
** Based on GSCI precious metals and base metals sub-indices
*** Total committed and invested assets.

HOW TRAFIGURA'S FUNDING MODEL IS STRUCTURED TO MEET SHORT AND LONG TERM BUSINESS NEEDS

CONTINUING ACCESS TO CAPITAL

Trafigura's activities require substantial amounts of capital. We source, store, blend and deliver commodities around the globe. We invest in terminals, logistics and physical infrastructure to improve the efficiency of our trading operations.

Our diversified funding model allows us to continue to operate effectively in all market conditions. Its scale and structure protects the business from market shocks and provides flexibility and the ability to capitalise on opportunities as they arise.

We have put a global programme of flexible, short-term facilities in place to finance our day-to-day operations. Available funding exceeds our everyday requirements. This provides headroom for unusual market conditions. We also maintain substantial cash balances to ensure we will always meet day-to-day capital commitments, even in unexpected circumstances.

OUR APPROACH TO FUNDING

DIVERSIFICATION IMPROVES COMPETITIVENESS AND ACCESS TO CAPITAL

We diversify both the sources and the structure of our financing to minimise risk and maximise operational effectiveness.

We raise funds in a variety of markets in the US, Europe and Asia-Pacific. We have lending arrangements in place with over 130 banks around the world. We are therefore not constrained by credit restrictions for specific financial institutions, sectors or regions.

We raise capital with a range of repayment schedules, from very short-term facilities to over 10-year maturities. This spreads our exposure across the yield curve.

MATCH-FUNDED, COLLATERALISED LENDING REDUCES CREDIT RISK

As a matter of policy, we match the type of financing to the business requirement. We have established a three-pillar funding structure to put this into practice.

We use short-term financing for trading. These loans are secured against the underlying physical commodities. Lines are marked to market each week so the level of financing tracks the value of the underlying collateral as prices change. We raise longer-term debt to finance fixed assets and investments.

HOW OUR FUNDING MODEL WORKS IN PRACTICE

KEY:

The chart on the right illustrates the interaction between the three different types of financing Trafigura uses during the life of an example trade.

EXAMPLE CRUDE OIL TRANSACTION:

Trafigura agrees today:

(1) To buy 1 million barrels of crude from an oil major loading in 41-45 days @ Brent-$1/bbl. The Brent price is fixed as the average during the loading period.

(2) To sell 1 million barrels of crude to a refinery for delivery in 101-105 days @ Dubai+$4/bbl. The Dubai price is fixed as the average during the loading period.

- **Revolving line:** Cashflows arising from hedging activity and freight costs.
- **Transactional line:** Cashflows arising from the physical transaction and its financing by the LC issuing bank.
- **Securitisation line:** Cashflows between Trafigura and its separately capitalised SPV.

↑ Cash inflow
↓ Cash outflow
↕ Market-contingent cashflow

TRANSACTION COMPONENT	DAY 1: TRADE AGREEMENT	DAYS 2 – 40: PRICING PERIOD
	Brent contract = $99 Dubai contract = $98	Oil major issues invoice to Trafigura
PHYSICAL TRADE	Trafigura agrees: (1) To buy crude, (2) To sell crude (see key for trade details)	
FINANCE PHYSICAL BUY LEG BY ISSUING LETTER OF CREDIT (LC)		Bank issues LC, drawable on loading date
HEDGE BUY LEG WITH BRENT FUTURES	↓ Buy 1,000 Brent futures @99 -$2m (initial margin)	↕ Mark to market daily (variation margin)
HEDGE SALES LEG WITH DUBAI FUTURES	↓ Sell 1,000 Dubai futures @98 -$2m (initial margin)	↕ Mark to market daily (variation margin)
FREIGHT COST		
PHYSICAL SALES LEG		
NET CASHFLOW	-$4m	

Our funding strategy matches sources of funding to financing requirements. We have developed diverse financing strategies that maximise scalability, flexibility and business resilience.

TRAFIGURA FUNDING MODEL

CASH ON HAND		
HEADROOM		
TRANSACTIONAL FACILITIES	SECURITISATION PROGRAMME	CORPORATE CREDIT FACILITIES

TRANSPARENCY PROMOTES STABILITY

As a private company relying on debt to finance its operations, Trafigura's performance is closely scrutinised by a large group of banks worldwide. We comply with the financial covenants attached to our syndicated bank facilities. Members of the finance team regularly meet our banks. These meetings often include operationally-focused personnel (from Credit, Compliance and Trading Desks) who provide additional insight into our business model.

As an issuer of publicly listed debt, we also meet the transparency requirements of our bond investors. Our interim and full-year reports are published online. We hold regular calls and presentations to update investors and respond to specific queries directly.

OUR THREE-PILLAR FUNDING STRUCTURE

1. TRANSACTIONAL FACILITIES

All transaction-based lending is fully collateralised. We fund day-to-day trading through one-to-one (ie bilateral) agreements with individual banks. For most transactions, a bank issues a Letter of Credit (LC). The physical commodity being financed by the LC is specified as security. On delivery, the seller of the commodity draws down the LC, which then converts into a secured loan from the LC-issuing bank. The loan is marked to market at least weekly until maturity so that the amount being financed always corresponds to the value of the underlying commodity. This financing facility is repaid from the securitisation programme when the transaction reaches its completion date.

2. SECURITISATION PROGRAMME

Trafigura manages a securitisation programme through a separately capitalised special purpose vehicle (SPV). The programme further diversifies Trafigura's funding sources and, thanks to its investment-grade ratings from Moody's and S&P, is a cost-effective financing mechanism. We fund eligible receivables once an invoice has been issued by selling them to the SPV. Most trades are financed on a trade-by-trade basis with bilateral trade finance loans. Securitising our receivables accelerates the rotation of existing credit lines, as secured bilateral loans can be repaid faster with the programme proceeds.

3. CORPORATE CREDIT FACILITIES

Trafigura invests in fixed assets to support our trading activity. We finance these with long-term debt. We issue securities and negotiate lending facilities in diverse markets. Funding sources include eurobonds, perpetuals, revolving credit facilities, private placements and term loans.

PUBLIC RATINGS

Trafigura does not hold a public rating and does not seek to obtain one. The Group focuses on strengthening its balance sheet through long-term value creation.

We obtain our funding from stakeholders who understand our business model in detail. Their investment decisions are not informed by ratings. We have significantly expanded our sources of financing over the years by maintaining a sustainable credit standing that is consistent with an investment-grade profile.

DAYS 41 – 45: LOADING	DAYS 46 – 100: TRANSPORTATION	DAYS 101 – 105: DELIVERY
Average Brent contract = $101 Average Dubai contract = $99		Trafigura issues invoice to refinery. Invoice is securitised with Special Purpose Vehicle (SPV) as beneficiary
Buy 1m bbls @ Brent-$1 Counterparty draws on LC -$100m		Sell 1m bbls @ Dubai +$4 (transaction value = $103m)
Drawdown amount moves onto balance sheet as secured loan: +$100m	Loan marked to market (physical excess/deficit)	Securitisation programme refinances loan -$100m (principal) -$167,000 (1% interest)
Sell 1,000 Brent futures @101 +$2m (initial margin) (realised p/l = +$2m)		
Buy 1,000 Dubai futures @99 +$2m (initial margin) (realised p/l = -$1m)		
Charter tanker for 65 days @ $3.50/bbl -$3.5m		
		Securitisation vehicle receives payment for cargo from refinery +$103m
+$0.5m realised p/l on futures = +$1m		+$2.83m

NET RESULT

$330,000 PROFIT

HOW TRAFIGURA MANAGES RISK

Trafigura's tiered approach to risk management seeks to preserve trading profitability while systematically minimising market risk.

TIER 1

AN EFFECTIVE FRAMEWORK FOR GLOBAL RISK MANAGEMENT

The Chief Risk Officer (CRO) sets policy and coordinates company-wide risk management.

TIER 2

HEDGE FLAT PRICE RISK

Our role is to balance supply and demand between buyers and sellers of global commodities.

TIER 3

MANAGE BASIS RISK

Identifying and managing basis risk is at the heart of Trafigura's business model.

TIER 4

DIVERSIFY THE PORTFOLIO

As a worldwide operation, our business is highly diversified.

TIER 5

REDUCE RISK CONCENTRATIONS

Trafigura uses its advanced global risk management methodology to identify and analyse company-wide exposures.

As a global commodities trader, Trafigura is sometimes required to operate in volatile market conditions, yet our business has grown steadily over the past two decades. Much of this success can be linked to our highly conservative approach to risk management which enables low-risk participation in commodity markets.

While the following does not present an exhaustive report on the risks faced by Trafigura, it provides an insight and a view on the internal structures through which these risks are managed.

The CRO reports directly to the Chief Operating Officer and the Management Board. The CRO is a key member of the Risk Committee, which includes company directors and senior traders. The Committee meets at least weekly to manage overall exposures, assess the impact of changing market dynamics and limit risk exposures and concentrations.

Trafigura's notable, ongoing investment in risk management systems includes a reporting system which automatically notifies the risk management and trading teams whenever a book nears its risk limits. The CRO works proactively with trading teams to analyse changing market conditions and ensure that hedging strategies are focused on current market dynamics.

Rigorous methodologies for managing market risk across the Company sustain and reinforce our inherently low-risk business model. The CRO's risk team employs advanced statistical models that capture the non-normal dynamics which are an important feature of commodity markets. This empirically, focused approach is computationally intensive. We use sophisticated simulations to capture the impact of cross-commodity exposures. We focus, in particular, on modelling the mean-reverting nature of term structure and inter-commodity spreads.

Models are continuously back-tested and automatically calibrated to preserve on-target performance in a variety of market environments. They are regularly updated to reflect changing market conditions.

To do that, we match physical commodity assets and liabilities to client requirements.

In practice, there will be times when the underlying portfolio is exposed to some flat price risk. Contracts with buyers and sellers cannot always be agreed simultaneously. Revenue and payment streams for a specific transaction may be indexed to different benchmark prices.

When this occurs, the relevant trading desk will hedge any mismatch, using futures and OTC instruments, to eliminate flat price risk.

Each trading area monitors supply and demand globally to track down international opportunities. They can earn consistent margins in all price conditions using our in-house logistics and global resources to deliver commodities cost-effectively.

Our traders monitor their own markets continuously and collaborate to manage exposures across time zones and between linked commodities.

Specialist derivative traders access exchanges and financial markets to hedge physical positions cost-effectively.

Trafigura supports its trading activities with rigorous systems and controls for managing country, counterparty and operational risks.

We trade basis spreads in numerous markets. We are currently trading commodities actively worldwide and entering new markets every year.

Unlike many financial assets, physical commodity markets provide many opportunities for risk diversification. The premium paid for copper in China, for instance, has little to do with the LPG pricing relationship between the US and Europe.

Diversification results in lower overall exposure and higher risk-adjusted performance. As we extend our trading capabilities we are diversifying the business further.

The risk team focuses on aggregate risk, paying particular attention to term structure and intra-commodity spreads. Risk concentrations are continuously reviewed in the context of changing market dynamics.

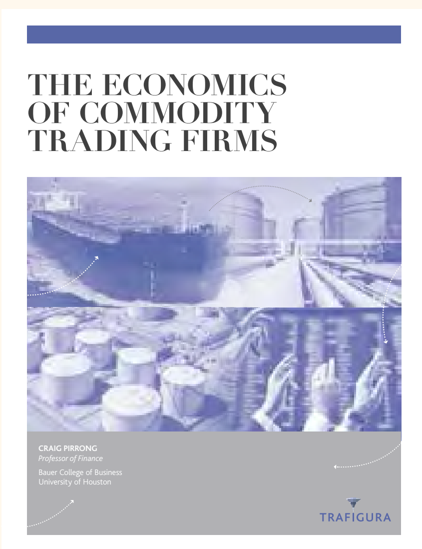
The CRO manages strategic hedging activity dynamically to reduce risk concentrations and limit company-wide exposure.

EXTERNAL VOICE*

TOO BIG TO FAIL?
COMMODITY TRADING FIRMS AND SYSTEMIC RISK

Trafigura commissioned a white paper this year on commodity trading firms and systemic risk. Its author, Craig Pirrong, explains why he believes these firms are unlikely to have a destabilising effect on the global economy.

PROFESSOR CRAIG PIRRONG
PROFESSOR OF FINANCE
BAUER COLLEGE OF BUSINESS
UNIVERSITY OF HOUSTON



Trading firms pose few, if any, systemic risks. They are fundamentally different to banks, and should therefore be treated differently.

REGULATORY OVERSIGHT AND SYSTEMIC RISK

In the wake of the financial crisis, all major categories of intermediaries have come under intense scrutiny as potential sources of systemic risk. Prior to 2008 there had been little interest in global commodity trading firms (CTFs); they attracted much more attention in the aftermath. Regulators have focused on private firms, such as Trafigura, Cargill, Dreyfus, and Vitol; on public firms like Glencore and Archer, Daniels, Midland; and on the trading arms of major energy companies, including BP and Shell. Some regulators have suggested that some of these firms are 'too big to fail', and therefore pose a threat to the stability of the financial system, which would necessitate subjecting them to additional regulation, akin to that imposed on banks.

*'External Voices' as included within this Annual Report represent the unedited views of key opinion formers that Trafigura has worked alongside over the reporting year. External Voices have been included within this report with a view to furthering debate on issues of key interest to our business and to our stakeholders.

TRADING FIRMS ARE DISTINCT FROM BANKS

A comprehensive appraisal of the economics of commodity trading, and the structure of CTFs (and in particular their balance sheets), demonstrates that these firms do not pose systemic risks similar to those inherent in large, highly leveraged financial institutions. Trading firms are intermediaries that undertake various transformations of physical commodities like oil, metals, and grain, but the transformations they perform are very different than the transformations that banks undertake in their role as financial intermediaries.

They do not, as a rule, engage in maturity or liquidity transformation, which are core banking activities, and the ones that pose the greatest systemic risks. Nor do they serve as market makers for commodity derivatives contracts. Trading firms pose few, if any, systemic risks. They are fundamentally different to banks, and should therefore be treated differently.

THE SIZE AND STRUCTURE OF TRADING FIRMS

Trading firms have resilient balance sheets and are smaller than banks:

- Even the largest trading firms are far smaller than banks that have been identified as 'Systemically Important Financial Institutions'. In particular, all but the largest have assets below the USD100 billion level identified by Financial Stability Board as a threshold for potential systemic importance.
- Trading firm balance sheets are not fragile in the same way that bank balance sheets are. The maturities of assets and liabilities are well matched, and many CTFs have more short-term assets than short-term liabilities. Moreover, they tend not to be highly leveraged: trading firm leverage is of a similar magnitude to that of the average non-financial firm in the US. These features make them less vulnerable to destabilising runs.
- Trading firm assets that are funded with short-term debt, such as oil and grain inventories, are generally highly liquid, and hedged.
- Although trading firms extend credit to customers and suppliers, these loans are typically structured or insured so that banks bear the bulk (upwards of 90 percent) of the credit risk.
- Historically, trade credit has experienced extremely low loss rates.
- To a limited degree, CTFs engage in 'shadow banking' transactions (eg, securitisation of trade receivables) but these invest in liquid assets, and do not engage in maturity transformation, which has been the greatest risk of other shadow banks.

TRADING FIRMS AND MACRO-ECONOMIC CONDITIONS

CTF profitability is relatively insensitive to macro-economic conditions, and the wider economic consequences of a trading firm bankruptcy are likely to be limited:

- Trading firm assets are highly redeployable. The financial distress of a trader does not reduce substantially the capacity of the trading sector to transform vital commodities in space, time, and form. A distressed firm's assets can be transferred to others, or operated under bankruptcy protection. This is fundamentally different from banks, which are sharply constrained in their ability to provide intermediation services, and, most notably, provide economically vital credit, when in financial distress.
- Even though commodity prices are highly sensitive to macro-economic conditions (they collapsed during the late financial crisis, for instance, and have declined sharply in 2014) CTF profits, margins and volumes are far less so. This is due in large part to the fact that the supply and demand for most commodities is highly inelastic, meaning that shocks tend to affect prices more than volumes. Moreover, many trading firms have internal hedges: for instance, although profits in trading tend to decline during downturns, profits from storage tend to increase. The performance of profits and margins over the dramatic 2006-10 commodity cycle illustrates this: during this period, trader profits and margins remained relatively stable, and did not plunge in 2008-09 like bank profits. This stability in profits occurred despite extreme commodity price movements during this period: the price of oil rose from USD60 in 2006 to USD148 in July, 2008 before plunging to USD35 in December, 2008 and recovering by mid-2009.
- Low-price environments associated with weak economic conditions (such as during financial crises) actually have some benefits for CTFs. In particular, working capital needs are substantially smaller in low-price environments.
- Trading firms are large users of commodity derivatives markets, but almost exclusively as hedgers. Speculation is usually limited to spread trading. What is more, traders do not make markets in commodity derivatives, and their derivatives positions are predominately collateralised. They are buy-side not sell-side firms. They are unlikely to replace banks as market makers in commodity derivatives, even as some banks reduce their participation in commodity markets.
- On those occasions when a large number of CTFs have suffered severe financial distress, there were no spillover effects in the real economy. The merchant energy meltdown of 2002 in the US is a prominent example.

CONCLUDING REMARKS

In brief, economic and financial considerations strongly suggest that CTFs do not pose systemic risks either as an original source of contagion, or as a channel by which contagion is spread. Although they provide intermediation services, and engage in a variety of transformations, these services and transformations are fundamentally different than those undertaken by financial institutions that have been the sources of systemic risk in the past. CTFs are more analogous to non-financial firms than financial intermediaries. As such, there is no basis to subject them to a regulatory regime designed to mitigate the systemic risks posed by financial institutions that perform very different economic functions and which have very different balance sheets.

Professor Craig Pirrong
Professor of Finance, Bauer College of Business, University of Houston

THE ECONOMICS OF COMMODITY TRADING FIRMS

You can scan the QR code on the right or download the white paper at www.trafigura.com/research/the-economics-of-commodity-trading-firms/

GOVERNANCE

Trafigura's track record and its future performance depend on robust and efficient operating and governance structures.

COMPLIANCE WITH THE DUTCH CORPORATE GOVERNANCE CODE

As a registered company in the Netherlands, Trafigura seeks to comply with various provisions of the Dutch Corporate Governance Code. The Corporate Governance Code applies to all Dutch companies with a stock exchange listing. Compliance with the Code is therefore not obligatory for Trafigura. The Company has elected to comply with those provisions that it believes (i) promote good corporate governance within the Company, and (ii) are relevant for a privately owned company.

Trafigura has taken notice of article 2:166 of the Dutch Civil Code, adopted in 2013, that requires large N.V.s and B.V.s to have at least 30 percent of seats on Supervisory and Executive Boards occupied by each gender or to explain why the company has been unable to comply with this target. Trafigura recognises the merits of gender balance for good corporate governance but also attaches significant value to maintaining continuity of its current Board structure. Currently, its Supervisory and Executive Boards do not meet the 30 percent target, but, given the success of the existing two-tiered Board structure and composition, it intends to implement change carefully. For each Board-level appointment it gives explicit consideration to the value of gender balance with an overriding objective to appoint executives of the highest calibre.

BOARD STRUCTURES

Trafigura Beheer B.V. is the holding company for the Trafigura Group which is structured into i) core trading divisions, namely, Oil and Petroleum Products and also Metals and Minerals trading, and ii) investments and its holdings in the industrial asset Groups including, for example, its investments in Puma Energy, DT Group, Impala Terminals Group, Trafigura Mining Group, and Galena Asset Management.

In 2009, Trafigura formed a two-tier management structure, consisting of a Board of Directors and a Supervisory Board, in accordance with the guidelines set out in the Dutch corporate governance code. This two Board composition provides an effective governing structure responsible for overseeing the business activities across the Trafigura Group.

The Management Board reports to the Board of Directors and allows the Group to delegate executive operational management within a strong, aligned corporate governance framework.

RESPONSIBILITIES OF THE BOARDS

All of our Boards meet on a regular basis throughout the year; the composition of each Board is reviewed periodically to ensure that each Board has the right mix of experience within the commodity businesses and/or multinational corporate structures.

SUPERVISORY BOARD

The Supervisory Board supervises the Group's overall performance including review of strategy, governance, compliance, risk management and achievements of the Board of Directors. In addition, the Supervisory Board also appoints members to the Audit and Risk, Remuneration and Selection and Appointment committees. The Supervisory Board is accountable for these objectives to the shareholders and other stakeholders.

BOARD OF DIRECTORS

The Board of Directors is focused on the strategic direction and management of the Group across all of its investments and activities. It is responsible for shareholder relations, Group commercial and financing strategy, including oversight of Group activities.

MANAGEMENT BOARD

The Management Board is responsible for the executive management of Trafigura and the realisation of its strategic and other objectives, and is accountable for these objectives to the Board of Directors. Its primary responsibility is the executive management of the Group's core trading activities and their interrelations with its industrial assets businesses in accordance with the strategy set by the Board of Directors.

Management Board meetings typically take place every six weeks. Meetings are used to discuss fundamental strategic issues of the Group's business, such as the Group's financial situation, market developments, major investments, field office network, the Group's share ownership programme and compensation scheme. In addition to the Management Board meetings, senior managers communicate regularly and informally to keep each other informed of their activities and to discuss major transactions and developments.

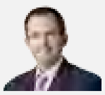
Underneath the Management Board a number of management Steering Committees coordinate the day-to-day management of the Group. Each of the management Steering Committees is in regular contact with Trafigura's Management Board.

OWNERSHIP STRUCTURE

The Group is exclusively owned by over 600 of its senior employees; by virtue of having their own capital and reputation at risk, our senior employees are motivated to act responsibly and to take a long-term view of the Group's overall responsibilities.

MANAGEMENT STRUCTURE

SUPERVISORY BOARD

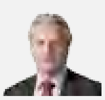


CHRISTOPHER COX

Christopher Cox was formerly the Head of the Metals and Minerals trading division at Trafigura and a member of the Management Board between March, 2004, and December, 2011. A qualified geologist, his experience in global investment and trading relationships greatly enhance Trafigura's ability to continue its expansion in sub-Saharan Africa and further afield.

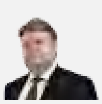
ERIC DE TURCKHEIM

A founding partner of Trafigura and Chief Financial Officer from the company's inception until January, 2007. Prior to founding Trafigura, Eric de Turckheim was with Marc Rich AG (now Glencore AG) where he was Finance Director (1985-1993). Before that, he was with Banque Paribas in Paris and London where he held responsibilities in corporate banking and commodities financing (1978-1984).



ANDREW VICKERMAN

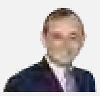
Andrew Vickerman spent almost 20 years with Rio Tinto, one of the world's leading mining companies, the last 10 as a member of the Executive Committee with responsibility for Global Communications and External Relations. An economist by background, he has previously worked for The World Bank and other international agencies.



LORD THOMAS STRATHCLYDE

Lord Thomas Strathclyde was, until January, 2013, the Leader of the House of Lords and a member of the UK Cabinet. In a distinguished political career he held senior ministerial positions in the departments of Employment, Environment, and Trade and Industry. He has also had an extensive non-executive career in a number of financial services businesses.

BOARD OF DIRECTORS



CLAUDE DAUPHIN

EXECUTIVE CHAIRMAN AND FOUNDING PARTNER

Claude Dauphin has been a leading figure in the global commodities trading industry for more than three decades. He founded Trafigura together with five partners in 1993, and as Chairman and CEO built the company into its current position as one of the world's three largest independent traders of oil, and metals and minerals. In March, 2014, he became Trafigura's Executive Chairman.

Before founding Trafigura, Claude Dauphin worked for Marc Rich AG as Petroleum Division Head and Executive Committee Member (1988-1992), Head of the Lead and Zinc Department and Country Manager in Bolivia (1977-1988). He is the last of Trafigura's founding partners to occupy an executive role with the company.

JEREMY WEIR

CHIEF EXECUTIVE OFFICER

Jeremy Weir was appointed CEO of Trafigura in March, 2014, after a career spanning nearly three decades in commodity and commodity derivative markets. An Australian national, he joined the Trafigura Group in 2001 as head of metals derivatives, structured products and risk management. Immediately prior to his current appointment he served as a Management Board Director, Head of Risk and CEO of Galena Asset Management and Trafigura Mining Group.

Before Trafigura, Jeremy spent nearly nine years between 1992 and 2000 with N M Rothschild.

MARK IRWIN

Mark Irwin is a UK qualified chartered accountant who joined Trafigura as financial controller in 1994 and was appointed as a director in 2004 to provide support for Trafigura's corporate and IT infrastructure.

PIERRE LORINET

CHIEF FINANCIAL OFFICER

Pierre Lorinet was appointed Chief Financial Officer and Management Board member of Trafigura in January, 2007. He joined Trafigura in 2002 as Co-head of Structured and Corporate Finance. In 2012, Pierre relocated to Singapore to take over management of the Asia-Pacific region in addition to his CFO duties.

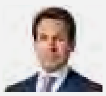
Prior to joining Trafigura, Pierre worked for Merrill Lynch in London in the areas of structuring of asset-backed securities and of debt origination. He started his career in commodity finance at Banque Indosuez in Bahrain. A French national, he holds a Masters degree in Business from ESCP Europe in Paris and an MSc in Finance from Lancaster University.

MIKE WAINWRIGHT

CHIEF OPERATING OFFICER

Mike Wainwright was appointed Chief Operational Officer and Trafigura Management Board member in January 2008. His principal focus is the management of the middle and back office support teams for the trading division in addition to direct responsibility for the group's profit and loss.

Mike joined Trafigura in 1996 as an accounts assistant in the Oil division. He has held various roles within the group, covering accounting, deals desk and middle office IT development. A UK national, Mike holds a BSc in Mathematics and Actuarial Studies from Southampton University.



MARIANO MARCONDES FERRAZ

Mariano Marcondes Ferraz was nominated to the Management Board in March, 2014, with responsibilities including business development and external partnerships. He joined the Group in 2007 and in 2009 was appointed Chief Executive Officer of DT Group. He also serves on the Board of Directors of Puma Energy.

Prior to joining the Trafigura Group, Mariano worked for Marc Rich and then Glencore in Brazil. He was the founding partner of storage and bunkering company, Decal, in Brazil and of the shipping company, UP Offshore. Before he moved to Europe, he was on the Board of Directors of the Federation of Industries of Rio de Janeiro State (Firjan) and the Federation of the Chambers of Foreign Trade (FCCE). Mariano is a Brazilian national and holds a Bachelor's degree in Business.

MANAGEMENT STRUCTURE
CONTINUED

MANAGEMENT BOARD

L-R : Simon Collins, Mariano Marcondes Ferraz, Duncan Letchford, Jeremy Weir, Claude Dauphin, Jose Larocca, Mike Wainwright, Pierre Lorinet.

CLAUDE DAUPHIN
EXECUTIVE CHAIRMAN AND FOUNDING PARTNER

JEREMY WEIR
CHIEF EXECUTIVE OFFICER

SIMON COLLINS
HEAD OF METALS AND MINERALS

Simon Collins was appointed head of Metals and Minerals, one of Trafigura's two main trading divisions, and a Management Board member in August, 2012. He joined Trafigura as Country Manager for China in 2006.

Prior to joining Trafigura, Simon spent nearly 10 years between 1996 and 2005 working for Gerald Metals as General Manager, first in Hong Kong, and then in Lausanne. He started his career at London Metal Exchange Ring-dealing member firm, Rudolf Wolff and Co. and subsequently also worked for Mitsubishi Corporation. A citizen of the UK and Switzerland, Simon holds a degree in Political Economy from the University of Hertfordshire, UK.

JOSE LAROCCA
HEAD OF OIL TRADING

Jose Larocca was appointed to the Trafigura Management Board and Head of the Oil and Petroleum Products trading division in March, 2007. He was one of the company's earliest employees, joining Trafigura in London in 1994 on the Oil Deals Desk before taking a series of commercial roles, including as a trader of naphtha and gasoline.

Prior to joining Trafigura, Jose worked for two years at Interpetrol, a small oil trading company in Buenos Aires. An Argentine national born in Switzerland, he holds a diploma in International Trading from the Bank Boston Foundation (Buenos Aires).

DUNCAN LETCHFORD
CHIEF EXECUTIVE OFFICER, GALENA

Duncan Letchford was appointed Chief Executive Officer of Galena Asset Management, the wholly-owned fund management subsidiary of the Trafigura Group, in March, 2014, having joined the Trafigura Management Board in August, 2012. He joined the Trafigura Group in 2005, serving in the roles of Chief Investment Officer and Portfolio Manager for Galena.

Duncan is a UK national. Prior to joining the Trafigura Group, he worked for more than two decades as a metals trader in London. He was the senior base metals trader at HSBC and also worked as a trader for AIG International. He started his career trading precious metals at NM Rothschild in 1990.

PIERRE LORINET
CHIEF FINANCIAL OFFICER

MARIANO MARCONDES FERRAZ
MANAGEMENT BOARD MEMBER

MIKE WAINWRIGHT
CHIEF OPERATING OFFICER

LETTER FROM THE SUPERVISORY BOARD

This year the Supervisory Board focused its attention on the Americas with several visits to Colombia, Brazil, Uruguay, Mexico and the US, and a visit in September to Southern Africa. During 2015, we will strive to maintain our rhythm of visiting each of our key hub offices and major CAPEX projects on a 12-18-month cycle whilst continuing to regularly visit our offices in Geneva and Amsterdam.

These visits are structured around:

- Commercial strategy and financial performance
- Health, Safety, Environment and Community
- Compliance
- Human Resources

We also meet on a regular basis with our colleagues in the Internal Control, Legal, Compliance, Tax, Accounts, Finance and Corporate Affairs functions to discuss existing and emerging risks faced by the Group.

September saw some changes to the composition of the Supervisory Board:

- We are pleased to report that Chris Cox (who is a former member of the Trafigura Management Board) has joined the Supervisory Board; Chris brings a wealth of knowledge on trading related matters and has significant experience in Africa, Asia and South America.
- Unfortunately Philippe Blavier decided to step down from the Supervisory Board. Philippe was an original member of the Supervisory board in 2009 and his knowledge and experience was much appreciated by us all. His contribution will be greatly missed and we thank him for his input and bonhomie over the last four years.

Andrew Vickerman is the joint Chairman of the Trafigura Group Health, Safety, Environment and Communities Committee and the Vice-President of the Puma Energy foundation. Eric de Turckheim is the Chairman of the Board of the Trafigura Foundation. Lord Thomas Strathclyde is a Non-Executive director of Galena Asset Management. These are tangible examples of the Supervisory Board's commitment to Trafigura's proactive approach towards implementing effective corporate governance.

The Remuneration Committee met in early November, 2014. One of the goals behind the remuneration policy is to achieve a strong link between executive remuneration and the Group's performance. The remuneration package for employees includes a variable part in the form of an annual cash incentive combined with (where appropriate) a long-term equity participation. Trafigura has followed this dual strategy of discretionary cash incentive combined with longer-term equity incentive since its commencement of trading in 1993.

All members of the Supervisory Board jointly execute the responsibilities of the Audit Committee which met with the external auditors, Ernst & Young Accountants LLP, on two occasions to discuss the preparation of financial statements, internal controls and its function and interaction with the external auditors.

FINANCIAL STATEMENTS

It is our pleasure to present the consolidated financial statements of Trafigura Beheer B.V. for the year ended 30 September, 2014, as prepared by the Board of Directors.

The financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the European Union and with part 2 of the Dutch Civil Code. The financial statements have been audited by the external auditors, Ernst & Young Accountants LLP, and discussed with them on the basis of their report.

The unqualified auditor's report is included on page 126. We reviewed and approved the financial statements and recommend that you adopt them during the Annual General Meeting of Shareholders.

We concur with the proposal of the Board of Directors to add the net income for the year of USD1,039.7 million to other reserves.

The members of the Supervisory Board have signed the financial statements in order to comply with the statutory obligation pursuant to article 2:210 paragraph 2 Dutch Civil Code. This provision provides that the members of the Supervisory Board should sign the financial statements.

Finally, we continue to feel privileged and humbled as we witness at first hand the continued growth of Trafigura across all its divisions through the talents, dedication and efforts of all of our colleagues, and we would like to express our sincere appreciation to the Board of Directors, Management Board and all of Trafigura's employees for another exceptional result achieved in 2014.

BOARD OF DIRECTORS
Claude Dauphin
Jeremy Weir
Mark Irwin
Pierre Lorinet
Mike Wainwright
Mariano Marcondes Ferraz

SUPERVISORY BOARD
Christophe Cox
Eric de Turckheim
Andrew Vickerman
Lord Thomas Strathclyde

Amsterdam, 25 November, 2014.

CORPORATE RESPONSIBILITY

SUSTAINING TRADE

Responsible trade drives economic progress and builds stronger societies. At Trafigura, we are committed to conducting our activities in a way that benefits the communities we serve.

CONTENTS

OUR APPROACH

BUSINESS STRATEGY

To play a leading and lasting role in the physical commodities business requires a long-term perspective.

Fuelled by increasing urbanisation and industrial development, the incredible growth of global trade in the last two decades has demanded the faster and more efficient transportation of natural resources from points of origination to consumption. Trafigura has made an important contribution to this progress.

As a leading commodities trading company, we act as partner to nations, corporations and communities. We aim to redress complex supply and demand imbalances while earning the trust of those around us through responsible practices and behaviours.

This is what we mean by 'advancing trade'. We welcome the challenge, and we intend to demonstrate how we are meeting it. We are supported in these endeavours by the work of the Trafigura Foundation, whose activities over the last year are summarised in this Annual Report.

For further information please visit trafigurafoundation.org

THE CHALLENGE

Our trading activities involve the physical movement of commodities from places where they are abundant to where they are in demand. We source, store, blend and deliver a wide variety of materials, from crude oil to ores, and from concentrates to refined metals, across the globe. Ensuring that we do so sustainably involves meeting a number of challenges, from providing assurance that we acquire materials from responsible sources; to complying with sanctions and legal requirements; to transporting products in a safe and secure manner; to ensuring responsible contractors and others who perform tasks on our behalf do so to the same high standards.

Our industrial assets, which support our trading interests, include oil storage facilities, fuel service stations, vessels, warehouses and mines. Assets are strategically positioned at key junctions in the global flow of commodities – providing employment to thousands of skilled people.

Our activities are as technically and commercially complex as they are geographically and operationally dispersed. This requires Trafigura to perform its operations to the highest standards and in a responsible manner, ensuring that health, safety, environmental and community (HSEC) considerations are at the forefront of planning and decision-making processes. Improving our performance in this area has brought about many changes in the way we organise and conduct our business in recent years.

External expectations and perceptions have influenced our approach to a broad range of corporate responsibility matters, including giving added impetus for our business to be increasingly transparent, responsive and collaborative about the issues that matter to our diverse range of stakeholders.

THIS REPORT

This report outlines our overall approach and specific performance for those divisions and subsidiaries that Trafigura either owns or has significant influence over, and that have significant economic, social and environmental impacts. It also includes narrative content relevant to management approaches for Puma Energy.

This is the second formal communication on Trafigura's sustainability journey. It is intended to encourage dialogue and as such we welcome feedback from stakeholders that can help us to refine the content and direction of our reporting going forward.

This is the second formal communication on Trafigura's sustainability journey. It is intended to encourage dialogue and as such we welcome feedback from stakeholders that can help us to refine the content and direction of our reporting going forward.

While various constituent elements of the Trafigura Group have reported on their HSEC impacts for a number of years, and have made data available on request to, for example, our lenders and counterparties, the Group has now decided to unify its approach to reporting on corporate responsibility. Doing so enables us to share best practice across the Trafigura Group and to set priorities for improvement. In 2015, Trafigura will report externally against standardised metrics and targets (see page 80) – thus giving our stakeholders a clearer view of our performance.

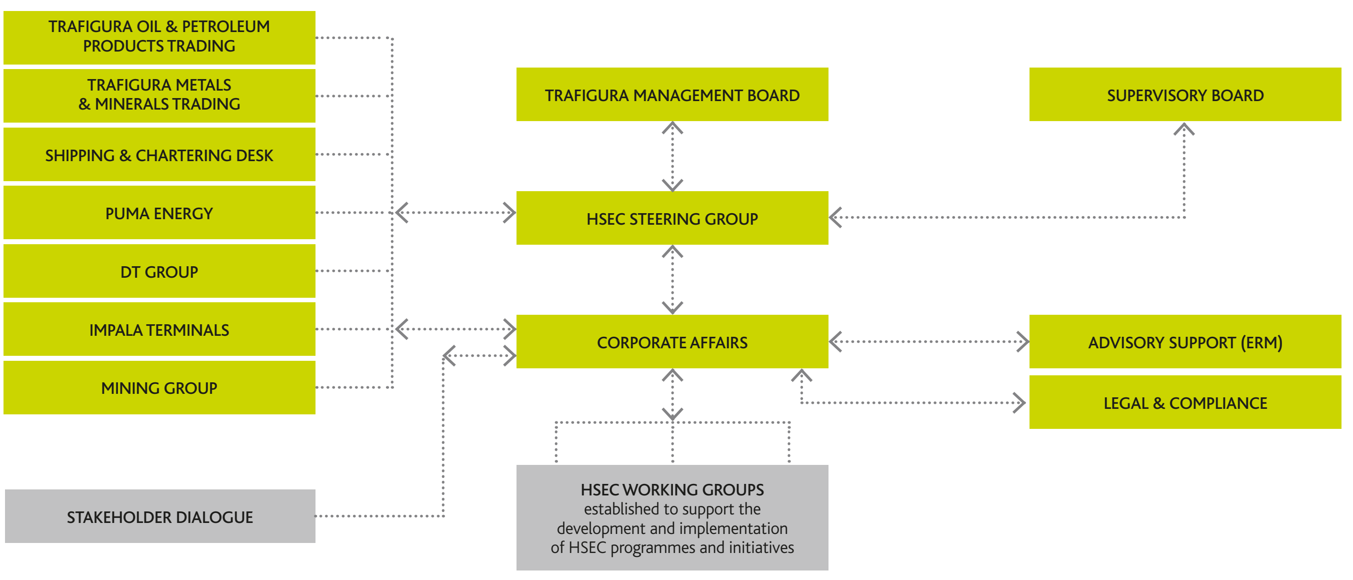
Contact us at HSEC@trafigura.com

CORPORATE RESPONSIBILITY

GOVERNANCE

Five core elements constitute our HSEC governance framework. These include the Trafigura HSEC Steering Group, HSEC working groups, subsidiary-level HSEC Steering Groups, operating unit HSEC functions and stakeholder engagement. Each element informs the selection, prioritisation and management of our sustainability risks.

OVERVIEW OF THE TRAFIGURA GROUP HSEC GOVERNANCE STRUCTURE



HSEC STEERING GROUP

Trafigura's HSEC Steering Group has been appointed by the company's Management Board to advise the business on HSEC matters. The Group, co-chaired by Supervisory Board member Andrew Vickerman and Global Head of Corporate Affairs, Andrew Gowers, comprises Trafigura's CEO, Jeremy Weir, on behalf of the Management Board and senior representatives from each Trafigura division and subsidiary as well as Puma Energy, an industrial investment of Trafigura. Additional senior members of staff have been co-opted to ensure that the interests of the Group are fully represented and aligned.

The mandate of Trafigura's HSEC Steering Group centres on the intention to manage a robust yet streamlined approach to HSEC issues across the Trafigura Group, with an emphasis on implementation and performance improvement at an operating company and local site level. The key responsibilities of the Management Board are to establish the vision, provide direction and ensure adequate allocation of resources to HSEC globally.

HSEC safety briefing, Impala Terminals, Lubumbashi, DRC.

DUTIES OF THE HSEC STEERING GROUP

Policy and compliance

- Oversee compliance of Trafigura Group companies with the commitments presented in Trafigura's HSEC Policy and Business Principles
- Refine Trafigura's HSEC Policy and Business Principles in accordance with changes in the Group's portfolio of assets, risk profile and with external trends.

Analysis and measurement

- Ensure consistency in the setting of, and reporting against, key HSEC performance metrics and targets
- Establish, maintain and review the Trafigura Group material HSEC risk register.

Reporting and assurance

- Establish and manage an HSEC assurance process to assist Trafigura Group companies in evaluating their performance against the commitments and expectations within the HSEC Policy and HSEC Business Principles
- Manage the Group's HSEC information management, data and reporting system, Safeguard
- Review and advise on reports related to significant incidents and accidents
- Report regularly to Trafigura's Management Board on Group HSEC performance, including through formal reports every six months
- Coordinate external reporting with regard to Group HSEC policy and performance.

The HSEC Steering Group meets at least every three months and has a standing agenda which includes as follows:

- Review of HSEC material risks and performance, including progress on agreed actions
- Review of significant incidents
- Review of HSEC Working Group activities
- Updates on emerging issues, stakeholder expectations and requirements.

In September, 2013, Trafigura engaged the leading global sustainability consultancy, ERM, to provide specialist and ongoing support on HSEC matters to the Steering Group and access to ERM's global technical resources in support of local, regional and international projects.

POLICY AND MANAGEMENT SYSTEMS

We have made clear advances in our management of HSEC across the Group, however, we recognise that we are on a journey and our approach will evolve over time. Our HSEC Policy and HSEC Business Principles are available online.

These documents present the values, standards and performance expectations that all Trafigura's divisions and subsidiaries are required to uphold and extend to those with whom we do business.

The HSEC Policy sets out the high-level priorities and commitments of the Management Board. The Business Principles communicate the expectations of the Management Board with respect to how the Group is expected to operate and behave.

Trafigura's HSEC Policy and Business Principles have been cascaded throughout the operating companies and divisions, and have been communicated to stakeholders (including partner banks, potential financial partners, regulatory authorities and governments, civil society and intergovernmental organisations and academics).

Divisions and subsidiaries are responsible for implementation of Trafigura's HSEC Policy and Business Principles, and for supplementing these documents with relevant sector-specific standards and supporting policies and procedures for their day-to-day operations.

Trafigura's Code of Business Conduct complements our HSEC Policy and Business Principles by articulating those business practices expected of all employees.

Trafigura divisions and subsidiaries involved in the management of physical assets have implemented formal HSEC management systems and are aligning operations with accepted international best practice where appropriate, such as ISO 14001 (the International Standard for Environmental Management Systems) and OHSAS 18001 (the International Standard for Occupational Health and Safety Management Systems).

MANAGING HSEC RISK

The complexity and diversity of our activities are such that our license to operate can only be sustained for the long term if we constantly review, assess and challenge our understanding of risk.

A comprehensive Group-wide material HSEC Risk Register has been developed and is subject to ongoing review as part of the HSEC risk management process. This has been created with the aim of providing the Management Board with a clear overview of the material HSEC risks and issues faced by the business. The process of HSEC risk assessment and management is cascaded throughout the organisation.

The Trafigura Group has developed HSEC procedures and processes to address the specific risks associated with operational activities, such as an Operator Training Manual in the trading operations division and the Puma Energy safety risk management process, referred to as 'SAPS'.

TRAFIGURA GROUP RISK MANAGEMENT APPROACH

GROUP (MANAGEMENT BOARD, STEERING GROUP, CORPORATE)
Focused on business continuity and the management of high-level risks facing the Group

DIVISIONS, SUBSIDIARIES & INDUSTRIAL INVESTMENTS
Focused on risks to entities, managed programmatically eg environmental liabilities, community relations, human rights, safety etc.

SITE OPERATIONS
Focused on management of day-to-day operational risks

SUPERVISOR/WORK AREA
Identification and management of continually evolving and multi-faceted risk profile

INCIDENT REPORTING, EMERGENCY PREPAREDNESS AND RESPONSE

The reporting and investigation of work-related accidents, incidents, illnesses and near-misses is a key component of developing a safe and healthy work environment. Trafigura's global HSEC information management system 'Safeguard', enables employees and contractors to report work-related HSEC incidents, including near-misses. It also provides the Group with a tool to capture, collate and report on compliance and performance, enforce HSEC processes, identify trends to drive better informed decisions and help promote a positive risk-management culture on an ongoing basis. Importantly, the output of Safeguard, and the multiple reports that it now generates, is having a direct impact on the strategic focus of the HSEC Steering Group and, similarly, the HSEC focus of Trafigura's divisions and subsidiaries.

The use of Safeguard is mandatory and was first introduced in the last quarter of 2013. Over 540 staff received training on, and have become active users of, the system in 2014. While the roll-out of the system, and the corresponding uptake, has at times been challenging, particularly given the diverse nature of the Trafigura Group, statistics are now pointing towards an enhanced level of awareness where the reporting of near-misses regularly exceeds the reporting of actual incidents occurring on a month-by-month basis.

The HSEC Steering Group reviews significant incidents, and the development of Safeguard, as a standing agenda item at the start of each meeting, typically every two months.

A standardised incident investigation template has also been developed for all Trafigura divisions and operating companies, which is mandatory for incidents classified as significant.

Trafigura's focus on HSEC incidents has afforded greater insight into the associated risks faced by the Group and has facilitated both the sharing of best practice and the establishment of minimum standards of performance.

Each Trafigura division and subsidiary operates an Emergency Preparedness and Response plan appropriate to each of the individual physical assets under the division or subsidiary management and control.

In 2014, Trafigura undertook a Group-wide review of existing crisis plans and recommend improvements to the Management Board, many of these have now been implemented.

Trafigura is a full member of Oil Spill Response Ltd (OSRL). OSRL provide training on actions to take in the event of an oil spill; and assist with the development, implementation and testing of Oil Spill Response Plans.

Trafigura's global HSEC information management system 'Safeguard', enables employees and contractors to report work-related HSEC incidents, including near-misses.

OIL SPILL RESPONSE

In 2014, Trafigura and Puma Energy carried out a global desktop oil spill response exercise in partnership with Oil Spill Response Ltd. The exercise focused on the Puma Energy Terminal in Acajutla, El Salvador, as well as Trafigura's Geneva and Montevideo offices. This exercise required the participation of multiple departments from across Trafigura and Puma Energy's offices worldwide.

The objective of the exercise was as follows:

- To test the speed, effectiveness and establishment of Emergency Response Rooms (ERR)
- To ensure communication and transfer of information is effective between Puma Energy's Terminal and Trafigura's Montevideo and Geneva offices
- To test the completeness and effectiveness of Trafigura's newly updated oil spill response plan (and Puma Energy's equivalent)
- To determine the subsequent effects on the business
- To demonstrate good teamwork and support required to be given to team members
- To track the effectiveness of the emergency response team in working together under pressure and to produce an Incident Action Plan
- To test and understand the capacity and remit of team members
- To test the degree to which Trafigura procedures and reports are understood.

HSEC WORKING GROUPS

Trafigura's HSEC Steering Group has overseen the establishment of cross-functional/inter-company 'HSEC Working Groups' that are required to determine and implement the appropriate measures to address specific common, Group-wide, HSEC risk areas. Each HSEC Working Group reports back to the HSEC Steering Group and each operates to an agreed Terms of Reference.

Given the mid- to long term nature of the risks and opportunities that the Working Groups are seeking to address, it is expected that they will remain active until such time as the HSEC Steering Group deems the risks to be reduced to an acceptable level.

The activities and objectives of HSEC Working Groups active in 2014 included as follows:

- **Incident reporting**
  To develop and promote Trafigura's HSEC incident reporting and information management tools and ensure sustainable and effective implementation across the Group.
- **Trucking**
  To address pertinent HSEC issues associated with the land-based transportation of commodities and other materials by both Group-owned and third-party contractor vehicles, and delivering, with the aim of developing, communicating and embedding benchmark standards for adoption worldwide
- **Construction**
  To establish uniform benchmark HSEC performance standards associated with the development and construction of significant infrastructure projects globally – these include storage terminals, ports, filling stations, metal concentrate warehouses and associated facilities.
- **Conflict minerals**
  To create a robust and streamlined approach to the management of conflict minerals.

STAKEHOLDER ENGAGEMENT

By engaging with local communities and other stakeholders in relation to social, economic and environmental issues on the ground we forge stronger relationships with those around us.

Our stakeholders include those that have a significant interest in, can affect and/or be affected by the commercial activities of the Trafigura Group. These include producer and consumer governments, employees, local communities, contractors, civil society and intergovernmental organisations. The integration of stakeholders into Trafigura's risk assessment and management processes helps us to:

- Identify issues that are within our direct control and that are our clear responsibility to address
- Identify issues that are external to the Group but which nonetheless fall within our sphere of influence
- Establish whether we are acting in line with stakeholder expectations.

Community drop-in centre in Barrancabermeja, Colombia.

IDENTIFICATION, MAPPING AND GUIDANCE

Each division or subsidiary identifies, prioritises and engages stakeholder groups that are interested in, can affect or are most affected by their activities. This role is typically managed by Trafigura's Corporate Affairs team but also takes place through a number of diverse and more localised channels. Our stakeholder engagement methodologies are under constant review at both a Group and operating level in order to ensure consistency of approach, to enable the identification of relevant and material issues, and to assess outcomes. The outcome of each engagement by Corporate Affairs is logged on an online database and escalated as appropriate through our risk reporting process.

KEY ACTIVITIES UNDERTAKEN IN 2014

Understanding perceptions

In 2014, Trafigura commissioned a leading corporate social responsibility specialist to identify and analyse issues relating to the commodity trading sector that are most material to its external stakeholders internationally.

Involving face-to-face interviews as well as multiple phone conversations, stakeholders included government officials, financial institutions, civil society and intergovernmental organisations, think-tanks, academics, and members of Trafigura's customer base.

The results of the research have been used on an ongoing basis to further reinforce Trafigura's stakeholder engagement processes, with the aim of ensuring that Trafigura's awareness of, and receptivity to, existing and emerging stakeholder perceptions and expectations continually improves. Importantly, a number of key topics of concern to stakeholders, and Trafigura's corresponding response, are presented in this report (see page 61).

Notably, the stakeholder review highlighted a clear lack of knowledge about the commodities trading sector as a whole. A number of stakeholders stated that their comments were based on a limited understanding of the sector, while others, including government officials and pension funds, felt unable to participate in the process due to their lack of knowledge.

Trafigura fully accepts the need to engage more actively with stakeholders in future. Through a concerted investment in multi-channel multi-stakeholder communications, of which this report is a small part, we intend to better enable our stakeholders to make informed judgements about the practices and impacts of Trafigura and, where appropriate, the sector as a whole.

Demystifying trading

In 2014, activities to promote engagement and specifically explain the role of Trafigura in the commodity trading industry were aided significantly by the publication of 'The Economics of Commodity Trading Firms'. Sponsored by Trafigura and written by Craig Pirrong, Professor of Finance and Energy Markets Director for the Global Energy Management Institute at the Bauer College of Business at the University of Houston, the white paper set out to assist in demystifying the commodity trading business through a combination of description and analysis.

Through hosting and/or participating in multiple events internationally, 'The Economics of Commodity Trading Firms' was used as a tool to discuss issues of mutual concern with key regulators and opinion formers. Those engaged directly over the course of 2014 included: the Swiss Government, the European Commission, the European Securities Markets Authority, the International Organisation of Securities Commissions, Members of the European Parliament, US congressional staffers, the Financial Conduct Authority and the Bank of England.

THE ECONOMICS OF COMMODITY TRADING FIRMS

You can scan the QR code on the right or download the white paper at www.trafigura.com/research/the-economics-of-commodity-trading-firms/

Affiliations

In 2014, Trafigura became a member of the World Business Council for Sustainable Development, was invited to attend the annual Voluntary Principles on Security and Human Rights plenary meeting in Montreux, Switzerland, and was an active contributor to the United Nations Conference on Trade and Development (UNCTAD) Working Group on Commodities Governance.

Trafigura also attended the 6th OECD Forum on Responsible Mineral Supply Chains in Kigali, Rwanda, and presented its approach to the management of conflict minerals at the 7th OECD Forum in Paris.

In December 2014, Trafigura sought formal membership of the United Nations Global Compact (UNGC) with a view to reporting against the '10 Principles of the UNGC' in the areas of human rights, labour, the environment and anti-corruption in 2015.

TRAFIGURA'S COMPLIANCE FUNCTION

Trafigura's Compliance Department manages the company's global compliance activities. Its main function is to provide guidance, training and advice on all compliance issues to all our employees and to develop and monitor Trafigura's Code of Business Conduct.

The Department has assigned Compliance representatives in the main trading offices around the world, who provide support to the Compliance team in order that it can meet its objectives on a global basis.

The Compliance Department manages Trafigura's Know Your Counterparty ('KYC') procedure and works closely with traders and credit teams.

Trafigura's Code of Business Conduct defines precisely what is expected of our business and our people. It embeds compliance with relevant laws and regulations and promotes good business judgement. The Code is a key element of Trafigura's employee contracts. All staff receive mandatory training to ensure they understand its implications.

In the 2013-4 financial year, 428 employees (2013: 1,547) received training on Trafigura's Code of Business Conduct and 578 employees received training on Trafigura's anti-money laundering programme (2013: 1,476).

THE UNITED NATIONS GLOBAL COMPACT

Trafigura is committed to supporting the United Nations (UN) Global Compact as part of our broader effort to make a lasting and sustainable contribution to the countries in which we operate.

The UN Global Compact is a strategic policy initiative for businesses that are committed to aligning their operations and strategies with 10 principles in the areas of human rights, labour, environment and anti-corruption.

By doing so, business, as a primary driver of globalisation, can help ensure that markets, commerce, technology and finance advance in ways that benefit economies and societies everywhere.

The UN Global Compact has two objectives:

- To promote the 10 principles in business activities around the world
- To catalyse business action in support of UN goals and issues, with emphasis on collaboration and collective action.

Trafigura sought membership of the UN Global Compact in December, 2014, and intends to play a committed and active role in the national and international Compact community.

Trafigura's own HSEC Business Principles and associated Group-wide assurance programme directly correspond to the UNGC 10 principles, as well as the Universal Declaration of Human Rights.

MATERIAL ISSUES

Through a concerted investment in multi-channel multi-stakeholder communications, we intend to better enable our stakeholders to make informed judgements about the practices and impacts of Trafigura and, where appropriate, the sector as a whole.

CORPORATE RESPONSIBILITY AND ISSUES MANAGEMENT

With a view to providing our stakeholders with a clearer view of Trafigura's perception of key issues faced in 2014, we have included an issues register in this report.

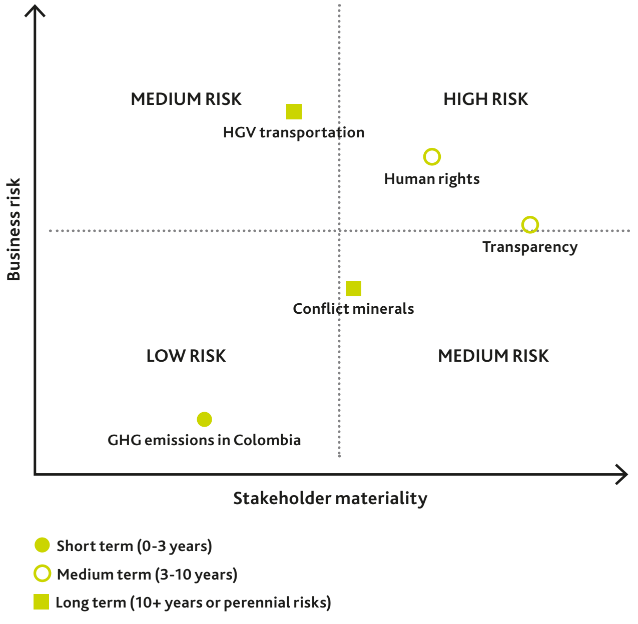
The matrix articulates a number of short- and longer-term issues material to the reputation and sustainability of Trafigura's business.

Business risk includes both the likelihood of an issue manifesting itself, as well as the impact that such a manifestation would have on our business.

Stakeholder materiality is based on the degree to which an issue is considered relevant and material by stakeholders, and the ability of such stakeholders to impact our business as a consequence.

Through our stakeholder engagement activities, we identified a range of material issues across health and safety, the environment, people, business conduct, and community.

2014 ISSUES MATRIX



A number of priority issues have been reported on in depth in this report, these include as follows:

- **Health and safety**
  Responsible trucking: Managing the risks associated with the use of Heavy Goods Vehicles (HGVs) in Central and Southern Africa
  › More on page 62
- **Environment**
  GHG Emissions: Leveraging the power of multimodalism in Colombia
  › More on page 66
- **People**
  Human rights: Understanding the intersection between trading and human rights
  › More on page 70
- **Conduct**
  Transparency: Responding to calls for greater transparency in the trading sector
  › More on page 72
- **Community**
  Conflict minerals: Embedding robust management processes
  › More on page 76

A number of other key issues have been identified and documented, in part, in this report. Other priority areas are reflected in the structure of our HSEC KPIs (see page 80) that we have commenced tracking in 2014 and will report on in our 2015 Annual Report.

QUESTIONS FROM STAKEHOLDERS: SHIPPING AND CHARTERING DESK

What systems and standards does Trafigura have in place to manage the technical integrity of the vessels it deploys (eg, management of planned maintenance, hull maintenance, condition base maintenance, etc.)?

For Trafigura's managed ships the company monitors a vessel's planned machinery and hull maintenance programme in close cooperation with technical managers. Trafigura and its owned or chartered fleet's maintenance performance is also audited through third-party inspections (Flag, Port State Control, class, oil majors). As a final step, the company also appoints independent external auditors to inspect and assess the status and coherence of the ships' condition, maintenance plan, work ethic and on-board safety culture.

For time charter and voyage charter vessels, both Charterer and Owner are contractually bound by their applicable Charter Party agreement which typically contains a clause that refers to Oil Majors' approvals, Oil Companies International Marine Forum (OCIMF) Ship Inspection Report (SIRE) inspection results as well as to eligibility and compliance. As such, owners are contractually obliged to have their vessel meet OCIMF standards which ultimately is of a higher standard than class, Flag or Port State standards.

Typical oil vessel within our fleet.

What is Trafigura's view on the use of armed guards in response to the risk of piracy of either owned or chartered vessels?

Wherever possible the Trafigura Group seeks to avoid the use of armed security personnel. In order to ensure the safety and security of our crew and vessels during high risk area marine transits, Trafigura's Management Board permits, in exceptional circumstances, the use of armed guards on board owned or chartered vessels.

Use of armed guards is considered permissible by the Management Board where such vessels are considered overtly exposed to risk, and where no other security measures are considered sufficient to provide the required protection. Associated decisions also reflect the following:

- The mandatory requirement for Trafigura's owned and chartered vessels to implement and comply with 'BMP4' – the 4th version of the shipping industry's 'Best Management Practices for Protection against Somali Based Piracy'
- Associated industry, Flag or Port State requirements
- The opinion/internal procedures of the ship owners and of the technical/crewing managers in the case of voyage/time chartered and owned vessels respectively.

The advice of the International Group of P&I (Protection and Indemnity) clubs (on the basis that they insure the ships whilst guards are on board) who advise ship owners is to comply with 'Interim guidance to private maritime security companies' (PMSCs) as agreed by IMO's Maritime Safety Committee (MSC). The guidance for PMSCs providing privately contracted armed security personnel (PCASP) on board ships in the high risk area covers:

- PMSC Professional Certification, including the recommendation that PMSC should seek certification with relevant national and international private maritime security service standards when these are established
- PMSC Company requirements, including the recommendation that PMSC should establish procedures to provide maritime security services to ship owners and ship operators and comply with all relevant legal requirements
- Management, including recommendations on selection, vetting and training of personnel for a PCASP team
- Deployment considerations, addressing the specific aspects of PCASP deployment and the role of the PMSC in ensuring efficient and successful deployments, including communications with the ship owner or operator, and including recommendations relating to management of firearms and ammunition, from embarkation to disembarkation, and use of force.

RESPONSIBLE TRUCKING:

OUR RESPONSE TO ROAD SAFETY RISK

A Puma Energy fuel truck in Zambia.

BACKGROUND

According to the World Health Organization's *'Global Status Report on Road Safety: Supporting a decade of action'*[1] road traffic injuries caused an estimated 1.24 million deaths worldwide in 2010. That's one person killed every 25 seconds. Low and middle income countries have the highest annual road traffic fatality rates, and over a third of those fatalities are among pedestrians and cyclists.

There are large disparities in road traffic death rates between geographic regions. The risk of dying as a result of a road traffic injury is highest in Africa (24.1 per 100,000 population), and lowest in Europe (10.3 per 100,000). Similarly, the age of victims is dramatically skewed towards the young. Road traffic accidents are the second worst killer, after infectious diseases, for children between five and 14 years of age.

TRAFIGURA'S EXPOSURE

As a leading supplier and distributor of oil and petroleum products, refined metals and their concentrates as well as bulk materials, Trafigura, its subsidiaries and Puma Energy are regular users of heavy goods vehicles (HGVs) worldwide.

Trafigura's Management Board and Trafigura's HSEC Steering Group recognises that the use of HGVs presents a diverse and highly material range of risks both to Trafigura's employees, its contractors, as well as the communities we impact and within which we operate.

In 2014, Trafigura commenced the development of an 'HGV Code of Conduct'. The Code was designed to draw on and further refine the standards already developed by constituent elements of the Group. Mandated by the HSEC Steering Group, a Trucking Working Group was established to lead the task.

[1] *http://www.who.int/iris/bitstream/10665/78256/1/9789241564564_eng.pdf*

Undergoing final revision by the close of the financial year, the document has been designed to ensure that all Group HGV users and associated suppliers have a clear understanding of Trafigura's requirements in respect of the promotion of safe and responsible practices. It sets out critical requirements in the effective management, operation and control of vehicle fleets and the appointment, management and monitoring of contracted trucking companies.

In 2015, Trafigura will pilot the Code extensively, starting with operations across Africa. By doing so Trafigura hopes to:

- Reduce and ultimately seek to eliminate the number of road traffic accidents and fatalities associated with the movement of commodities
- Underpin the need for compliance with statutory requirements
- Promote leading technical, operational and safety standards in the trucking industry
- Promote continuous training and investment in human resource competencies
- Optimise sound, long-term cost control initiatives.

Above all, Trafigura's HGV Code is designed to underpin the shared view of its Management Board and HSEC Steering Group regarding HGV safety, namely:

- That all accidents are preventable
- Safety is a management accountability
- Safety belongs to all employees within the workforce
- Working safely is a condition of employment.

The HGV Code will apply directly to all Trafigura operations, divisions, and operating companies. The Code also applies to those entities over which Trafigura or its associated Group companies exercise control and/or significant influence both in and through its day-to-day relationships upstream (eg, supply chain) and downstream (eg distribution and customers).

PUMA ENERGY: SETTING THE BENCHMARK

Puma Energy's regional supply and logistics team in Johannesburg has set the safety benchmark for the Group's use of HGVs. Through a comprehensive set of measures to identify, manage and mitigate risks the company has developed a rigorous management and operational control programme.

In support of Puma Energy's operational focus the company has also rolled-out a worldwide 'Be Road Safe' campaign. Commencing in 2013 and taking place annually, it targets employees and contractors. From 2014, the programme was extended to include the development of school toolkits and give-aways, spreading the message into the communities in which the company operates.

Aiming to contribute to raising awareness on road safety, initiatives carried out across Puma Energy's network include supporting radio shows, national road safety campaigns and capacity building programmes for local road traffic authorities by financing road safety training and the provision of emergency kits.

SUPPORT FROM THE PUMA ENERGY FOUNDATION

Focused on two road safety programmes, the Puma Energy Foundation, in partnership with the Trafigura Foundation, will collaborate in 2015 with the charity *North Star Alliance* to promote better driver health and wellbeing through the installation of six wellness clinics to administer primary healthcare and promote safe sex practices among drivers along the major trucking route between the Zambian copper belt and Dar es Salaam, Tanzania. *North Star Alliance* also works on safe driver training, and on safety-related issues such as sight and hearing for truck drivers.

Having already piloted the programme in Tanzania in 2013 with road safety NGO, *Amend,* as implementing partner, Puma Energy is assisting in the roll-out of road safety education programmes in primary schools across Zambia, Namibia, Botswana, Mozambique and Malawi, between Q4, 2014 and Q1, 2015. These programmes have been designed to reach up to 15,000 primary schoolchildren and will include government and media advocacy, in partnership with local government and civil society organisations.

PUMA ENERGY ADVOCACY

At a global level, in September, 2014, the Puma Energy Foundation became an official supporter of the *United Nations Decade of Action for Road Safety*[2]. This put Puma Energy among major corporations committed to taking concrete actions to improve road safety, as well as concerned governments and civil society organisations committed to the same objective.

At a regional and country level, in 2015, Puma Energy intends to focus efforts on engaging more with public authorities, the company's supply chain, industry associations and the broader operating environment on concrete measures to further improve safety in and around areas of operation.

Puma Energy 'Be Road Safe' campaign, Puerto Rico.

[2] *http://www.fiafoundation.org/our-work/road-safety-fund/partners*

HOW TRAFIGURA DELIVERS OIL PRODUCTS RESPONSIBLY, RELIABLY AND INTERNATIONALLY

SOURCE

Trafigura sources petroleum products globally. All in-bound fuel transfers are subject to rigorous testing by independent inspectors.

We require all trading partners to observe their legal and regulatory obligations, and oppose corruption, market abuse and unethical business practices.

Under our Know Your Counterparty (KYC) procedures, Trafigura's compliance officers conduct due diligence for each new counterparty. These checks support our anti-bribery, anti-corruption and anti-money laundering policies.

STORE

Trafigura stores petroleum products on land and in floating storage. We conduct due diligence to ensure the storage facilities we select meet international best practice.

26% OF STORAGE is leased from terminals owned by Puma Energy.

74% OF STORAGE is leased from third-party-owned terminals.

Our 'Due-Diligence Procedure and Storage Approval' process, which applies to all third-party- owned terminals, includes the following activities:

- Independent inspectors audit the terminal and review all mandatory licences
- Our insurers review documentation and give consent for commercial agreements to proceed
- Due-diligence is repeated annually.

BLEND

Trafigura blend fuels to meet environmental regulations, sustainability objectives, improve performance and optimise costs.

It is mandatory for fuel blenders to comply with restrictions or bans on certain components, in particular jurisdictions. Blending is a non-reactive process. No by-product is produced.

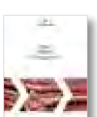
Additives to enhance fuel sustainability, defend engines against corrosion, promote cleaner burning and improve performance in extreme climates are only used in small quantities in the blending process: typically at dilutions of less than one part in 2,000. No by-product is produced.

Chemical treatments alter a fuel's composition by changing its molecular characteristics. Unwanted by-products may be produced. As a matter of policy, Trafigura does not undertake chemical treatments.

CORPORATE SYSTEMS AND CONTROLS

CORPORATE PRINCIPLES, POLICY AND CODE

All Trafigura personnel are required to conform to clearly articulated standards and procedures in relation to the management of health, safety, environment and community (HSEC) concerns. Standards are enshrined in our HSEC Policy and HSEC Business Principles. Trafigura's Code of Business Conduct sets out the ethical and responsible behaviours expected of all personnel. Mandatory adherence to the Code is monitored by Trafigura's Compliance Department.



INDEPENDENT INSPECTION AND ASSURANCE

Trafigura and its counterparties appoint independent inspectors to supervise all transfers of hydrocarbons, water washings and waste. Inspectors fulfil the following tasks:

- Provision of quality assurance
- Testing of product to ensure it meets the agreed specification
- Retention of samples for archive purposes
- Mediation in the event of disputes
- Reporting of bad practice.

ROBUST OPERATING CONTROLS

The hazards associated with the delivery and transfer of hydrocarbons are addressed by controls and good operating practices. These include:

- Design and construction of plant and facilities in accordance with good engineering practice and local regulations
- Use of formal process hazard analysis techniques in developing the design
- Operation by trained and competent staff
- Operation in accordance with formal standard operating procedures which recognise potential safety and environmental hazards under normal and upset conditions
- High integrity instrumentation and control systems
- Formal classification of hazardous areas and specification of appropriate equipment for use in potentially explosive atmospheres. Strict prohibition of ignition sources in these areas
- Proactive mechanical integrity assurance programmes underpinned by robust independent inspection.

Our business model relies on being able to deliver oil and petroleum products consistently, safely and responsibly. If we were to supply off-specification products we might suffer financial penalties or find them rejected by customers. The reputational and societal consequences could be even more significant. Trafigura is a strategic energy provider in many of our markets. Should we fail to deliver, economies would be disrupted and cities might have to go without heat or power.

WHERE DOES TRAFIGURA BLEND PRODUCTS?

90% ON-SHORE On-shore blending is a routine procedure that is well understood and controlled by terminal operators.

10% ON-SHIP On-ship blending is only carried out in controlled conditions as specified in the International Convention for the Prevention of Pollution from Ships (MARPOL). Vessels must be berthed in port. Blending petroleum products during sea voyages was prohibited under International Convention for the Safety of Life at Sea (SOLAS) in 2014.

WHY BLEND ON-SHIP?

- Accessibility: draft restrictions may make on-shore storage inaccessible
- Safety: fewer transfers are needed when fuel already on board can be blended to make a different grade for another location
- Energy efficiency: sequential blending minimises the need for pump-assisted mixing

DELIVER

Trafigura conforms to the SOLAS convention, which includes special requirements for tankers. Our chartering policy ensures the Group uses only modern, reliable tankers and barges.

All vessels must be Ship Inspection and Reporting (SIRE) certificated with at least two inspections and approvals within the previous six months. We only charter double-hulled ships that are less than 25 years old. We also make sure that all chartered vessels are classified by a member of the International Association of Classification Societies.

MEETING COMPLEX SPECIFICATIONS

Trafigura delivers petroleum products that meet specifications agreed with our customers. National governments and their regulatory authorities are in charge of setting these specifications. Fuel grades therefore reflect local requirements and priorities.

Specifications have proliferated over the last quarter century as fuel quality continues to improve across the world. Technological advances are delivering lower emissions and dramatic improvements in air quality.

Regulators use fuel specifications to advance sustainability and energy policy. In the US for instance, the Environmental Protection Agency's (EPA) mandatory requirement for a biofuel component in gasoline is helping to reduce the country's reliance on fossil fuels.

INTERNATIONAL BEST PRACTICE AND REGULATORY FRAMEWORKS

SOLAS

SOLAS is the main international treaty concerning the safety of merchant shipping. It specifies minimum standards for the construction, equipment and operation of ships, compatible with their safety.

SIRE

SIRE introduced by the Oil Companies International Marine Forum (OCIMF) provides detailed inspection information on tankers, barges and small vessels for charterers, ship operators, terminal operators and government bodies concerned with ship safety.

MARITIME LABOUR CONVENTION

The MLC (2006) is an International Labour Organization (ILO) Convention that came into force in August, 2014. It presents a range of minimum requirements aimed at protecting the working and living conditions of seafarers on ships which trade internationally. It imposes a duty for ships that fly a Member State flag to carry a Certificate of Maritime Compliance and a declaration of maritime labour compliance, which can be subject to inspection by a Port Member State when a ship is in one of its ports or harbours.

MARPOL

MARPOL is the main treaty covering prevention of pollution of the marine environment by ships from operational or accidental causes.

Annex I of the MARPOL Convention contains the most important regulations for preventing pollution by oil from ships. Specific regulations apply to the off-loading of water washings and other wastes.

SHIP-TO-SHIP TRANSFERS

Trafigura's approach reflects the latest industry guidance as described in 'Ship-to-Ship Transfer Guide for Petroleum, Chemicals and Liquefied Gases'. This joint publication between OCIMF, the Chemical Distribution Institute (CDI), the International Chamber of Shipping (ICS) and the Society of International Gas Tanker and Terminal Operators (SIGTTO) specifies best practice procedures for hydrocarbon transfers.

ENVIRONMENT:
IMPALA TERMINALS – ASSESSING THE POTENTIAL FOR REDUCING CARBON EMISSIONS IN COLOMBIA

BACKGROUND

A vast proportion of Colombian commodities, including crude oil, are exported each year, conversely a significant volume of grain and other goods are imported. With limited existing road and rail infrastructure, as well as constrained pipeline capacity, fluvial transportation has been recognised by the Colombian Government as offering an important opportunity to enhance the country's economic growth.

Colombia's Magdalena River flows northwards for more than 1,500 kilometres from south of Bogota to the Caribbean Sea. Its delta basin covers nearly a quarter of the country. It hosts two-thirds of the population and produces over 80 percent of GDP. Yet the undoubted potential of the Magdalena has never been fully realised. That is changing, thanks to an investment of over USD1 billion by Impala Terminals into a multimodal transportation system – a system in which modern fluvial transportation is central.

Impala Terminals is introducing a fleet of over 20 tugs and 120 double-hulled barges to manage both wet and dry freight and will shortly complete construction of a major new river port at Barrancabermeja.

This new Impala Terminals-led network and multimodal logistics system will provide commodity producers and importers with a valuable alternative to the already strained Colombian road network: accessing markets more safely and more efficiently than ever before.

Future operations will involve Impala Terminals transporting goods by truck from multiple points of production to the river terminal at Barrancabermeja, and from there, tugboats will push barge convoys along the Magdalena river corridor to Barranquilla. Similarly, barges will be used in, if possible, equal measure on the return journey.

ASSESSING THE BENEFITS

In 2014, Impala Terminals undertook an assessment, in partnership with Environmental Resources Management (ERM), to understand the potential for reducing greenhouse gas (GHG) emissions as a result of the modal shift in transport from truck to barge.

The exercise represented a first step in accounting for, and reporting, projected GHG emissions directly stemming from Impala Terminals' operations in the proposed Magdalena River project. ERM followed specifications and methodologies as outlined in the WRI/WBCSD GHG Protocol Corporate Standard, hereafter referred to as the Corporate Standard[1].

ASSUMPTIONS

The current system of transportation in the region, ie, cargo transported by truck only, was treated as the baseline scenario in the assessment. Impala Terminals' proposed future system, ie, using truck and barge transport was known in the assessment as the multimodal scenario. Moreover, each scenario separately took into account the transport of wet cargo (eg, crude oil, naphtha), and dry cargo (eg, wood, grain).

The following summarised report sets out the approach taken to calculate Impala Terminals' projected Scope 1 GHG emissions arising from each transport scenario to support a comparison of the 'carbon footprint' between the two scenarios.

ALTERNATIVE TRANSPORT MODES

GHG emissions, if alternative modes of transport were used to move the same volumes of goods to the Port of Barranquilla and back, were calculated for (1) baseline and multimodal scenarios using 'regular' Colombian vehicles that were assumed to be less fuel efficient, and (2) for freight train transport where the truck transport component of both scenarios was switched to rail transport.

SUPPLY CHAIN EMISSIONS

Companies are giving more and more attention to emissions across their supply chains, with many opting to report their Scope 3 emissions, ie, those indirect emissions other than from purchased electricity, in conformance with the WRI/WBCSD GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard, hereafter referred to as the Scope 3 Standard[2], which provides guidance to businesses to report GHG emissions that include indirect emissions resulting from value chain activities.

This standard aims to assist companies in understanding their full value chain emissions impact in order to focus their efforts on the most significant GHG reduction opportunities, as Scope 3 emissions can often represent the greatest source of emissions for businesses. Scope 3 emissions are divided into upstream and downstream emissions, depending on the financial transactions of the reporting company. Upstream emissions are defined as 'indirect GHG emissions related to purchased or acquired goods and services', while downstream emissions are known as 'indirect GHG emissions related to sold goods and services'. Due to the nature of Impala Terminals' operations, emissions related to the distribution of the various cargo types and from product blending (ie, processing) would be represented in Impala Terminals customers' GHG emissions inventories as downstream Scope 3 emissions.

The 'carbon footprint' results were therefore reviewed in the context of Scope 3 supply chain emissions, ie, the resulting GHG emissions from the assessment were framed in such a manner that they can be used by Impala Terminals' customers to report their own footprints.

[1] World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol: A Corporate Accounting and Reporting Standard; last accessed on 1 November, 2014; *http://www.ghgprotocol.org/files/ghgp/public/ghg-protocol-revised.pdf*

SUMMARY REPORT

METHODOLOGY

Data collection

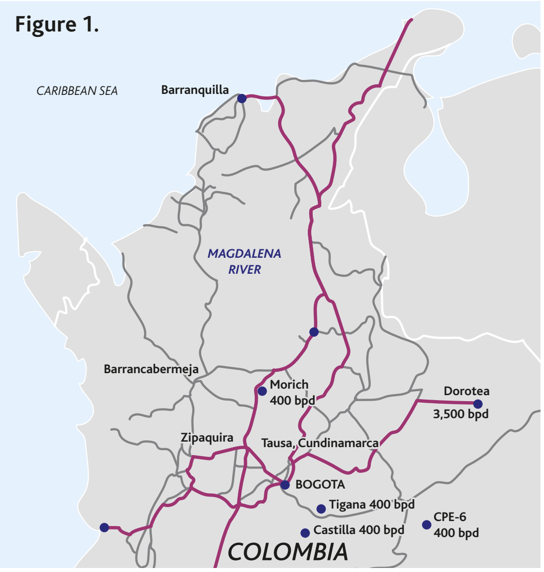
Data items collected from Impala Terminals and used in the assessment were routes and corresponding distances; fuel type and fuel consumption figures; cargo load information; and projected annual weight of cargo transported.

Routes

Crude oil and dry commodities are produced at a number of sites in Colombia, but the routes carrying the most substantial annual volumes of cargo were selected, as depicted below. One typical round trip was considered for emissions calculations.

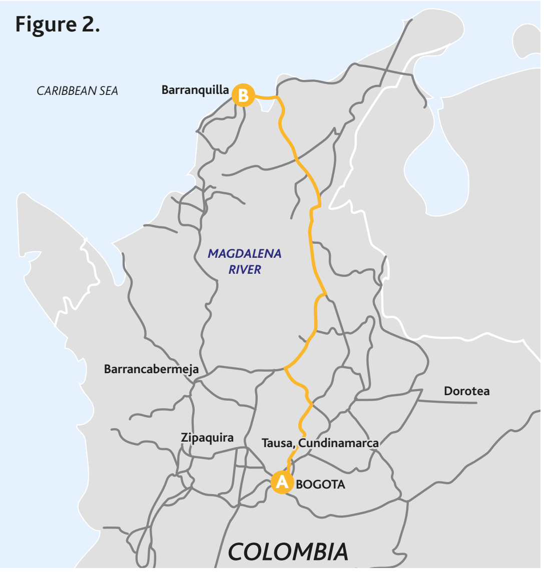
SELECTED ROUTES FOR BASELINE SCENARIO (IE, USE OF TRUCKS ONLY) – WET (FIG.1) AND DRY (FIG.2) CARGO TRANSPORT

Figure 1.



Crude oil transported by truck from Dorotea to Barranquilla. Naphtha transported by truck along the same route back from Barranquilla (bpd = barrels per day).

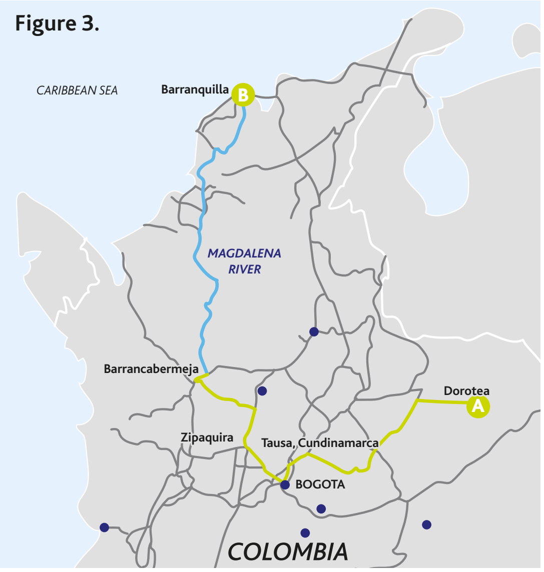
Figure 2.



Dry goods transported by truck from Tausa to Barranquilla. Dry goods transported by truck along the same route back from Barranquilla.

SELECTED ROUTES FOR MULTIMODAL SCENARIO – WET (FIG.3) AND DRY (FIG.4) CARGO TRANSPORT

Figure 3.



Crude oil transported by truck from Dorotea to Barrancabermeja, and by barge to Barranquilla.
Naphtha transported by barge and truck along the same return route.

Figure 4.

Dry goods transported by truck from Tausa to Barrancabermeja, and by barge to Barranquilla.
Dry goods transported by barge and truck along the same return route.

[2] World Resources Institute (WRI)/World Business Council for Sustainable Development (WBCSD) GHG Protocol: Corporate Value Chain (Scope 3) Accounting and Reporting Standard; last accessed on 1 November, 2014; *http://www.ghgprotocol.org/standards/scope-3-standard*

Emission factors

GHG emission factors were derived from 2014 UK Government Conversion Factors for Company Reporting[3] to translate fuel use into carbon dioxide equivalent ('CO_2e') emissions, as shown below.

Fuel emission factors used

Fuel	Emission factor kgCO_2e/litre
Biodiesel B10	2.404
Biodiesel B12	2.351
Marine diesel	2.669

Calculations

a. GHG emissions calculations for one round trip were based on fuel consumption figures for one truck (baseline scenario); and one truck and one tugboat pushing six barges (multimodal scenario).

Because emissions from the fuel use of one truck were being assessed against the much higher fuel consumption of one truck and one tugboat pulling a six-barge convoy along the river, it was deemed more useful to view emissions on a 'per kg' basis. Cargo load information was used to calculate emissions for each kilogramme of cargo transported in either scenario.

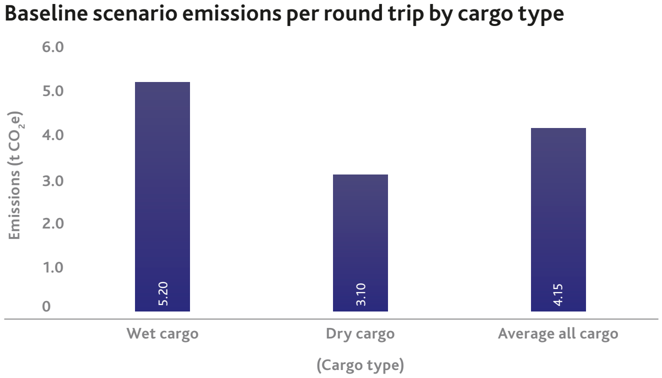
b. Annual GHG emissions calculations for each scenario were based on round trip emissions calculated as described above, and the annual number of round trips.

RESULTS

Emissions from one round trip – baseline scenario

GHG emissions per round trip were 5.2 tCO_2e (wet cargo) and 3.1 tCO_2e (dry cargo). This difference was due to the fuel consumed during transport of wet cargo from Dorotea to the port of Barranquilla, over a single journey distance of 1,670 kilometres, being higher than fuel consumption for dry cargo transport over a single journey distance of 950 kilometres from Tausa to Barranquilla.

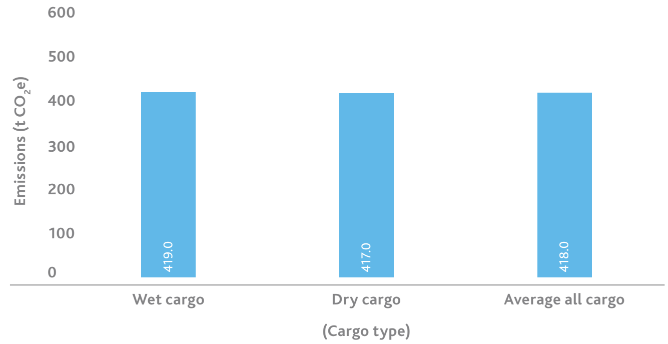
Baseline scenario emissions per round trip by cargo type



Emissions from one round trip – multimodal scenario

Emissions were 419 tCO_2e (wet cargo) and 417 tCO_2e (dry cargo), as shown below. Barge transport emissions are much higher as a tugboat consumes 41,176 gallons of marine diesel to pull six barges from Barrancabermeja to Barranquilla and back. The small difference in emissions between wet and dry cargo transport is due to the truck transport between Barrancabermeja and Dorotea, and between Barrancabermeja and Tausa respectively.

Multimodal scenario emissions per round trip by cargo type



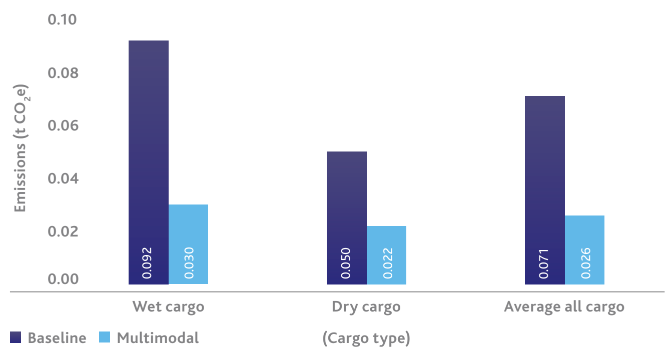
Emissions on 'per kg' basis

When viewed on a 'per kg' basis, average emissions from multimodal transport are lower than from truck transport only.

Emissions per kg cargo transported for each scenario

Scenario	Wet cargo kgCO_2e/kg	Dry cargo kgCO_2e/kg	Average all cargo kgCO_2e/kg
Baseline scenario	0.092	0.050	0.071
Multimodal scenario	0.030	0.022	0.026
% reduction in emissions	67%	56%	63%

Emissions per kg cargo transported for each scenario



Multimodal load testing

The Magdalena River depth currently imposes cargo load restrictions on barges, but with the dredging that is under way, increased barge loads will become a possibility for future operations. Trucks shift 100 percent cargo on the outbound journey and 70 percent cargo on the inbound journey in both scenarios for wet cargo transport. For dry cargo transport, trucks are loaded at 85 percent on the outbound journey, and at 100 percent on the inbound journey for both scenarios. Barges only carry 62 percent and 43 percent wet cargo on the outbound and inbound journeys. For dry cargo transport, the percentage load is 60 percent and 71 percent on the outbound and inbound journeys. The barge percentage load was increased to match truck loading, and emissions from multimodal transport with higher barge loads were found to be lower than emissions from the original multimodal scenario, by 38 percent (wet cargo) and 29 percent (dry cargo). When river capacity allows, loading will be an important factor to consider for further reduction of the GHG intensity of multimodal transport.

[3] Department for Environment, Food and Rural Affairs (DEFRA) / Department of Energy and Climate Change (DECC): UK Government conversion factors for Company Reporting; last accessed on 1st November 2014; *http://www.ukconversionfactorscarbonsmart.co.uk/*

Annual emissions

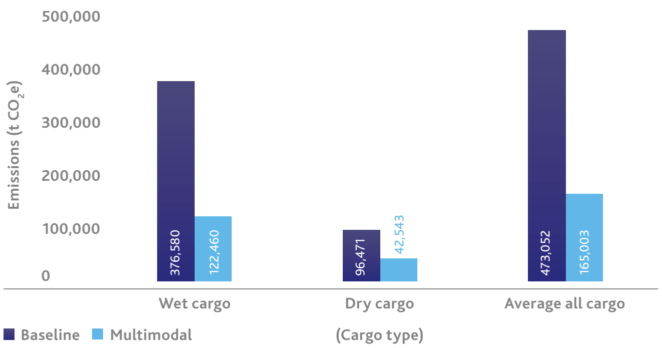
A forecast 4,083,220 tonnes of wet cargo and 1,930,000 tonnes of dry cargo will be transported annually when fluvial transport logistics commence in 2015. These figures and the weight of cargo moved during one round trip were used to calculate the total number of round trips per year for each scenario, and annual GHG emissions subsequently.

Annual emissions by cargo type for each scenario

Scenario	Wet cargo	Dry cargo	Average all cargo
	tCO_2e	tCO_2e	tCO_2e
Baseline scenario	376,580	96,471	473,052
Multimodal scenario	122,460	42,543	165,003
% fall in emissions	67%	56%	65%

As before, the barge percentage load was increased to match the percentage load of trucks. Increased barge loads corresponded to annual emissions decreasing by a further 38 percent (wet cargo) and 29 percent (dry cargo), as fewer trips would be required to move the same yearly cargo quantities.

Annual emissions by cargo type for both scenarios, including the effect of increased load on multimodal emissions



ALTERNATIVE CARGO TRANSPORT MODES IN COLOMBIA

Given that the average age of cargo vehicles in Colombia is 24 years[4], 'regular' Colombian trucks were taken to be 10 percent less fuel efficient than Impala Terminals' trucks. Large tugboats can burn between 100 and 200 gallons per hour[5], and it was assumed that 'regular' Colombian tugboat consumption would be at the upper end of this scale. Increased fuel consumption in 'regular' Colombian vehicles would result in higher emissions in both scenarios.

Rail transport would result in lower emissions across both scenarios, but as commercial rail infrastructure is not well developed in Colombia, large-scale rail transport is not yet a feasible option for Impala Terminals. Should there be increased investment in commercial rail, this could become a successful venture allowing for further emissions reduction.

SUPPLY CHAIN CARBON FOOTPRINTING REQUIREMENTS

The approach taken for this GHG assessment can serve as the basis for tracking future transport emissions. Furthermore, energy used during storage and blending activities at Impala Terminals facilities would need to be tracked and reported, not only to complete Impala's own Scope 1 and Scope 2 emissions reporting, but also to prepare for eventual requests from Impala customers for their Scope 3 accounting exercises.

CONCLUSIONS

- The multimodal scenario was found to be responsible for lower GHG emissions on a 'per kg' basis compared to the baseline scenario:

WET CARGO

67%

reduction in GHG intensity

0.030 $kgCO_2e/kg$ for the multimodal scenario versus 0.092 $kgCO_2e/kg$ for the baseline scenario), **representing a 67 percent reduction in GHG intensity**.

DRY CARGO

56%

reduction in GHG intensity

0.022 $kgCO_2e/kg$ for the multimodal scenario versus 0.050 $kgCO_2e/kg$ for the baseline scenario), **representing a 56 percent reduction in GHG intensity**.

FURTHER FINDINGS

- A higher percentage load for barge transport in future would further reduce multimodal scenario emissions.
- When looking at alternative modes of transport in Colombia, less fuel efficient Colombian truck and tugboat fleets would consume more fuel (10 percent increased fuel consumption assumed) and emit more GHGs than their Impala counterparts; but using rail freight would reduce emissions across both scenarios.
- Impala would need to start tracking energy use from its facilities to submit a complete emissions profile to its customers for their own Scope 3 reporting.

[4] US Department of Agriculture: Snapshot of Colombian Transportation and Infrastructure (2009); last accessed on 1 November, 2014; *http://gain.fas.usda.gov/Recent%20GAIN%20Publications/Snapshot%20of%20Colombian%20Transportation%20and%20Infrastructure_Bogota_Colombia_4-20-2009.pdf*.

[5] US Environmental Protection Agency: Tug/Towboat Emission Reduction Feasibility Study (2007).

DEMONSTRATING RESPECT FOR HUMAN RIGHTS

APPLYING A HUMAN RIGHTS LENS TO THE COMMODITY TRADING SECTOR

Trafigura recognises the relevance and importance of the UN's Guiding Principles (UNGP) on Business and Human Rights to the physical Commodity Trading Sector and its own commercial activities. In contrast to the extractives sector, commodity trading companies have been less forthcoming in articulating and demonstrating their business approach to managing human rights. To date, there is little material that relates to the complexity of applying the UNGPs on Human Rights to the sector. In part, this has resulted in requests from civil society and others to Trafigura for detail on its corporate understanding of, and activities in relation to, its human rights impacts.

There is also growing momentum around the human rights agenda in the investment community. This is reflected in the recent updates to the Equator Principles, to which a significant proportion of Trafigura's lenders subscribe, the IFC Performance Standards as well as the UN Principles for Responsible Investment. Across the private sector, companies are increasingly formalising their approach to formally integrating the UN Guiding Principles into corporate processes and structures.

In the oil, gas and mining sectors industry associations, such as the ICMM (International Council on Mining and Metals) and IPIECA (International Petroleum Industry Environmental Conservation Association), have been working collaboratively with industry peers and human rights organisations (eg, Institute for Human Rights and Business, Shift) to develop guidance which will support the adoption and practical implementation of the UNGPs across the mining and minerals, and oil and petroleum sectors, respectively.

> Informed by our interpretation of the UNGPs and the work of IPIECA[1] and ICMM[2], we recognise the need and are committed to embedding a robust and ongoing management approach to respecting human rights across Trafigura's physical trading activities.

While practical guidance for the commodity trading sector has yet to be developed, this is likely to evolve over the next 18 months as Trafigura and peer organisations, industry sector associations (for example, the Swiss Trading and Shipping Association (STSA)), the Swiss Government, and critical stakeholders begin to engage further on how commodity trading firms identify, manage and mitigate adverse human rights impacts.

Given the diversity and geographical reach of Trafigura's commodity portfolio, and extensive nature of our business interactions within complex operating environments, Trafigura is actively reviewing how to further align and strengthen its business approach and processes with the requirements of the UNGPs. Our commitment to respond and embed the UNGPs is already reflected within Trafigura's Health, Safety, Environment and Community (HSEC) Policy and HSEC Business Principles, which extend to those with whom we do business, and is supported by our wider corporate responsibility work programme.

The rapid growth of Trafigura's trading activity in recent years has called for the establishment of more rigorous HSEC risk profiling and management processes. This extends to a corporate responsibility to respect human rights, as defined by UNGP Foundational principle 13, and the need for Trafigura to have robust due-diligence processes in place to ensure that the company's activities do not cause or contribute to adverse human rights impacts arising from our own business activities or through the business relationships that are directly linked to our operations, products and services.

Trafigura accepts that the application of the UNGPs to the trading sector is a multi-dimensional process, from augmenting greater revenue transparency in the commodities sector to mitigating the impact on and seeking to maximise the benefits for local communities when developing infrastructure projects. Trafigura has also sought to work alongside expert third parties such as the World Business Council on Sustainable Development (WBCSD) towards developing a model that best responds to the organisation's highly complex risk profile.

HOW IS TRAFIGURA RESPONDING?

In addition to a range of ongoing HSEC programmes across the Group, in 2014, Trafigura undertook a desk-based strategic review and rights mapping exercise to determine how Trafigura's trading activities have the potential to directly and indirectly interface and impact on internationally recognised human rights of affected stakeholders. Affected stakeholders may include rights holders such as company workers, upstream supply chain actors, contractors (including sub-contractors and other third parties engaged directly or indirectly on behalf of an organisation), affected communities, indigenous people and vulnerable groups) in the locations where we trade.

Trafigura recognises that the degree of influence and control that the Group has over managing potential sources of human rights impacts and infringements will vary subject to factors such as:

- Nature of contractual engagements with its business partners
- Extent of ownership and operational involvement in the sourcing, storage, blending, and delivery of different commodities
- Types of direct and extended relationships with contractors (including individuals, agents, sub-contractors, third parties and business partners) and suppliers involved in trading activities, and

[1] *http://www.ihrb.org/pdf/eu-sector-guidance/EC-Guides/O&G/EC-Guide_O&G.pdf*

[2] *http://www.icmm.com/page/75929/integrating-human-rights-due-diligence-into-corporate-risk-management-processes*

[3] The term 'contractor' refers to a company, agent or third parties that are engaged directly or indirectly by Trafigura's 'Oil and Petroleum Products Trading Division', 'Metals and Minerals Trading Division' and 'Shipping and Chartering desk' and to provide contracting, intermediary or other services to Trafigura or any Trafigura Group company ('Trafigura'), regardless of their location.

- Nature of operating contexts (including heightened level of risk in locations linked to, for example, conflict, corruption and bribery, weakened ability of a State to protect and respect human rights, revenue transparency, beneficial ownership, humanitarian issues and extreme weather events).

A number of core areas were identified where there is potential for adverse human rights impacts to arise across trading cycles and their value chains, and new infrastructure projects (including expansions/upgrades to such assets), which will be a key focus of priority for Trafigura over the next 12 months and beyond:

- Assurance of upstream suppliers involved in the sourcing of commodities and, where possible, enhancing supply chain traceability (in particular in relation to conflict minerals)
- Assurance of environmental, health, safety and social (labour standards and working conditions) practices and performance of contractors[3]
- Assessing and managing potential impacts on affected communities (including minorities and indigenous groups) for example, community safety, cultural heritage, access to land (land rights) and to natural resources for sustainable livelihoods, and
- Providing access to effective and culturally appropriate grievance mechanisms within local operational contexts.

FUTURE ACTIVITIES

Trafigura has made substantial progress in advancing the human rights agenda across its recent work programmes at Group level and across Trafigura's trading business. Trafigura intends to further develop such activities in 2015 in partnership with expert third parties such as the WBCSD, UN Global Compact and in consultation with relevant stakeholders. On the basis that the topic of human rights is a key focus for Trafigura and likely to remain a subject of key interest to our stakeholders, we intend to report on progress in further detail in 2015.

Trafigura has developed an illustration of its Corporate Responsibility to Respect Human Rights (below), with due consideration of the key elements outlined in Figure 1 on page 13 of: http://www.ihrb.org/pdf/eu-sector-guidance/EC-Guides/O&G/EC-Guide_O&G.pdf

CORPORATE RESPONSIBILITY TO RESPECT HUMAN RIGHTS

CONDUCT: TRANSPARENCY

RESPONDING TO CALLS FOR GREATER TRANSPARENCY IN THE TRADING SECTOR

In 2014, the trading of crude oil and petroleum products accounted for 74 percent (2013: 76 percent) of Trafigura's global revenue. Metals and minerals trading accounted for 26 percent (2013: 24 percent). A small proportion of Trafigura's trading activities involves the purchase of oil from National Oil Companies (NOCs), a particular type of state-owned enterprise (SOE).

NOCs or SOEs may own and operate projects, either outright or in joint ventures. State equity is used by many countries to secure additional government take (beyond tax revenue) from extractive projects. This is sometimes motivated by non-fiscal concerns such as: a desire for direct government ownership, a 'seat at the table', or to facilitate the transfer of knowledge. In addition, SOEs often collect revenues (often in-kind) from other resource companies on behalf of the state, and then transfer a proportion of these revenues to the government treasury. In some cases, SOEs directly spend a portion of these revenues and/or net out amounts due to them by the Government. In other cases, SOEs receive funds from the Government to cover their expenses. Where managed effectively, these arrangements may be intended to contribute to the effective use of natural resources and contribute to national development.

As a major facilitator of global trade, we believe we have a role in disclosing how much we pay to governments and their national oil companies, and that governments have an important part to play in disclosing how they use these funds. We believe that such transparency allows for the determination of whether natural resources producing countries have received a fair price for their natural resources; it promotes accountability and good governance and helps drive economic development.

ENGAGEMENT WITH THE EITI

In 2014, Trafigura actively sought engagement with the Extractive Industries Transparency Initiative (EITI) with a view to exploring opportunities to further advance transparency in the commodities trading sector.

The EITI is a global coalition of governments, companies and civil society working together to improve openness and accountable management of revenues from natural resources. The organisation represents a key multi-stakeholder forum for the evolving international debate about the importance of enhanced transparency and accountability around payments to governments by companies in the natural resources sector.

The EITI has historically focused on the extractive industries. The integration of the trading industry into EITI reporting in EITI implementing countries is a new and evolving part of EITI implementation.

TRANSPARENCY POLICY

In 2014, Trafigura formally declared its support to the EITI. In a further step, Trafigura published a policy on payments to Governments, drawn up in consultation with the EITI International Secretariat. The policy commits the company to disclosing Trafigura's payments to governments in EITI compliant and candidate countries, relevant to oil trading activities, beginning in 2015.

The disclosure commitment is the first of its kind from the commodities trading sector. It is an important step towards development of a disclosure standard for the trading industry within the EITI framework, a process Trafigura has committed to participating in actively in 2015. While this announcement fell outside of Trafigura's 2013-14 financial reporting year, the development is known to be of significant materiality to our stakeholders.

"I welcome with great pleasure Trafigura's commitment to full disclosure of the payments they make to governments and to their national oil companies. This move has potential to help improve the lives of many in African and other resource-rich countries.

"I am now keen to see how this move brings reputational and competitive benefit to Trafigura and how long before other Swiss-based commodity traders follow."

PROFESSOR PETER EIGEN,
AFRICA PROGRESS PANEL MEMBER

We believe that the EITI's multi-stakeholder approach is the most effective way to develop transparency standards associated with government revenues from economic activities in the extractive industries value chain.

As an EITI supporting company, Trafigura supports the principles of the EITI, which attest broad acceptance and support of revenue transparency. The EITI principles equally govern our transparency policy and include as follows:

1. We share a belief that the prudent use of natural resource wealth should be an important engine for sustainable economic growth that contributes to sustainable development and poverty reduction, but if not managed properly, can create negative economic and social impacts
2. We affirm that management of natural resource wealth for the benefit of a country's citizens is in the domain of sovereign governments to be exercised in the interests of their national development
3. We recognise that the benefits of resource extraction occur as revenue streams over many years and can be highly price dependent
4. We recognise that a public understanding of government revenues and expenditure over time could help public debate and inform choice of appropriate and realistic options for sustainable development
5. We underline the importance of transparency by governments and companies in the extractive industries and the need to enhance public financial management and accountability
6. We recognise that achievement of greater transparency must be set in the context of respect for contracts and laws
7. We recognise the enhanced environment for domestic and foreign direct investment that financial transparency may bring
8. We believe in the principle and practice of accountability by government to all citizens for the stewardship of revenue streams and public expenditure
9. We are committed to encouraging high standards of transparency and accountability in public life, government operations and in business
10. We believe that a broadly consistent and workable approach to the disclosure of payments and revenues is required, which is simple to undertake and to use
11. We believe that payments' disclosure in a given country should involve all extractive industry companies operating in that country
12. In seeking solutions, we believe that all stakeholders have important and relevant contributions to make – including governments and their agencies, extractive industry companies, service companies, multi-lateral organisations, financial organisations, investors and non-governmental organisations.

POLICY APPROACH

Rooted in international good practice, as set within the EITI Standard and further elaborated in Guidance Note 18 on SOE Participation in EITI Reporting, Trafigura's transparency policy commits the company to disclose payments to governments in EITI implementing countries in 2015 and beyond.

As it does with other Trafigura policies of this nature, Trafigura's transparency policy explicitly articulates the intention to encourage all partners, suppliers and counterparties to apply comparable principles and policies in future. However, in accordance with EITI Principle 6 (see above); the policy does recognise that the achievement of greater transparency must be set in the context of respect for contracts and laws. The policy is not a substitute for national laws and regulations, and as such national laws and regulations will take precedence over the policy on payments to Governments.

Legal requirements in a range of countries and regions around the world already make disclosure of payments to Governments mandatory for many listed companies in the extractive sector. While these legislative efforts have to date focused principally on upstream oil producers and mining companies, many of which are also voluntarily disclosing their payments to governments, there is increasing discussion of extending disclosure in this domain to commodity trading firms.

The Trafigura Group is not publicly listed, but owned by over 600 of its almost 9,000 employees. We would therefore typically be considered exempt from such legal initiatives targeting listed companies.

POLICY SCOPE

For the purpose of Trafigura's transparency policy 'payments to governments' are defined as follows:

- Payments to NOCs for crude oil and petroleum products and gas
- Corporate taxes and, where relevant, licence payments to Governments.

Trafigura has determined 'Governments' to include:

- SOEs, in the case of this policy limited to NOCs in EITI implementing (candidate and compliant) countries
- EITI implementing countries as of 1 October, 2014 included as follows:

Compliant countries: Albania, Azerbaijan, Burkina Faso, Cameroon, Central African Republic (currently suspended), Chad, Congo-Brazzaville, Côte d'Ivoire, DRC, Ghana, Guatemala, Guinea, Indonesia, Iraq, Kazakhstan, Kyrgyz Republic, Liberia, Mali, Mauritania, Mongolia, Mozambique, Niger, Nigeria, Norway, Peru, Sierra Leone, Tanzania, Timor-Leste, Togo, Yemen, Zambia.

Candidate countries: Afghanistan, Colombia, Myanmar, PNG, Senegal, Tajikistan, The Philippines, Ukraine, Ethiopia, Honduras, Madagascar, São Tomé and Príncipe, Seychelles, Solomon Islands, Trinidad and Tobago, United Kingdom, USA.

Of note is that the focus of Trafigura's transparency policy centres on payments to NOCs on the basis that such transactions generate significant revenues for sovereign states, along with the taxes and licence fees Trafigura pays around the world. As such, payments to NOCs were viewed as most relevant to the EITIs mission to improve openness and accountable management of revenues from natural resources.

Trafigura's disclosure model will be reviewed in 2015 to reflect stakeholder feedback in the context of our commitment to work towards voluntary trading-industry disclosure standards with the EITI though its multi-stakeholder forum, EITI multi-stakeholder groups in EITI implementing countries, as well as with other trading houses that wish to contribute towards the development of voluntary trading-industry disclosure standards.

EITI Extractive Industries Transparency Initiative

For further information please visit https://eiti.org/

EXTERNAL VOICE*

PUBLISH PAYMENTS TO GOVERNMENTS:

COMMODITY TRADING IN AN AGE OF TRANSPARENCY

JONAS MOBERG
Head of the International Secretariat of the
Extractive Industries Transparency Initiative (EITI)

Transparency of government revenue from the commodity trade is key to ensure that the three billion citizens living in resource-rich countries can see the benefits from their natural resources.

A NEW POLICY FOR AN AGE OF TRANSPARENCY

Trafigura announced on 18 November, 2014, its new policy to support the Extractive Industries Transparency Initiative (EITI), the global standard for improving transparency of revenues from natural resources, and to disclose its payments for oil to governments that are members of the EITI. Through these decisions Trafigura took an important step towards improved transparency in global commodity trade. Trafigura joined the global EITI coalition of governments, civil society organisations and over 90 oil, gas and mining companies that work together towards more transparency and better governance of natural resources. As a consequence of this multi-stakeholder approach, citizens in 48 countries can now see how much their government receives from their natural resources. With disclosure from commodity trading companies, it will be possible to verify what governments report to have received against what commodity traders report to have paid. This will further improve accountability and the reliability of the figures.

TIME TO STEP UP

The commodity trading industry plays an important role in feeding the global market with oil, gas, minerals and metals necessary for economic development. This much is widely appreciated. What is

*'External Voices' as included within this Annual Report represent the unedited views of key opinion formers that Trafigura has worked alongside over the reporting year. External Voices have been included within this report with a view to furthering debate on issues of key interest to our business and to our stakeholders.

often less obvious is the key role these trading companies play in providing revenues to governments of resource-rich countries. Acting often as an intermediary between exporters and importers of crude oil, for example, an oil trading company transfers not only oil from one country to another, but also significant amount of capital from the oil consumer to the oil producer.

Until recently, the proceeds from the sale of these resources went unnoticed and were not publicly recorded in most countries. Such secrecy breeds abuse, corruption, mismanagement, resentment and sometimes conflict.

This is why Trafigura's unprecedented commitment to disclose its payments to governments as part of its trading activities is an important act of industry leadership. This is also the reason why the EITI is calling on other trading companies to step up and join the global effort towards more transparent commodity trading.

The EITI is first and foremost implemented by governments and therefore arguably not the right tool to address all issues in the trading industry. However, bringing transparency to the interaction between trading companies and resource-rich governments is a necessary step if we are to ensure that citizens benefit from the resources that belong to them. A common set of comprehensive and practical reporting guidelines will ensure a level playing field for the trading industry and a response to the increasing global demands for reporting, transparency and, ultimately, accountability.

THE EITI STANDARD

Last year the EITI adopted the *2013 EITI Standard*, a result of years of consultations and negotiations. The Standard took the EITI from being a relatively narrowly focused revenue transparency mechanism to a wider platform for reforms of natural resource management. The Standard requires that each country publish an annual *EITI Report* that contains, amongst other things, information about the legal and fiscal provisions relevant to extractives, organisation of state-owned enterprises (SOEs), production, licence allocations and registers. The Standard contains recommendations on contracts disclosure and a provision on the disclosure of oil sales by SOEs. The EITI will launch a consultative process in 2015 that will hopefully result in the approval of a common set of reporting guidelines applicable to both trading companies and SOEs.

In other words, the EITI is at the cusp of providing detailed information about how the extractive sector is managed in EITI countries. Some countries are already at the forefront when it comes to disclosing information about their oil sales. Ghana, Iraq, and Nigeria, for example, have already published detailed information about the oil sold by the respective government including the buying companies. In other countries like the Democratic Republic of Congo, detailed information about the sale of oil by the state-owned company is available but the buying company is not revealed.

RESULTS OF TRANSPARENCY

While the EITI has been successful in bringing transparency to the extractive sector, one of the key challenges ahead is to ensure that the wealth of data generated by the EITI is understood, analysed and used to encourage change and improvements in the extractive sector.

Some early examples of how the EITI is being used to initiate reforms include:

- In **Chad**, the government has established revenue recording and monitoring systems after EITI reports identified inadequate record keeping systems.
- In **Ghana**, closer scrutiny of royalties transferred by the central government to the local level has led the government to develop guidelines for the utilisation of local revenue and to open separate bank accounts that facilitate revenue-tracking.
- In **Myanmar**, the EITI has become a platform for conversations on needs for reforming state-owned enterprises and how to manage the revenues from oil and gas sustainably.
- In **Mongolia**, the EITI has helped harmonise and enforce auditing practices across government agencies contributing to strengthening public financial management.
- In **Nigeria**, the government is developing a new calculation model for royalty payments from oil after EITI identified a US$2bn underassessment.

MANDATORY DISCLOSURE FOR LISTED COMPANIES

There have been extensive debates in recent years about mandatory disclosure requirements for oil, gas and mining companies in the US and Europe. This refers to legislation, particularly section 1504 in the Dodd-Frank Act in the US and the EU Transparency Directive requiring that extractive companies with publicly listed shares and instruments report payments to governments, by project. The EITI considers there to be complementarity between these reporting requirements and the EITI. Having data in stock exchanges in the US and Europe is welcome. Theses listings rules require company disclosure, without making government receipts transparent and without a national commission responsible for using this information to inform public debate. Furthermore, in EITI implementing countries, all companies that make significant payments to Government, whether listed or not, are required to report, bringing a level playing field to the country of operation. The EITI national processes often engage with local communities, where community members do not have the capacity to dissect stock exchange reporting or international civil society organisation reports. In addition, about one-third of the 48 countries that implement the EITI have enacted some sort of EITI legislation, mandating full disclosure at the national level.

The EITI is increasingly becoming a forum where companies, civil society and governments meet to reach compromises that further a common agenda of transparency and accountability in the management of natural resources. With the increasing global focus on transparency in the trading of oil, gas and minerals, it is time for commodity trading companies to join this debate. Trafigura's commitment is a good first step in the right direction for the industry.

Jonas Moberg
Head of the International Secretariat of the
Extractive Industries Transparency Initiative (EITI)

PUBLISH PAYMENTS TO GOVERNMENTS
Further information can be found at www.eiti.org or on Twitter @EITIorg

COMMUNITY:
CONFLICT MINERALS

EMBEDDING ROBUST MANAGEMENT PROCESSES

In 2013, Trafigura reported on work conducted in support of conflict-free supply chains and emerging best practice. In particular, its efforts to put in place rigorous procedures to address regional and international regulatory reporting requirements, such as those adopted by US Congress section 1502 of the Dodd-Frank Wall Street Reform Act (DF1502) relevant to conflict minerals, tin, tantalum, tungsten and gold – otherwise known as 3TG.

Trafigura is not directly subject to Dodd-Frank 1502, nevertheless, as a purchaser and trader of tin, Trafigura has adopted a proactive and reactive due-diligence programme in respect of its tin supply chain from high risk countries with a view to ensuring that its activities do not directly or indirectly contribute to armed conflict and serious human rights abuses.

The main objectives of Trafigura's due-diligence programme are as follows:

1. To comply with regional and international, extraterritorial legislation, in particular the Regional Certification Mechanism (RCM) of the International Conference on the Great Lakes Region (ICGLR) and Section 1502 of the US Dodd-Frank Wall Street Reform and Consumer Protection Act (DF1502);
2. To comply with market demands for transparent and traceable 3TG material and in particular the audit requirements of the Conflict Free Smelter Programme (CFSP) through Trafigura's membership in and exclusive sourcing of tin from the ITSCI (ITRI Tin Supply Chain Initiative) programme;
3. To mitigate risks through association with armed conflict, serious human rights abuse, forced or child labour practices.

PROGRAMME DESIGN

Trafigura's conflict minerals due-diligence programme is designed to be in conformance in all material aspects with the internationally recognised OECD Due-Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (OECD DDG). The due-diligence programme is also aligned with Trafigura's HSEC Policy and Business Principles with a view to embedding Trafigura Group's broader vision of responsible business practices.

The conflict minerals programme is risk based, with increased due diligence being carried out on 3TG sources in high risk countries. High risk countries for the first phase of the due-diligence programme are those defined as 'Level 2' or 'Level 3' countries by the Conflict Free Sourcing Initiative's (CFSI) Conflict Free Smelter Programme (CFSP).

Trafigura applies a three-step evaluation for all 3TG purchases to determine appropriate due-diligence measure.

TRAFIGURA'S CONFLICT MINERALS DUE-DILIGENCE PROGRAMME

1. STANDARD 'KNOW YOUR COUNTERPARTY' CHECKS

2. EXPANDED DUE DILIGENCE FOR 3TG ORIGINATING IN HIGH-RISK COUNTRIES OR FROM ARTISANAL SMALL SCALE MINING SOURCES

3. INDEPENDENT THIRD-PARTY ASSESSMENTS

ACTIVITIES

The following activities were carried out by Trafigura over the last financial year in conformance with the OECD DDG five-step process.

1 OECD STEP 1: ESTABLISH STRONG COMPANY MANAGEMENT SYSTEMS

- Defined a clear Conflict Minerals Policy, based on the model policy of Annex II of the OECD DDG in collaboration with key internal stakeholders including: Trafigura's Trading, Operations, Compliance and Corporate Affairs personnel
- Communicated the Policy to relevant stakeholders internally and externally including making it freely available online on Trafigura.com
- Formalised the due-diligence approach in an internal Due-Diligence (DD) Guidance Document. The DD Guidance includes the definition of key concepts such as 'high risk countries', describes the three step due-diligence approach as it applies to mechanised or artisanal mining as well as to low or high risk countries, and includes the responsibilities and competencies of internal stakeholders tasked with the implementation of the programme
- Clearly defined roles and responsibilities among its team members to ensure the integration of due-diligence measures into the company's daily activities.

1 The definition of level 1, 2 and 3 countries are based on the following documents: CFSP Supply Chain Transparency Audit Protocol for Tin and Tantalum, Revision of 21 November, 2013; CFSP Supply Chain Transparency Audit Protocol for Tungsten, Revision of 22 November, 2013 and DRAFT CFSP Supply Chain Transparency Audit Protocol for Gold, Revision of 14 April, 2014.

Trafigura resource

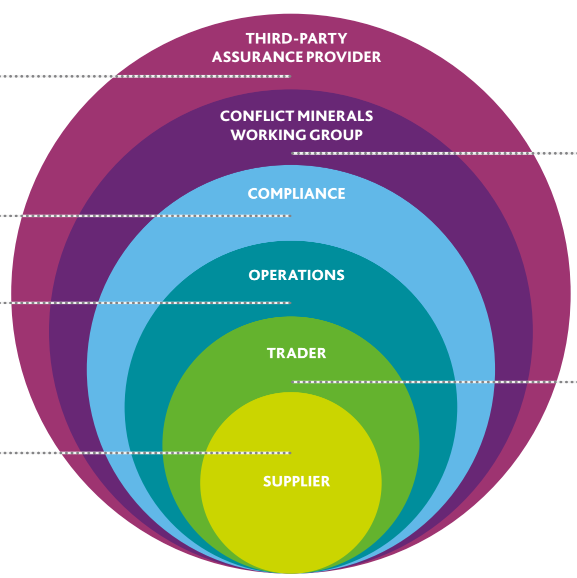
Trafigura have appointed a Conflict Minerals Working Group to oversee the company's conflict minerals and related due-diligence programme. The Chairperson of the Working Group is independent from Trading and Operations activities and sits on Trafigura's HSEC Steering Group.

The Conflict Minerals Working Group, including representatives from Trading, Operations, and Compliance, meet as required to conduct the following activities:

- Develop policy and process in response to industry trends, regulatory requirements and/or legislative amends
- Guide implementation of due diligence, and agree targets for implementation
- Examine updates on emerging issues and stakeholder expectations and requirements
- Maintain and review risk logs and management of key risks to integrity of approach and process
- Liaise with CFSI approved certification schemes such as ITSCI
- Instruct third-party due diligence
- Review assurance information and recommend appropriate risk mitigation strategy
- Review supplier performance based on implementation of mitigation strategy and recommend consequent action
- Report regularly to the Head of Metals and Minerals division on performance
- Recommend to Head of Metals and Minerals division the need to suspend or terminate agreements
- Provide training/supporting information where required
- Coordinate external reporting with regard to Group HSEC policy and performance.

Trafigura-owned tin concentrate, Lubumbashi, DRC.

PROGRAMME ACCOUNTABILITIES



Assurance against policy. Recommendations for process improvements. Strategic advisory.

Enhanced due diligence and information review, supplier vetting, final approval to proceed with commercial arrangements.

Gathering of all relevant information via relevant trader prior to presentation to Compliance.

Adherence to policy and compliance with contractual requirement. Implementation of due-diligence process. Provision of information as required. Assistance in third-party reviews and acceptance of potential site visits.

Policy, process, strategy, industry liaison, risk assessment, third-party reviews, liaison with senior management, training, ultimate decision for approval of business relationships. Membership incorporates Trading, Operations, Compliance and Corporate Affairs (HSEC). Meets as required.

Liaison with supplier. Awareness building in respect of contractual requirements and due-diligence process. Assistance in coordination of third-party reviews. Inform operations and compliance of supplier incidents.

COMMUNITY: CONFLICT MINERALS CONTINUED

2 OECD STEP 2: IDENTIFY AND ASSESS RISKS IN THE SUPPLY CHAIN

- Applying the OECD Due-Diligence Policy and Guidance, Trafigura commenced implementation of enhanced 'Know Your Counterparty' (KYC) procedures in extension to Trafigura's existing KYC protocols
- In March/April 2014, RCS Global, a specialist consultancy appointed by Trafigura, carried out a first round of third-party assessments of tin suppliers and supply chains in Rwanda and the DRC with a view to gain a more in-depth understanding of suppliers' level of compliance with Trafigura's Conflict Minerals Due-Diligence Policy requirements. Assessments were conducted as follows:
  - In accordance with the ISO 19011:2002 Standard for management systems audits and RCS Global used a standardised supplier questionnaire to guide the assessment team
  - The objective of the assessments was to review supplier practices, systems, policies and procedures with a view to determine the level of compliance with Trafigura's Conflict Minerals Due-Diligence Policy.
- Trafigura utilised the following sources of information when assessing operational risks faced over the course of 2013-14:
  - Site visits and supplier discussions by Trading team
  - Meetings by Trading team with local ITSCI representatives
  - Regular conversations with the ITSCI's Head Office
  - Review of ITSCI reports
  - Review of expert analysis from United Nations as well as, for example, NGO reports
  - Regular international and local media review.

Trafigura's Trading team shared information in respect of risks faced with counterparties either by verbal discussion or via emails where potential issues/incidents were raised.

- As evidenced by the enhanced KYC process and the independent third-party assessments, Trafigura faces a number of risks in relation to the sourcing of tin from mine sites in high-risk countries. In particular this concerns sources in the DRC and, to a lesser extent, Rwanda. General risk categories that apply are:
  - General risks associated with the supplier's operations
  - Risks related to serious human rights abuse, child labour or forced labour
  - Risks related to the direct or indirect support to non-state armed actors, private or public security forces
  - Risks related to money laundering
  - Risks related to the legality of suppliers' operations, taxes, fees and royalties.

3 OECD STEP 3: DESIGN AND IMPLEMENT A STRATEGY TO RESPOND TO IDENTIFIED RISKS

- Following the initial programme development and first round of third-party audits, Trafigura and RCS Global formalised its risk rating as well as established a risk mitigation plan for its tin supply chains from artisanal sources in high risk countries. The risk matrix applied by Trafigura is fully integrated into the Trafigura Group HSEC risk management methodology and follows the same ranking based on likelihood and severity of each risk.
- Further specific risk mitigation measures based on identified risks included:
  - Increased engagement with, and involvement of, internal stakeholders, in particular members of the Trading team, through regular consultation, communication and training (where required)
  - Active engagement, awareness raising and education of suppliers in high-risk countries on Trafigura's Conflict Minerals Due-Diligence Policy and sourcing requirements
  - Promotion of a corporate policy requirement to conduct annual third-party assessments of 30 percent of suppliers in high risk countries as well as of any new suppliers within a defined period, including the development of improvement plans with each supplier to facilitate ongoing monitoring of progress
  - Increased engagement on a local, regional and international level with Trafigura's external due-diligence provider, ITSCI
  - Increased external communication, for example at industry events, to present Trafigura's approach, including lessons learned to benefit other actors sourcing from high-risk countries.

4 OECD STEP 4: CARRY OUT INDEPENDENT THIRD-PARTY AUDIT OF SUPPLY CHAIN DUE-DILIGENCE AT IDENTIFIED POINTS IN THE SUPPLY CHAIN

- Carried out baseline assessments of key suppliers in high-risk areas using RCS Global as an independent assessor
- In 2015, Trafigura intends to carry out further audits of key suppliers in the DRC and Rwanda in line with its policy to audit 30 percent of suppliers on an annual basis.

5 OECD STEP 5: REPORT ON SUPPLY CHAIN DUE DILIGENCE

- Although not required to report under DF1502 on conflict minerals, Trafigura has committed to reporting its due-diligence activities on an annual basis on its website.
- In conformance with the OECD Due-Diligence Guidance, Trafigura provides a whistleblower mechanism for the general public. If stakeholders wish to contact Trafigura with any questions or concerns regarding our due-diligence programme they are advised to email the company at HSEC@trafigura.com

DUE-DILIGENCE PROGRAMME FUTURE FOCUS

- In line with the OECD DDG vision of due diligence as an ongoing process, RCS Global and Trafigura are in the process of carrying out an annual review of the Conflict Minerals Policy and DD Guidance so as to integrate lessons learned from previous activities and adjust the due-diligence approach to take into account new or emerging industry and regulatory trends.

RCS GLOBAL STATEMENT

CONFLICT MINERALS PROGRESS REVIEW

In 2014, RCS Global on behalf of Trafigura's Metals and Minerals division (Trafigura), conducted an independent assessment of two (2) direct tin suppliers of Trafigura in Rwanda and three (3) direct tin suppliers in the Democratic Republic of Congo (DRC) with a view to determine if in-country tin supply chains are:

1. Free of conflict and serious human rights abuse;
2. Free of child and forced labour;
3. In conformance with legal requirements.

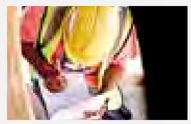
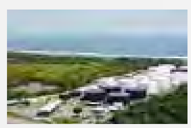
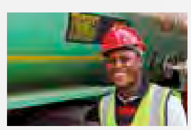
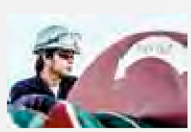
Based on the assessment procedures performed, nothing has come to the attention of RCS Global that would indicate that the extraction and trade of tin by actors in the supply chains that were included in this assessment, directly or indirectly, benefit armed groups or contribute to serious human rights abuse in the DRC or Rwanda.

Inside Impala Terminals' Lubumbashi warehouse, DRC.

MEASURING OUR PERFORMANCE

HSEC TARGETS

At a Group level we commenced tracking our performance against key HSEC targets on 1 October, 2014. Performance statistics, which we are likely to add to as we progress our HSEC journey, will form an essential part of our annual disclosure to stakeholders in future years.

CATEGORY	KEY PERFORMANCE INDICATORS*
HEALTH AND SAFETY 	• Number of fatalities • Health and safety-related incidents • Health and safety related fines and penalties • Health and safety related prosecutions, sanctions and regulatory actions/orders received • Formal health and safety management systems in place • Total number of recordable injury cases (TRI) • HSE training undertaken
ENVIRONMENT 	• Environmental-related incidents • Environmental fines • Environmental prosecutions, sanctions and regulatory orders • Formal environmental management systems in place **To be reported by Puma Energy in 2016:** ** Water use ** Water discharges ** Direct energy use ** Hazardous and non-hazardous waste disposal
PEOPLE 	• Employment • Diversity and equal opportunity
CONDUCT 	• Anti-corruption behaviour • Anti-competitive behaviour
COMMUNITY 	• Community investments

* Performance data to feature in 2015 report.
** Denotes KPIs that only apply to specific Divisions and Sites.

ASSURANCE

In 2014, Trafigura developed an HSEC Assurance Programme. The purpose of the programme is to assess the extent to which the HSEC Policy and HSEC Business Principles are being effectively implemented across each constituent entity of the Group.

In 2015, the assurance programme will review the activities of multiple Group entities with the following objectives:

- To establish the level of conformance with Trafigura's HSEC Policy and HSEC Business Principles, and specifically identify areas of good practice and any deficiencies
- To report on existing systems and processes in place that meets the requirements of the HSEC Policy and HSEC Business Principles
- Where gaps exist, to provide recommendations as to the necessary steps towards meeting the requirements set out in the HSEC Policy and HSEC Business Principles
- To share good practice and improve the understanding of the HSEC Policy, HSEC Business Principles and wider related HSEC matters within the Trafigura entity subject to the assessment.

The HSEC Assurance process will be an annual programme, performed in the first quarter of each financial year, to secure internal assurance that quantitative and qualitative information pertaining to reported HSEC performance, risk observance and risk mitigation is adequate and appropriate.

The approach to undertaking assurance assessments will involve the following:

- Self-Assessment for all Trafigura divisions, subsidiaries and significant investments. This will be required to be completed annually by all Group entities expected to comply with the Trafigura Group HSEC Policy and HSEC Business Principles, and will consist of a detailed questionnaire and follow-up interviews. The relevant HSEC Steering Group management representatives from that division, subsidiary or significant investment will have primary responsibility for completing the Self-Assessment Questionnaire
- A review of HSEC performance data, including incidents reported and HSEC risk logs and corresponding risk mitigation measures. A review of all the HSEC data reported throughout the year by each division, subsidiary or significant investment will also be carried out
- Site-based assessments will take place based on the severity of HSEC risks faced and subject to agreement by division or subsidiary.

US ENVIRONMENTAL PROTECTION AGENCY CERCLA ORDER 02-2011-2003 COMPLETED

In 2009, a blast and fire tore through an oil storage terminal owned by Caribbean Petroleum Company (Capeco) in Bayamón, Puerto Rico. Hundreds of nearby houses were damaged and the terminal itself was partially destroyed. Two years later, Puma Energy acquired the site and announced plans to bring it back into use.

Puma Energy had made four separate voluntary orders as part of the acquisition with the US Environmental Protection Agency (EPA) – one of which was called CERCLA Order 02-2011-2003. The Order included the removal and safe disposal of asbestos, removal of contaminated soil, removal of hazardous substances and ignitable material from the facility piping. Puma Energy was also tasked with demolishing old structures and monitoring air quality around the site.

In September 2014, Puma Energy received 'Notification of Completion'. The notification states that the EPA is satisfied that all the work at the Terminal has been fully carried out to world-class standards by Puma Energy, therefore closing the CERCLA Order 02-2011-2003.

Puma Energy, through its CSR programme, has also worked closely with the local community to build trust, foster positive relationships and look for investment opportunities in local projects that support the company's overall CSR objectives.

To view Puma Energy's 'Rebuilding in Puerto Rico' video please scan the QR code or visit www.pumaenergy.com/en/sustainability/rebuilding-in-puerto-rico

TRAFIGURA'S HSEC PROGRESS: AN ERM PERSPECTIVE

The commodity trading industry is on a journey of transparency and responsibility, with the objectives of enhanced disclosure; demonstrable health, safety, environmental (HSE) and social performance improvement; and greater engagement with stakeholders. Trafigura has an aspiration to lead in this area. Solid progress has been made, however, when forging a new path a process of constant refinement and evaluation is needed to ensure the approach delivers both value and the desired results.

In terms of Health, Safety, Environmental and Community (HSEC) performance improvement, Trafigura has made considerable progress integrating HSEC into business processes and systems. Where required, new processes have been introduced. The governance structure adopted sets the expectations regarding performance across the Trafigura Group, and places an emphasis on the development and implementation of HSEC controls within the divisions and operating companies where the associated risks are materialised. This is where effort, and results, are focused. The approach adopted encourages the sharing of knowledge and experience, and provides a direct line of sight from the Management Board to the operating companies and divisions.

Significant developments over the year include the roll-out of the HSEC Policy and HSEC Business Principles; the launch of a Group-wide incident reporting and management system; an improved understanding of the material risks and establishing cross company working groups to address these; and enhanced dialogue with stakeholders.

Trafigura's FY15 HSEC road map calls for the roll-out of HSEC key performance indicators and the HSEC assurance process, implementation of the standards and tools developed by the HSEC working groups and undertaking to improve the overall understanding of HSEC across the organisation. If successfully implemented, this will take Trafigura, further along the path towards sustainability.

ERM

TRAFIGURA FOUNDATION

The Trafigura Foundation provides long-term funding and expertise to improve socio-economic conditions for communities around the world. It joins forces with proven organisations on the ground to enhance the impact of its contribution towards beneficiaries.

PERFORMANCE INDICATORS

$6.1m

Grants in 2014 (January to December, projections on 1 November, 2014)

$38m

Total amount donated since 2008

Amount by region:

27%

Africa

22%

Middle East and Asia

29%

Americas

22%

Europe

HIGHLIGHTS

- USD5.1 million pledged for 2014
- USD3.3 million in forward commitments for 2015-17
- 'Charity of the Year' concept is adopted by three more offices
- Two new Foundation Board members join from Trafigura.

We don't just give money, we also provide strategic and managerial support.

OUR MISSION

The Trafigura Foundation was established in 2007 as an independent philanthropic organisation with a twofold mission.

We provide financial and technical support to long-term development programmes which deliver sustainable outcomes. We have formal processes in place to select, support, monitor and review programmes. Our main focus is on self-sustaining activities that help people realise their full potential.

The second part of our mandate relates to the Trafigura Group. Here, our role is to sensitise the organisation and its people to the socio-economic realities on their doorstep and to help them forge closer connections with the wider world.

INTERDEPENDENCE AND INDEPENDENCE

The Foundation's governance structure ensures decisions are guided by genuine philanthropic motivations. Our Board has responsibility for strategic direction and investment policy. Charity Committees in Trafigura offices around the world maintain our connection with the company.

In the early years of our existence it was important to assert our independent status. We recruited Board members with historic links to Trafigura, but no active involvement.

Several years on, the Foundation's credibility and independence is assured. We are now at a stage where we can strengthen the links between our two organisations without compromising the true charitable nature of our endeavours.

Changes in the Board's composition reflect this new stance. We welcomed two senior executives from Trafigura. Both Maha Daoudi and Robert Gillon are long-standing, enthusiastic supporters. They are effective ambassadors for the Foundation's work within Trafigura at a time when we are raising our profile within the Group. Their understanding of the cultural issues and practical challenges for Trafigura adds an important dimension to our policy-making body.

CREATING CULTURAL CONNECTIONS

We believe that closer links between the two organisations will promote fruitful cultural exchange. We already share Trafigura's values – its agility, versatility and entrepreneurial outlook inform our approach. Equally, the Foundation's values and priorities can deliver benefits in the corporate sphere.

We aim to help Trafigura gain a more complete sense of its social role as a major global economic player. Our work engages with the disenfranchised and the developing world. Exposing Trafigura's people to these realities changes how they think about the communities on their doorstep.

BUILDING BRIDGES WITH LOCAL COMMUNITIES

At a human level, our colleagues want to make a difference. We help Trafigura employees engage with the issues that matter to them. We foster links and create channels that give them scope to contribute in concrete ways.

A scheme is in place to match employee fundraising dollar for dollar. This raised USD380,000 this year. There are also many at Trafigura who want to devote time to the causes they support. We help to facilitate these connections.

Our Charity of the Year programme is steadily gaining ground. Charity Committees organise for their office to elect a charity. Staff then raise funds and get involved in various activities to support it, while the Foundation contributes a sizeable grant. This year, Geneva selected Fondation Clair Bois, a charity caring for people with multiple disabilities. Montevideo chose Unidos, which provides education and social care in a deprived city district; the Foundation's USD80,000 contribution supported rehabilitation works. A USD100,000 grant supported construction projects at Iguguletthu primary school in Soweto, the Johannesburg office's Charity of the Year.

FOCUS AREAS

In 2014, the Trafigura Foundation ran 48 programmes across 35 countries.

We have three main focus areas as a grant-maker, which are interdependent and mutually reinforcing. We sponsor programmes in the areas of sustainable development, education and integration, and health.

We work in partnership with NGOs (non-governmental organisations), leveraging their knowledge and resources on the ground. We aim to provide our NGO partners with the financial means to carry out and strengthen their programmes.

We don't just give money, we also provide strategic and managerial support. We facilitate channels that allow Trafigura staff members with a given expertise, such as IT, HR or marketing, to volunteer their time and advice for a relevant programme.

Cherie Blair Foundation for Women, Palestinian Territories.

ATIA Tuberculosis Programme, India.

SUSTAINABLE DEVELOPMENT

More than a third of our total funding supports sustainable development programmes. Some of these aim to reconcile social and environmental objectives. Planète Urgence, for example, is developing strategies that allow man and mangrove to coexist successfully in Indonesia.

Others focus on entrepreneurship. Adie Créajeunes supports micro-entrepreneurs in France. The global WomenChangeMakers programme supports and connects social entrepreneurs so they can scale up businesses to empower women in their communities. There are active mentor schemes in India and Brazil.

EDUCATION AND INTEGRATION

Our education and integration funding stream accounts for nearly half of total funding.

We see employability as the beginning of self-reliance. A Trafigura employee who volunteers at Certis brought his work to our attention. Its programmes in Switzerland help the long-term unemployed rejoin the workplace. The Foundation is now funding a counselling and coaching programme there for job seekers.

Much of our focus is on educating and integrating young people. In Brazil, we support Fight for Peace's New Pathways programme, which is bringing education to young people in Rio de Janeiro's impoverished favelas.

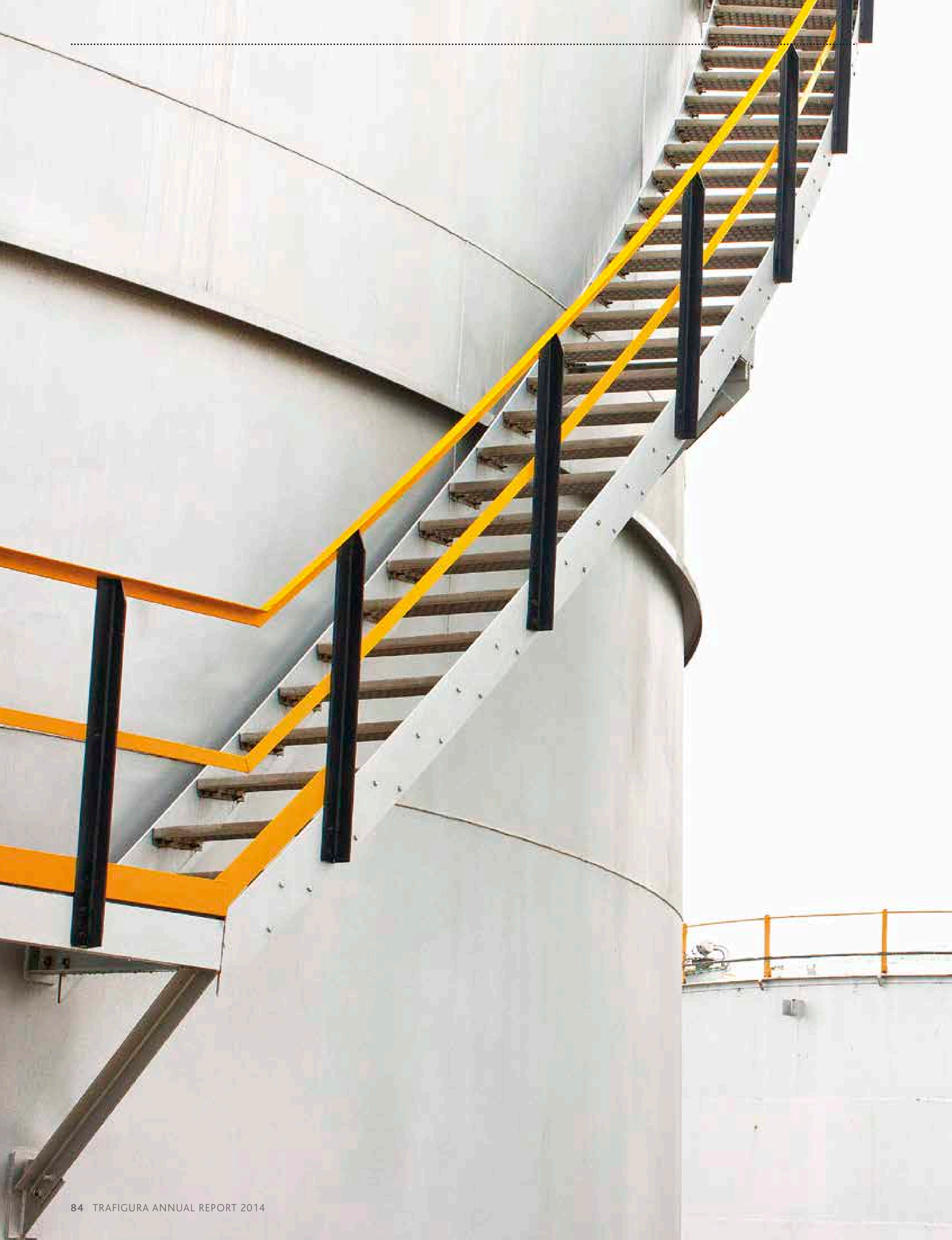
HEALTH

We favour projects that address real problems and have measurable impacts. In the field of health, our support for the ATIA Tuberculosis Programme in India has brought more effective therapy to one million people in the slums of Mumbai, achieving an 82 percent cure rate.

'JUST ADD VISION'

The Trafigura Foundation slogan encapsulates our approach. We see ourselves as the extra ingredient that can make good things happen. We bring people, expertise and financial support together in support of long-term philanthropic programmes.

To discover the many other programmes supported by the Trafigura Foundation, visit www.trafigurafoundation.org



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FINANCIAL STATEMENTS

FINANCIAL STATEMENTS

A. CONSOLIDATED STATEMENT OF INCOME

	Note	2014 USD'M	2013 USD'M
Revenue	7	**127,612.6**	133,026.2
Cost of sales		**(125,567.5)**	(130,134.1)
Gross profit		**2,045.1**	2,892.1
Other income/(expenses)	8	**484.2**	1,428.0
General and administrative expenses	9	**(1,004.7)**	(1,668.9)
Results from operating activities		**1,524.6**	2,651.2
Finance income		**233.9**	169.2
Finance expense		**(541.8)**	(528.7)
Net financing costs		**(307.9)**	(359.5)
Share of profit/(loss) of equity-accounted investees	13	**86.1**	(13.0)
Profit before tax		**1,302.8**	2,278.7
Income tax expense	10	**(222.8)**	(97.4)
Profit for the year		**1,080.0**	2,181.3
Profit attributable to			
Owners of the Company		**1,039.7**	2,032.2
Non-controlling interests		**40.3**	149.1
Profit for the year		**1,080.0**	2,181.3

See accompanying notes

B. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	2014 USD'M	2013 USD'M
Profit for the year		**1,080.0**	2,181.3
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Net change in fair value of available-for-sale financial assets		**(11.2)**	(4.0)
Prior period tax adjustments	10	**(14.8)**	–
Gain/(loss) on cash flow hedges		**48.3**	(3.7)
Tax on comprehensive income	10	**(4.5)**	1.2
Exchange loss on translation of foreign operations		**(43.5)**	(11.2)
Share of other comprehensive income from associates		**(62.3)**	–
Other comprehensive income for the year net of tax		**(88.0)**	(17.7)
Total comprehensive income for the year		**992.0**	2,163.6
Total comprehensive income attributable to:			
Owners of the Company		**951.7**	2,043.4
Non-controlling interests		**40.3**	120.2
Total comprehensive income for the year		**992.0**	2,163.6

See accompanying notes

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	30 September 2014 USD'M	30 September 2013 USD'M
Assets			
Property, plant and equipment	11	**3,010.4**	2,686.3
Intangible assets	12	**533.6**	499.9
Equity-accounted investees	13	**2,562.5**	2,134.4
Loans receivable and advances	14	**724.1**	2,053.3
Other investments	15	**756.0**	226.4
Derivatives	26	**127.4**	40.5
Deferred tax assets	10	**166.2**	177.6
Total non-current assets		**7,880.2**	7,818.4
Inventories	16	**7,905.2**	7,856.3
Trade and other receivables	17	**15,526.0**	15,793.8
Derivatives	26	**1,660.3**	3,593.2
Prepayments		**2,300.8**	1,144.4
Income tax receivable	10	**138.1**	85.1
Deposits	19	**454.7**	523.1
Cash and cash equivalents	19	**3,709.5**	3,212.6
Total current assets		**31,694.6**	32,208.5
Total assets		**39,574.8**	40,026.9
Equity			
Share capital	20	**0.2**	0.1
Capital securities	20	**645.8**	491.4
Reserves	20	**1,718.6**	1,644.6
Retained earnings	20	**2,891.1**	2,903.6
Equity attributable to the owners of the Company		**5,255.7**	5,039.7
Non-controlling interests	20	**301.5**	264.0
Total group equity		**5,557.2**	5,303.7
Liabilities			
Loans and borrowings	22	**6,175.7**	5,774.3
Deferred revenue		**0.9**	6.9
Derivatives	26	**249.4**	290.9
Provisions	23	**24.0**	36.2
Deferred tax liabilities	10	**338.3**	331.9
Total non-current liabilities		**6,788.4**	6,440.2
Current tax liabilities	10	**344.2**	141.1
Loans and borrowings	22	**14,967.0**	13,241.2
Trade and other payables	24	**10,589.0**	11,094.7
Derivatives	26	**1,329.0**	3,806.0
Total current liabilities		**27,229.2**	28,283.0
Total group equity and liabilities		**39,574.8**	40,026.9

See accompanying notes

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to the owners of the Company										
USD'000	Share capital	Currency translation reserve	Revaluation reserve	Legal reserve	Cash flow hedge reserve	Capital Securities	Retained earnings	Profit for the year	Total	Non-controlling interest	Total group equity
Balance at 1 October 2013	135	(4,114)	6,508	1,659,912	(17,665)	491,384	871,322	2,032,238	5,039,720	263,996	5,303,716
Profit for the year	–	–	–	–	–	–	–	1,039,677	1,039,677	40,342	1,080,019
Other comprehensive income	–	(105,807)	(11,238)	–	43,841	–	(14,800)	–	(88,005)	–	(88,005)
Total comprehensive income for the year	–	(105,807)	(11,238)	–	43,841	–	(14,800)	1,039,677	951,672	40,342	992,014
Profit appropriation	–	–	–	–	–	–	2,032,238	(2,032,238)	–	–	–
Shares issued	54	–	–	–	–	–	–	–	54	–	54
Legal reserve	–	–	–	147,222	–	–	(147,222)	–	–	–	–
Share-based payments	–	–	–	–	–	–	42,072	–	42,072	157	42,229
Share redemption	(30)	–	–	–	–	–	(885,261)	–	(885,291)	–	(885,291)
Capital securities	–	–	–	–	–	154,371	(366)	–	154,005	–	154,005
Capital securities dividend	–	–	–	–	–	–	(45,457)	–	(45,457)	–	(45,457)
Share of other changes in equity of associates	–	–	–	–	–	–	(1,030)	–	(1,030)	–	(1,030)
Acquisition of non-controlling interest in subsidiary	–	–	–	–	–	–	–	–	–	1,472	1,472
Deconsolidation of subsidiary	–	–	–	–	–	–	–	–	–	(2,024)	(2,024)
Subsidiary equity distribution	–	–	–	–	–	–	–	–	–	(2,451)	(2,451)
Balance at 30 September 2014	**159**	**(109,921)**	**(4,730)**	**1,807,134**	**26,176**	**645,755**	**1,851,495**	**1,039,677**	**5,255,745**	**301,493**	**5,557,238**

See accompanying notes

	Equity attributable to the owners of the Company										
USD'000	Share capital	Currency translation reserve	Revaluation reserve	Legal reserve	Cash flow hedge reserve	Capital Securities	Retained earnings	Profit for the year	Total	Non-controlling interest	Total group equity
Balance at 1 October 2012	182	(21,820)	10,506	239,726	(15,163)	–	2,232,259	865,095	3,310,786	869,557	4,180,343
Profit for the year	–	–	–	–	–	–	–	2,032,238	2,032,238	149,050	2,181,288
Other comprehensive income	–	17,706	(3,998)	–	(2,502)	–	–	–	11,205	(28,837)	(17,632)
Total comprehensive income for the year	–	17,706	(3,998)	–	(2,502)	–	–	2,032,238	2,043,443	120,213	2,163,655
Profit appropriation	–	–	–	–	–	–	865,095	(865,095)	–	–	–
Revaluation remaining stake in deconsolidated subsidiary	–	–	–	1,293,749	–	–	(1,293,749)	–	–	–	–
Divestment and deconsolidation of subsidiary	–	–	–	–	–	–	–	–	–	(621,519)	(621,519)
Acquisition of non-controlling interest in subsidiary	–	–	–	–	–	–	(5,015)	–	(5,015)	1,317	(3,698)
Legal reserve	–	–	–	126,437	–	–	(126,437)	–	–	–	–
Shares issued	2	–	–	–	–	–	(2)	–	–	–	–
Subsidiary equity distribution	–	–	–	–	–	–	–	–	–	(105,072)	(105,072)
Share-based payments	–	–	–	–	–	–	70,886	–	70,886	–	70,886
Share redemption	(54)	–	–	–	–	–	(855,135)	–	(855,188)	–	(855,188)
Capital securities	–	–	–	–	–	491,384	–	–	491,384	–	491,384
Capital securities dividend	–	–	–	–	–	–	(17,200)	–	(17,200)	–	(17,200)
Other	5	–	–	–	–	–	620	–	625	(500)	125
Balance at 30 September 2013	**135**	**(4,114)**	**6,508**	**1,659,912**	**(17,665)**	**491,384**	**871,322**	**2,032,238**	**5,039,720**	**263,996**	**5,303,716**

See accompanying notes

E. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2014 USD'M	2013 USD'M
Cash flows from operating activities			
Profit before tax		**1,302.8**	2,278.7
Adjustments for:			
Depreciation	9	**192.0**	358.1
Amortisation of intangible assets	9	**44.1**	47.4
Provisions		**6.0**	0.6
Gain on fair value through profit and loss instruments		**(113.2)**	–
Impairment losses on financial fixed assets	15	**16.6**	63.4
Impairment losses on non-financial fixed assets	8	**168.2**	17.7
Impairment losses on equity-accounted investees		**3.9**	–
Net finance costs		**307.9**	359.5
Share of profit of equity-accounted investees	13	**(86.1)**	13.0
Gain on sale of non-financial fixed assets	8	**3.1**	(5.9)
Gain on sale of equity-accounted investees	8	**–**	(7.1)
Gain on sale of other investments	8	**(12.2)**	(22.6)
Gain on divestments of subsidiaries	8	**(587.0)**	(1,462.5)
Equity-settled share-based payment transactions	27	**42.2**	70.9
Operating cash flow before working capital changes		**1,288.3**	1,711.0
Changes in:			
Inventories		**(57.3)**	1,154.1
Trade and other receivables and derivatives		**2,364.8**	(2,375.5)
Prepayments		**(1,156.4)**	(446.4)
Trade and other payables and derivatives		**(3,008.6)**	1,644.1
Cash generated from/(used in) operating activities		**(569.2)**	1,687.2
Interest paid		**(541.8)**	(528.7)
Interest received		**233.9**	169.2
Dividends (paid)/received		**0.5**	(6.7)
Tax (paid)/received		**(78.1)**	(202.6)
Net cash from/(used in) operating activities		**(954.7)**	1,118.5
Cash flows from investing activities			
Acquisition of property, plant and equipment	11	**(1,351.3)**	(1,754.1)
Proceeds from sale of property, plant and equipment	11	**52.6**	77.2
Acquisition of intangible assets	12	**(120.5)**	(72.0)
Acquisition of equity accounted investees	13	**(249.7)**	(89.9)
Disposal of equity accounted investees		**50.9**	–
Acquisition of loans receivable and advances	14	**(845.0)**	(1,564.8)
Disposals of loans receivable and advances	14	**568.5**	38.8
Acquisition of other investments	15	**(473.0)**	(134.0)
Disposal of other investments	15	**15.7**	93.5
Acquisition of subsidiaries, net of cash acquired	5	**(4.8)**	(871.1)
Disposal of subsidiaries, net of cash disposed of	6	**872.1**	243.1
Net cash from /(used in) investing activities		**(1,484.5)**	(4,033.3)
Cash flows from financing activities			
Proceeds from the issue of capital securities	20	**154.0**	491.4
Payment of capital securities dividend		**(44.1)**	–
Proceeds from capital contributions to subsidiaries by non-controlling interests	6	**–**	25.5
Redemption of shares	20	**(885.3)**	(855.2)
Proceeds from long-term loans and borrowings	22	**1,569.0**	2,615.8
Payment of finance lease liabilities	22	**(15.8)**	(22.2)
Increase of short-term bank financing	22	**2,158.6**	553.9
Acquisition of non-controlling interest		**(0.3)**	(15.7)
Net cash from/(used in) financing activities		**2,936.1**	2,793.5
Net increase /(decrease) in cash and cash equivalents		**496.9**	(121.3)
Cash and cash equivalents at 1 October		**3,212.6**	3,333.9
Cash and cash equivalents at 30 September (note 19)		**3,709.5**	3,212.6

See accompanying notes

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal business activities of Trafigura Beheer B.V. (the 'Company') and its subsidiaries (the 'Group') are trading and investing in crude and petroleum products, non-ferrous concentrates, refined metals and bulk commodities such as coal and iron ore. The Group also invests in assets, including through investments in associates, which have strong synergies with its core trading activities. These include storage terminals, service stations, metal warehouses and mines.

The Company is incorporated in the Netherlands and the principal business office of the Company is at Ito Tower, Gustav Mahlerplein 102, 1082 MA Amsterdam, the Netherlands.

Farringford NV, registered in Curaçao, is the ultimate parent company of the Company.

The consolidated financial statements for the year ended 30 September, 2014 were authorised for issue by the Board of Directors on 4 December, 2014.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) effective 30 September, 2014 and comply with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

The consolidated financial statements have been prepared under the historical cost convention except for inventories, derivatives and available for sale financial assets that have been measured at fair value. The consolidated financial statements have been prepared on a going concern basis.

Certain prior year balances have been reclassified to align with current year's presentation.

a. Functional and presentation currency

The Group's presentation currency is the US dollar (USD) and all values are rounded to the nearest tenth of a million (USD'M 0.1) except when otherwise indicated. The US dollar is the functional currency of most of the Group's principal operating subsidiaries. Most of the markets in which the Group is involved are USD denominated.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements unless otherwise indicated. The accounting policies have been applied consistently by Group entities.

a. Basis of consolidation

The consolidated financial statements include the assets, liabilities and results of operations of all subsidiaries and branch offices, which the Company, either directly or indirectly, controls. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee.

Subsidiaries are consolidated from the date on which control is obtained by the Company and cease to be consolidated from the date on which control is transferred to a person or entity outside of the control of the Company. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

Changes in the Company's interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions with any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received being recognised directly in equity and attributed to equity holders of the Company.

If the Group loses control, the Group derecognises the assets and liabilities of the subsidiary, any non-controlling interests and the other components of equity related to the subsidiary. The parent's share of components previously recognised in other comprehensive income ('OCI') is reclassified to profit and loss or retained earnings, as would be required if the Group had directly disposed of the related assets or liabilities. Any surplus or deficit arising on the loss of control is recognised in profit or loss. If the Group retains any interest in the previous subsidiary, then such interest is measured at fair value at the date that control is lost. Subsequently it is accounted for as an equity-accounted investee or as an available-for-sale financial asset depending on the level of influence retained.

Non-controlling interests in subsidiaries are identified separately from the Company's equity and are initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

b. Investments in equity-accounted investees

Associates and joint ventures (together 'Associates') in which the Group exercises significant influence or joint control are accounted for using the equity method. Significant influence is the power to participate in the financial and operating policy decisions of the investee but not control those policies. Joint control is established by contractual agreement and requires unanimous consent for strategic financial and operating decisions. The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries.

Under the equity method the investment in an Associate is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share in the net assets of the Associate or joint venture since acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment.

The statement of income reflects the Group's share of the results of operations of the associate. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity.

Unrealised gains and losses resulting from transactions between the Group and the Associate are eliminated to the extent of the interest in the Associate, unless the sale or contribution of assets constitute a business, in which case the gains and losses are recognised in full.

The aggregate of the Group's share of profit or loss of equity-accounted investees is shown on the face of the statement of income and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The Group determines at each reporting date whether there is any objective evidence that the investment in the Associate is impaired.

The financial statements of the Associates are prepared for the same reporting period as the Group, unless otherwise indicated.

Changes in the Group's interest in Associates are accounted for as a gain or loss on disposal with any differences between the amount by which the carrying value of the Associate is adjusted and the fair value of the consideration received being recognised directly in the statement of income.

c. Business combinations

The Company accounts for its business combinations under the acquisition method at the acquisition date, which is the date on which control is transferred to the Group. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

If a business combination is achieved in stages, any previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss. It is then considered in the determination of goodwill.

If the consideration transferred for a business combination exceeds the fair values attributable to the Group's share of the identifiable net assets, the difference is treated as goodwill, which is not amortised but is reviewed annually for impairment or when there is an indication of impairment.

When the excess is negative, after a reassessment of the identification of all assets acquired and liabilities assumed, any remaining gain is recognised in profit or loss. Any contingent consideration payable is measured at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

d. Fair value measurement

The Group measures financial instruments, such as derivatives, and non-financial assets, such as available-for-sale financial assets, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 26.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- **Level 1** – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- **Level 2** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- **Level 3** – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e. Foreign currency

(i) Foreign currency transactions

Subsidiaries, joint ventures and equity accounted investees record transactions in the functional currency of the economic environment in which they operate. Transactions in currencies other than the functional currency of the subsidiary, joint ventures and equity investees are recorded at the rates of exchange prevailing at the date of the transaction.

Monetary assets and liabilities in currencies other than the functional currency are translated at the rates of exchange prevailing at the balance sheet date and gains and losses are reported in the statement of income.

(ii) Foreign operations

Upon consolidation, the balance sheets of subsidiaries with functional currencies other than the USD are translated at the rates of exchange prevailing at the end of the year. The statements of income denominated in currencies other than the USD are translated at the average rate for the year. The resulting exchange differences are recorded in equity through other comprehensive income and are included in the statement of income upon sale or liquidation of the underlying foreign subsidiary.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

f. Financial instruments

(i) Non-derivative financial assets

Financial assets are classified at initial recognition as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, available for sale financial assets or as derivatives designated as hedging instruments in an effective hedge depending upon the purpose for which the financial assets were acquired.

Financial assets are initially recognised at fair value on the trade date, including, in the case of instruments not recorded at fair value through profit or loss, directly attributable transaction costs.

Purchases or sales of financial assets that require delivery of assets within a timeframe established by regulation or convention in the market place (regular way trades) are recognised on the trade date ie, the date that the Group commits to purchase or sell the asset.

Subsequently, financial assets are classified in four categories:

- Financial assets are fair value through profit or loss
- Loans and receivable
- Held-to-maturity investments
- Available-for-sale financial investments

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments as defined by IAS 39. Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value presented as other income/(expenses) in the statement of income. Interests, dividends and gain/loss on foreign exchange on financial assets at fair value through profit or loss are included separately in finance income or other income respectively.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss in other income. Loans and receivables can be repaid either in cash or in product.

Held-to-maturity investments

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held to maturity when the Group has the positive intention and ability to hold them to maturity. After initial measurement, held to maturity investments are measured at amortised cost using the EIR, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance income in the statement of income. The losses arising from impairment are recognised in the statement of profit or loss as other income. The Group did not have any held-to-maturity investments during the years ended 30 September, 2014 and 2013.

Available-for-sale (AFS) financial investments

AFS financial investments include equity investments. Equity investments classified as AFS are those that are neither classified as held for trading nor designated at fair value through profit or loss. After initial measurement, AFS financial investments are subsequently measured at fair value with unrealised gains or losses recognised in OCI and credited in the revaluation reserve until the investment is derecognised, at which time the cumulative gain or loss is recognised in other operating income, or the investment is determined to be impaired, when the cumulative loss is reclassified from the revaluation reserve to the statement of income in other income. Interest earned whilst holding AFS financial investments is reported as interest income using the EIR method.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in such transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position if, and only if, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

(ii) Non-derivative financial liabilities

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

(iii) Derivative financial instruments, including hedge accounting

Derivative instruments, which include physical contracts to sell or purchase commodities that do not meet the own use exemption, are initially recognised at fair value when the Company becomes a party to the contractual provisions of the instrument and are subsequently remeasured to fair value at the end of each reporting period. Any attributable transaction costs are recognised in profit or loss as incurred.

The Group utilises derivative financial instruments (shown separately in the statement of financial position) to hedge its primary market risk exposures, primarily risks related to commodity price movements, and to a lesser extent, exposure to foreign currency exchange rates and interest rate movements. Commodity derivative contracts may be utilised to hedge against commodity price risk for fixed priced physical purchase and sales contracts, including inventory. Commodity swaps, options and futures are used to manage price and timing risks in conformity with the Company's risk management policies.

Generally, the Group does not apply hedge accounting, but in some instances it may elect to apply hedge accounting. On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship.

The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk.

Those derivatives qualifying and designated as hedges are either (i) a fair value hedge of the change in fair value of a recognised asset or liability or an unrecognised firm commitment, or (ii) a cash flow hedge of the change in cash flows to be received or paid relating to a recognised asset or liability or a highly probable transaction.

A change in the fair value of derivatives designated as a fair value hedge is reflected together with the change in the fair value of the hedged item in the statement of income. A change in the fair value of derivatives designated as a cash flow hedge is initially recognised as a cash flow hedge reserve in shareholders' equity. The deferred amount is then released to the statement of income in the same periods during which the hedged transaction affects the statement of income.

If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively.

(iv) Current versus non-current classification

Derivative instruments that are not designated as effective hedging instruments are classified as current or non-current or separated into current and non-current portions based on an assessment of the facts and circumstances (ie, the underlying contractual cash flows).

Where the Group will hold a derivative as an economic hedge (and does not apply hedge accounting) for a period beyond 12 months after the reporting date, the derivative is classified as non-current (or separated into current and non-current portions) consistent with the classification of the underlying item.

g. Cash and cash equivalents

Cash and cash equivalents include all cash on hand and short-term highly liquid investments such as deposits with original maturities of three months or less.

For the purpose of the consolidated statement of cash flows, cash and cash equivalent consist of cash and short-term deposits as defined above.

h. Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses except for exploration and evaluation assets (see note (i)). The initial cost of an asset comprises its purchase price or construction cost, any costs directly attributable to bringing the asset into operation, the initial estimate of any decommissioning obligation, if any, and, for qualifying assets, borrowing costs. The purchase price or construction cost is the aggregate amount paid and the fair value of any other consideration given to acquire the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components). The costs of major repairs and maintenance (dry-docking or turnarounds) are capitalised and depreciated over their useful life.

Gains or losses on disposal of an item of property, plant and equipment are recorded in the statement of income under 'Other income/(expense)'.

The carrying value of property and equipment is reviewed for impairment whenever events or changes in circumstances indicate the carrying value may not be recoverable.

Assets in the course of construction are capitalised as a separate component of property, plant and equipment. Upon completion, the cost of construction is transferred to the appropriate category.

(ii) Subsequent costs

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

Items of property, plant and equipment are depreciated on a straight-line basis over the estimated useful lives of each component. Land is not depreciated.

Items of property, plant and equipment are depreciated from the date that they are installed and are ready for use. Assets under construction are not depreciated.

Depreciation of assets held under finance leases is calculated over the shorter of the lease term or the estimated useful life of the asset.

The estimated useful lives for the current and comparative years of significant items of property, plant and equipment are as follows:

- buildings 20-33 years
- machinery and equipment 3-20 years
- barges and vessels 10-20 years
- other fixed assets 1-5 years

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(iv) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, ie, assets that necessarily take a substantial period of time to get ready for their intended use or sale, are calculated using the effective interest rate method in accordance with IAS 39 and are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs capitalised.

All other borrowing costs (including borrowing costs related to exploration and evaluation expenditures) are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

i. Exploration and evaluation expenditure

Exploration and evaluation expenditure relates to costs incurred on the exploration and evaluation of potential mineral and petroleum resources and include costs such as the acquisition of rights to explore, topographical geological, geochemical and geophysical studies, exploratory drilling and other activities in relation to evaluating the technical feasibility and commercial viability of extracting a mineral resource. These costs are capitalised as an asset and measured at cost and recognised as a component of property, plant or equipment. Purchased exploration and evaluation assets are recognised at their fair value at acquisition.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

All capitalised exploration and evaluation expenditure is monitored for indications of impairment. Where a potential impairment is indicated, an assessment is performed for each area of interest or at the cash generating unit level. To the extent that capitalised expenditure is not expected to be recovered it is charged to the statement of income.

When commercially recoverable reserves are determined and such development receives the appropriate approvals, capitalised exploration and evaluation expenditure is transferred to 'Development Properties'.

j. Development expenditure

Development expenditure incurred by, or on behalf of, the Group are accumulated separately for each area of interest in which economically recoverable reserves have been identified, and are capitalised only if they can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Company intends to and has sufficient resources to complete development and to use or sell the asset. They are included as a component of property, plant and equipment as 'Development Properties'.

With regards to mines, the development property is reclassified as 'Mining Interests' at the end of the development phase, when the mine is capable of operating in the manner intended by management.

No depreciation is recognised in respect of development properties until they are classified as 'Mining Interests'.

Each development property is tested for impairment, see note 3p.

Expenditure on research activities, undertaken with the prospect of gaining new scientific or technical knowledge and understanding, is recognised in profit or loss as incurred.

k. Mining interests

When further development expenditures are incurred in respect of a mining interest after the commencement of production, such expenditures are carried forward as part of the mining interests when it is probable that additional future economic benefits associated with the expenditure will flow to the consolidated entity. Otherwise such expenditures are classified as a cost of production.

Depreciation is charged using the unit of production method, with separate calculations being made for each area of interest. The unit of production basis results in a depreciation charge proportional to the depletion of proven and probable reserves.

Mining interests are tested for impairment.

l. Deferred stripping costs

Stripping costs incurred in the development of a mine (or pit) before production commences are capitalised as part of the cost of constructing the mine (or pit) and subsequently amortised over the life of the mine (or pit) on a unit of production basis. The removal of overburden waste is required to obtain access to the ore body.

Production stripping costs are deferred when the actual stripping ratio incurred significantly exceeds the expected long-term average stripping ratio and are subsequently amortised when the actual stripping ratio falls below the long-term average stripping ratio. Where the ore is expected to be evenly distributed, waste removal is expensed as incurred.

m. Intangible assets and goodwill

(i) Goodwill

Goodwill that arises on the acquisition of subsidiaries is presented with intangible assets. For the measurement of goodwill at initial recognition see note c.

Goodwill is measured at cost less accumulated impairment losses. For the purpose of impairment testing, goodwill acquired in a business combination is from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units.

Where goodwill has been allocated to a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain and loss on disposal. Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

In respect of equity-accounted investees, the carrying amount of goodwill is included in the carrying amount of the investment, and any impairment loss is allocated to the carrying amount of the equity-accounted investee as a whole.

If a business combination results in a negative goodwill, the Group reassesses whether it has correctly identified and measured all assets acquired and all liabilities assumed. If the negative goodwill remains after the reassessment, it is recognised as a gain in the profit or loss.

(ii) Mineral and petroleum rights

Mineral and petroleum reserves, resources and rights (together 'Mineral rights') which can be reasonably valued, are recognised in the assessment of fair values on acquisition. Mineral rights for which values cannot be reasonably determined are not recognised. Exploitable Mineral rights are amortised using the unit of production method over the commercially recoverable reserves and, in certain circumstances, other mineral resources. Mineral resources are included in amortisation calculations where there is a high degree of confidence that they will be extracted in an economic manner.

(iii) Other intangible assets

Other intangible assets include licences and are stated at cost, less accumulated amortisation and accumulated impairment losses. Licences are amortised over the term of the licence, generally not exceeding 10 years.

An intangible asset acquired as part of a business combination is measured at fair value at the date of acquisition and is recognised separately from goodwill if the asset is separable or arises from contractual or other legal rights.

Intangible assets with finite lives are amortised over their useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and treated as changes in the accounting estimates.

Gains or losses on disposal of intangible assets are recorded in the statement of income under 'Other income/(expense)'.

n. Leases

The Group is the lessee of equipment, buildings, vessels and terminals under various operating and finance leases. The Group classifies its leases as operating or finance leases based upon whether the lease agreement transfers substantially all the risks and rewards of ownership.

For leases determined to be finance leases, an asset and liability are recognised at an amount equal to the lower of the fair value of the leased asset or the present value of the minimum lease payments during the lease term. Such assets are amortised on a straight-line basis over the shorter of the lease term or the estimated useful life of the asset taking into account the residual value, with depreciation included in depreciation expense.

Leases that do not qualify as finance leases are classified as operating leases, and the related rental payments are expensed on a straight-line basis over the lease term.

o. Inventories

Trading-related inventories are measured at fair value less costs to sell.

Inventories of non-trading related products are measured at the lower of cost or net realisable value. Costs comprise all costs of purchases and other costs incurred.

p. Impairment

(i) Non-derivative financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that the loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Objective evidence that financial assets are impaired may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

(ii) Financial assets measured at amortised cost

The Group considers evidence of impairment for financial assets measured at amortised cost at both a specific asset and collective level. All individually significant assets are assessed for specific impairment. The amount of impairment losses on financial assets carried at amortised cost is calculated as the difference between the carrying amount of the asset and the present value of the estimated future cash flows, discounted at the effective rate of interest of the financial instrument determined on the initial recognition of the instrument.

Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables or held-to-maturity investment securities.

If the decrease in impairment relates to an objective event occurring after the impairment was recognised, a previously recognised impairment loss is reversed to a maximum of the amount required to carry the asset at amortised cost at the time of the reversal if no impairment had taken place. The impairment loss reversal is taken to the statement of income.

(iii) Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Impairment losses on these assets are not reversed.

(iv) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence would include a significant or prolonged decline in the fair value of the investment below its cost. 'Significant' is evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost. Where there is evidence of impairment, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that investment previously recognised in profit or loss – is removed from other comprehensive income and recognised in the statement of income. If, in a subsequent period, the fair value of an impaired available-for-sale equity security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised, then the impairment loss is reversed, with the amount of the reversal recognised in other comprehensive income.

(v) Non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment that the carrying amount of an asset may not be recoverable. These include changes in the Group's business plans, changes in commodity prices leading to sustained unprofitable performance, low plant utilisation, evidence of physical damage or, for oil and gas assets, significant downward revisions of estimated volumes or increases in estimated future development expenditure. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or cash-generating unit (CGU) exceeds its recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (group of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (group of CGUs) on a *pro rata* basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

q. Accrued turnover

Accrued turnover relates to sales made before the end of the year that have not been invoiced at the balance sheet date. Reasons for such delays include the need to determine final pricing, quantity and quality analysis. All are typical of the industry in which the Group operates.

r. Employee benefits

(i) Post-employment benefits

The Group provides direct contributions to individual employee pension schemes, which are expensed to net income in the year. Accordingly, there is no significant post-employment benefit liabilities associated with the Group.

(ii) Employee share incentive plan and employee share trust

Employees of the Group receive remuneration in the form of shares of Trafigura Beheer B.V. as consideration for services rendered. This is considered an equity-settled share scheme as the Company neither has a present legal nor constructive obligation to settle in cash, nor has a past practice or stated policy of settling in cash.

The cost of the equity-settled transactions is measured at fair value at the grant date taking into account the terms and conditions upon which the shares were granted. This fair value is expensed over the vesting period with a corresponding credit to equity. For shares that immediately vest, the fair value is expensed in the same accounting period corresponding to the date of grant.

s. Provisions

The Group recognises provisions for liabilities and onerous contracts that have been incurred as of the balance sheet date and can be reasonably estimated. A provision is recognised when (i) the Group has a present obligation (legal or constructive) as a result of a particular event; (ii) it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and (iii) an estimate can be made of the amount of the obligation.

Provisions for claims, disputes and legal proceedings are recorded if it is probable that the Group will be liable in a proceeding for the estimated amount at which the liability can be settled. If the amount for which the liability can be settled cannot be reliably estimated, the claim, dispute or legal proceeding is disclosed, if it is expected to be significant.

t. Accrued costs of sales and expenses

The accrued cost of sales and expenses relate to purchases and expenses made before the year end that have not been invoiced at the balance sheet date. Reasons for such delays include the need to determine final pricing, quantity and quality analysis. All are typical of the industry in which the Group operates.

(i) Restoration, rehabilitation and decommissioning

Restoration, rehabilitation and decommissioning costs arising from the installation of plant and other site preparation work, discounted to their net present value, are provided for and capitalised at the time such an obligation arises. The costs are charged to the statement of income over the life of the operation through depreciation of the asset and the unwinding of the discount on the provision. Costs for restoration of subsequent site disturbance, which is created on an ongoing basis during production, are provided for at their net present values and charged to the statement of income as extraction progresses. If the obligation results from production (eg, extraction of reserves) these are recognised as extraction occurs.

(ii) Onerous contracts

A provision for onerous contracts is recognised when the expected benefits to be derived by the Group from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognises any impairment loss on the assets associated with that contract.

u. Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty. The Group assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. The following specific recognition criteria must also be met before revenue is recognised.

Revenue from the sale of goods which are transported in discrete cargoes is recognised when the significant risk and rewards of the goods have passed to the buyer, which is usually the date of the bill of lading. Revenue from the sale of goods, which are transported in continuous systems, is recognised when the goods have been delivered.

Revenue from the sale of goods which are consigned to counterparties on a sale-and-return basis is recognised when the goods are sold to the customers on a non-recourse basis. At these points the quantity and the quality of the goods has been determined with reasonable accuracy, the price is fixed or determinable, and collectability is reasonably assured.

Revenue from rendering of services is recognised in the statement of income in proportion to the stage of the rendered performance as at the balance sheet date.

v. Cost of sales

Cost of sales includes the purchase price of the products sold, as well as the costs of purchasing, storing, and transporting the products. It also includes the changes in mark to market valuation of all derivatives and forward contracts.

w. Selling, general and administrative expenses

Selling, general and administrative expenses includes the Group's corporate offices, rent and facility costs, and certain other general and administrative expenses which do not relate directly to the activities of a single business segment.

x. Finance income and finance expense

Interest income and interest expense are recognised on a time-proportion basis using the effective interest method.

y. Corporate taxes

Income tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in statement of income except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

(i) Current income tax

Current income tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The charge for taxation includes Dutch and foreign corporate income taxation. Due to the different statutory rates applicable and non-deductible expenses, the Group effective tax charge differs from the statutory tax rate applicable in the Netherlands.

(ii) Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The measurement of deferred tax reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(iii) Tax exposure

In determining the amount of current and deferred tax the Company takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Company believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Company to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

z. Assets held for sale

Non-current assets and disposal groups are classified as held for sale if their carrying amounts will be recovered principally through a sales transaction rather than through continuing use. For this to be the case, the asset or disposal group must be available for immediate sale in its present condition subject only to terms that are usual and customary for the sale of such assets or disposal groups and its sale must be highly probable. All assets and liabilities of a subsidiary classified as a disposal group are reclassified as held for sale regardless of whether the Group retains a non-controlling interest in its former subsidiary after the sale. Non-current assets and disposal groups (other than financial assets) classified as held for sale are measured at the lower of their carrying amounts and fair values less costs to sell. Property, plant and equipment and intangible assets classified as held for sale are not depreciated or amortised.

aa. Related parties

A party is considered to be related to the Group if:

(a) the party is a person or a close member of that person's family and that person:
- i. has control or joint control over the Group;
- ii. has significant influence over the Group; or
- iii. is a member of the key management personnel of the Group or of a parent of the Group.

(b) A party is considered related to the Group if the party is an entity where any of the following conditions applies:
- i. The entity and the Group are members of the same group;
- ii. One entity is an associate or a joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
- iii. The entity and the Group are joint ventures of the same third party;
- iv. One entity is the joint venture of a third party and the other entity is an associate of the third entity;
- v. The entity is a post-employment benefit plan for the benefit of the employees of either the Group or an entity related to the Group;
- vi. The entity is controlled or jointly controlled by a person identified in (a); and
- vii. A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

bb. Segments

The Group's operating segments are established on the basis of those components of the group that are evaluated regularly by the chief operating decision maker (CODM) in deciding how to allocate resources and in assessing performance.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

cc. Use of estimates and judgements

The preparation of the Group's financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period.

The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual outcomes could differ from those estimates. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

The Group has identified the following areas as being critical to understanding Trafigura's financial position as they require management to make complex and/or subjective judgements and estimates about matters that are inherently uncertain.

(i) Valuation of derivative instruments

Derivative instruments are carried at fair value and the Group evaluates the quality and reliability of the assumptions and data used to measure fair value in the three hierarchy levels, Level 1, 2 and 3, as prescribed by IFRS 13. Fair values are determined in the following ways: externally verified via comparison to quoted market prices in active markets (Level 1); by using models with externally verifiable inputs (Level 2); or by using alternative procedures such as comparison to comparable instruments and/or using models with unobservable market inputs requiring the Group to make market-based assumptions (Level 3). For more details refer to note 26.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

(ii) Depreciation and amortisation of mineral rights and development costs

Mineral rights and development costs are amortised using UOP (unit of production). The calculation of the UOP rate of amortisation, and therefore the annual amortisation charge to operations, can fluctuate from initial estimates. This could generally result when there are significant changes in any of the factors or assumptions used in estimating mineral or petroleum reserves, notably changes in the geology of the reserves and assumptions used in determining the economic feasibility of the reserves. Such changes in reserves could similarly impact the useful lives of assets depreciated on a straight-line basis, where those lives are limited to the life of the project, which in turn is limited to the life of the proven and probable mineral or petroleum reserves. Estimates of proven and probable reserves are prepared by experts in extraction, geology and reserve determination. Assessments of UOP rates against the estimated reserve and resource base and the operating and development plan are performed regularly. Refer to note 11 and note 12.

(iii) Impairments

Investments in associates and other investments, loans and other receivables and property, plant and equipment and intangible assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value may not be fully recoverable, or at least annually for goodwill and other indefinite life intangible assets. If an asset's recoverable amount is less than the asset's carrying amount, an impairment loss is recognised. Loans and receivables are evaluated based on collectability. Future cash flow estimates which are used to calculate the asset's fair value are based on expectations about future operations primarily comprising estimates about production and sales volumes, commodity prices, reserves and resources, operating, rehabilitation and restoration costs and capital expenditures. Changes in such estimates could impact recoverable values of these assets. Estimates are reviewed regularly by management. Refer to note 11, note 12, note 13 and note 15.

(iv) Provisions

The amount recognised as a provision, including tax, legal, restoration and rehabilitation, contractual and other exposures or obligations, is the best estimate of the consideration required to settle the related liability, including any related interest charges, taking into account the risks and uncertainties surrounding the obligation. The Group assesses its liabilities and contingencies based upon the best information available, relevant tax laws and other appropriate requirements. Refer to note 23.

(v) Restoration, rehabilitation and decommissioning costs

A provision for future restoration, rehabilitation and decommissioning costs requires estimates and assumptions to be made around the relevant regulatory framework, the magnitude of the possible disturbance and the timing, extent and costs of the required closure and rehabilitation activities. To the extent that the actual future costs differ from these estimates, adjustments will be recorded and the statement of income could be impacted. The provisions including the estimates and assumptions contained therein are reviewed regularly by management. Refer to note 23.

(vi) Taxation

Deferred tax assets are recognised only to the extent it is considered probable that those assets will be recoverable. This involves an assessment of when those deferred tax assets are likely to reverse, and a judgement as to whether or not there will be sufficient taxable profits available to offset the tax assets when they do reverse. These judgements are subject to risk and uncertainty and hence, to the extent assumptions regarding future profitability change, there can be an increase or decrease in the amounts recognised in income in the period in which the change occurs. The recoverability of deferred tax assets including the estimates and assumptions contained therein are reviewed regularly by management. Refer to note 10.

(vii) Determination of control of subsidiaries and joint arrangements

Judgement is required to determine whether Trafigura has control or joint control, which requires an assessment of the relevant activities (those relating to establishing operating and capital decisions of the arrangement, such as: the approval of the budget including the capital expenditure programme for each year determining a funding structure, and appointing, remunerating and terminating the key management personnel or service providers of the operations) and when the decisions in relation to those activities are under the control of Trafigura or require unanimous consent. Judgement is also required in determining the classification of a joint arrangement between a joint venture or a joint operation through an evaluation of the rights and obligations arising from the arrangement. Differing conclusions around these judgements may materially impact how these businesses are presented in the consolidated financial statements – under the full consolidation method, equity method or proportionate consolidation method. Refer to note 6.

4. OPERATING SEGMENTS

The Group's operating businesses are organised and managed separately according to the nature of the products, with each segment representing a strategic unit that offers different products and serves different markets.

Segment results that are reported to the Group's Chief Executive Officer (CEO) (the chief operating decision maker) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

- The Oil and Petroleum products segment is engaged in the sourcing, provision and storage of oil, at all stages from crude to finished products such as naphtha and gasoline. This includes the blending required to make gasoline in the various grades suitable for the different specifications relevant in different countries. This segment also includes Puma Energy in 2013 revenue breakdown.
- The Metals and Minerals segment trades copper, lead, zinc, aluminium, iron ore and coal in all forms including ores, concentrates, and refined metals. There is involvement in all the various stages from mining through smelting to the finished metal. This segment also includes the Mining group and Impala Warehousing and Logistics, and includes the blending of metal concentrates, iron ore, coal and alumina, as well as warehousing and transportation.
- Corporate and Other includes holding companies, and some smaller operating companies.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment gross profit, as included in the internal management reports that are reviewed by the Group's CEO. Segment gross profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

The accounting policies of the operating segments are the same as those described in the summary of significant accounting policies. Trafigura accounts for inter-segment sales and transfers, where applicable, as if the sales or transfers were to third parties, ie, at arm's length commercial terms.

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities, and other material items:

2014	Oil and Petroleum USD'M	Metals and Minerals USD'M	Corporate and Other USD'M	Total USD'M
Revenue from external customers	94,010.1	33,602.5	–	127,612.6
Gross profit	**1,120.8**	**924.3**	**–**	**2,045.1**
Other income/(expenses)				484.2
General and administrative expenses				(1,004.7)
Finance income				233.9
Finance expense				(541.8)
Share of profit/(loss) of equity-accounted investees				86.1
Income tax expense				(222.8)
Profit for the year				**1,080.0**

2014	Oil and Petroleum USD'M	Metals and Minerals USD'M	Corporate and Other USD'M	Total USD'M
Segment assets				
Equity-accounted investees	2,217.3	335.3	9.9	2,562.5
Other assets	18,888.7	14,177.0	3,946.6	37,012.3
Total segment assets	**21,106.0**	**14,512.3**	**3,956.5**	**39,574.8**
Segment liabilities				
Total segment liabilities	**15,835.2**	**9,909.8**	**8,272.6**	**34,017.6**
Other segment information				
Capital expenditure	497.9	824.3	198.3	1,520.5
Depreciation and amortisation	56.7	110.1	69.3	236.1
Impairment of non-financial assets	12.0	156.2	–	168.2
Impairment of financial assets	–	16.6	–	16.6

2013	Oil and Petroleum USD'M	Metals and Minerals USD'M	Corporate and Other USD'M	Total USD'M
Revenue from external customers	101,143.9	31,882.3	–	133,026.2
Gross profit	**1,848.9**	**1,043.2**	**–**	**2,892.1**
Other income/(expenses)				1,428.0
General and administrative expenses				(1,668.9)
Finance income				169.2
Finance expense				(528.7)
Share of profit/(loss) of equity-accounted investees				(13.0)
Income tax expense				(97.4)
Profit for the year				**2,181.3**

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

2013	Oil and Petroleum USD'M	Metals and Minerals USD'M	Corporate and Other USD'M	Total USD'M
Segment assets				
Equity-accounted investees	1,970.4	153.8	10.2	2,134.4
Other segment assets	21,431.0	12,122.7	4,338.8	37,892.5
Total segment assets	**23,401.4**	**12,276.5**	**4,349.0**	**40,026.9**
Segment liabilities				
Total segment liabilities	**17,081.0**	**6,628.7**	**11,013.5**	**34,723.2**
Other segment information				
Capital expenditure	1,065.4	621.7	177.6	1,864.7
Depreciation and amortisation	205.0	149.8	50.7	405.5
Impairment of non-financial assets	10.5	7.1	0.1	17.7
Impairment of financial assets	10.0	53.4	–	63.4

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers:

2014	Oil and Petroleum USD'M	Metals and Minerals USD'M	Total USD'M
Revenue from external customers			
Europe	24,246.4	5,096.8	29,343.2
Asia	12,589.1	23,411.7	36,000.8
North America	11,008.4	3,566.6	14,575.0
Latin America	14,246.8	852.5	15,099.3
Africa	23,761.0	504.7	24,265.7
Australia	–	11.5	11.5
Middle East	8,158.4	158.7	8,317.1
Total revenue from external customers	**94,010.1**	**33,602.5**	**127,612.6**

2013	Oil and Petroleum USD'M	Metals and Minerals USD'M	Total USD'M
Revenue from external customers			
Europe	25,202.4	8,492.4	33,694.8
Asia	15,698.4	18,052.3	33,750.7
North America	10,545.1	2,509.2	13,054.3
Latin America	14,787.7	1,169.8	15,957.5
Africa	28,121.3	1,082.6	29,203.9
Australia	–	397.5	397.5
Middle East	6,789.0	178.5	6,967.5
Total revenue from external customers	**101,143.9**	**31,882.3**	**133,026.2**

5. ACQUISITIONS OF SUBSIDIARY AND NON-CONTROLLING INTERESTS

There were no significant transactions during the year to acquire subsidiaries or non-controlling interests.

6. DECONSOLIDATION OF SUBSIDIARIES

a. 2014

(i) Corpus Christi

On 2 September, 2014, Trafigura Corpus Christi Holdings, Inc. (Trafigura) entered into a contribution agreement with Buckeye Partners, L.P. to contribute an 80% membership interest in Trafigura Terminals LLC to Buckeye Texas Partners LLC in exchange for USD860 million in cash before post-closing adjustments. Trafigura contributed its remaining 20% interest in Trafigura Terminals LLC to Buckeye Texas Partners LLC in exchange for a 20% interest in Buckeye Texas Partners LLC. This investment is accounted for as investment in associate. Concurrently, Trafigura AG has agreed to seven and 10-year commercial agreements with Buckeye Texas Partners LLC and its affiliates for storage, terminaling, dockage, wharfage, and fractionation services, classified as operational leases. The sales price and subsequent lease contracts are measured at fair value individually.

Subsequent to Federal Trade Commission approval, Trafigura and Buckeye Partners, L.P. closed the contribution and commercial agreements 16 September, 2014. The distribution due to Trafigura, including post-closing adjustments, amounted to USD834 million.

As a result of the loss of control and deconsolidation of Trafigura Terminals LLC, Trafigura recognised an after-tax gain of USD315.8 million related to the exchange of its 80% membership interest in Trafigura Terminals LLC for cash consideration and the revaluation of its 20% interest in the newly formed Buckeye Texas Partners LLC. The pre-tax gain is included in other income.

The impact of Trafigura Terminals LLC on the Group's consolidated statement of income and cash flow is as follows:

	2014 USD'M	2013 USD'M
Revenue	**41.7**	31.7
Gross profit	**20.4**	20.2
Operating profit	**(4.6)**	8.0
Profit for the year	**(3.0)**	6.7

	2014 USD'M	2013 USD'M
Net cash flows from operating activities	**38.0**	32.1
Net cash flows used in investing activities	**(303.8)**	(190.6)
Net cash flows from financing activities	**255.0**	184.2
Net cash flows for the year	**(10.8)**	25.7

The effect of the divestment and deconsolidation of Trafigura Terminals LLC on the Group's consolidated statement of financial position and consolidated statement of income is as follows:

	2014 USD'M
Non-current assets	572.4
Current assets	22.0
Non-current liabilities	(0.6)
Current liabilities	(54.4)
Net assets and liabilities	**539.4**
Consideration for 80% equity contribution	834.0
Retained investment in Buckeye Texas Partners LLC at cost	107.9
Retained investment in Buckeye Texas Partners LLC remeasured at fair value	208.5
Pre-tax gain on remeasurement of retained interest at fair value	**100.6**
Pre-tax gain on contribution of 80% stake	392.8
Total pre-tax gain on divestment and remeasurement of retained interest	**493.4**
Total tax on transaction	(177.6)
Total after-tax gain on divestment and remeasurement	**315.8**

(ii) Trafigura Investment Sarl

During financial year 2014, Trafigura restructured its USD1.5 billion five-years prepayment facility in favour of Rosneft which was syndicated in September 2013 with a pool of international banks. All of the shares in Trafigura Investment Sarl, Luxembourg, the structured entity that held the prepayment and the syndicated bank facility, have been sold to a Foundation incorporated in the Netherlands. The management of the Foundation is with a third-party independent of Trafigura. Trafigura does not have any rights to the residual returns left within the Foundation. After the completion of the change in structure, executed in agreement with its financing banks, Trafigura has no longer the power, directly or indirectly, to govern the financial and operational policies of Trafigura Investment Sarl and thus no longer has control over this entity. As a consequence, Trafigura Investment Sarl has been deconsolidated in the Group's consolidated financial statements as per 30 September, 2014. The impact of this transaction on the Group's consolidated statement of income was insignificant.

The impact of Trafigura Investment Sarl on the Group's consolidated statement cash flows is as follows:

	2014 USD'M	2013 USD'M
Net cash flows from operating activities	0.3	–
Net cash flows used in investing activities	–	(1,469.0)
Net cash flows from financing activities	–	1,190.0
Net cash flows for the year	**0.3**	**(279.0)**

The effect of the divestment and deconsolidation of Trafigura Investment Sarl on the Group's consolidated statement of financial position is as follows:

	2014 USD'M
Non-current assets	1,500.0
Current assets	70.0
Non-current liabilities	(750.0)
Current liabilities	(820.0)
Net assets and liabilities	**–**

Trafigura Beheer B.V. has given a financial guarantee on the full recourse tranches of the syndicated bank facility held by Trafigura Investment Sarl. The maximum exposure under this guarantee as of 30 September, 2014 amounted to USD300 million. The expiry of this guarantee is September 2018.

b. 2013

During financial year 2013 there was a reorganisation of the Puma Group corporate structure to create a new top level holding company, Puma Energy Holdings Pte Ltd ('Puma Holding') to be the ultimate parent company of all the Puma subsidiaries and therefore to (indirectly) hold the Puma Group. As part of this reorganisation, each shareholder exchanged their shareholdings in Puma Group for a direct stake in Puma Holding. A new entity, PE Investments Limited, was also created to hold the shareholdings of private investors in Puma Holding. Some of these private investors are related to Trafigura but neither these investors nor Trafigura can, individually or jointly, exercise control over this company.

During 2013, the Group reduced its stake in Puma Holding by selling a portion of its stake to minority shareholders. Further, Sonangol, one of the current minority shareholders of Puma Holding, made a capital contribution of USD500 million into Puma Holding against issuance of new shares. As a result of the partial divestment of its stake to minority shareholders and the capital contribution of Sonangol, which has been accounted for as a single transaction together with the loss of control as described below, the Group's ownership in Puma Holding decreased to 48.79% (versus 61.67% as at 30 September, 2012). Gains recognised in other income in relation to these divestments amount to USD304 million.

At the end of financial year 2013, a new shareholder and governance structure became effective among the shareholders of Puma Holding. As result of all foregoing effects, including the assessment of the principal business and commercial agreements in place between Trafigura and Puma Holding, the Group has no longer the power, directly or indirectly, to govern the financial and operational policies of Puma Holding, and thus no longer control. As a consequence, Puma Holding has been deconsolidated in the Group's consolidated financial statements as per 30 September, 2013. The Group's remaining stake in Puma Holding has been recorded as investment in associate as from 30 September, 2013 as disclosed in note 13.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

c. Comparative statement of income

The like-for-like comparison shown below reflects Puma Energy as an associate and includes only Trafigura's share of the profit in the share of income of associates for 2014 and 2013. Intercompany transactions from 2013 are treated as external transaction for this purpose. Furthermore it excludes in both years significant divestments of previously consolidated subsidiaries and the related revaluation gains following their deconsolidation. Specifically, these divestments related to Puma Energy and the Condestable mine in 2013, and to two events in 2014: the sale of an 80 percent interest in our oil storage terminal in South Texas, known as Corpus Christi, and the sale of Trafigura's bitumen business to Puma Energy Holdings in March 2014.

	2014 USD'M	2013 USD'M
Revenue	**127,612.6**	128,070.2
Cost of sales	**(125,567.5)**	(126,282.7)
Gross profit	**2,045.1**	1,787.5
Other income/(expenses)	**(102.8)**	(54.7)
General and administrative expenses	**(1,004.7)**	(912.1)
Results from operating activities	**937.6**	820.7
Finance income	**233.9**	206.6
Finance expense	**(541.8)**	(442.2)
Net financing costs	**(307.9)**	(235.6)
Share of profit/(loss) of equity-accounted investees	**86.1**	77.0
Profit before tax	**715.8**	662.1
Income tax expense	**(40.0)**	(46.3)
Profit for the year	**675.8**	615.8
Profit attributable to		
Owners of the Company	**635.5**	570.0
Non-controlling interests	**40.3**	45.8
Profit for the year	**675.8**	615.8

7. REVENUE

	2014 USD'M	2013 USD'M
Sales of goods	**127,207.3**	132,069.1
Rendering of services	**405.3**	957.1
Total	**127,612.6**	133,026.2

8. OTHER INCOME/(EXPENSE)

	2014 USD'M	2013 USD'M
Release/(additions) to provisions	**(6.0)**	0.6
Gain/(loss) on disposal of tangible and intangible fixed assets	**(3.1)**	5.9
Gain/(loss) from disposal of other investments	**12.2**	22.6
Gain/(loss) on sale of equity-accounted investees	**–**	7.1
Gain on divestment of subsidiaries	**486.4**	339.5
Gain on fair value through profit and loss instrument	**113.2**	–
Impairments of financial assets	**(16.6)**	(63.4)
Impairments of non-financial assets	**(168.2)**	(17.7)
Impairments of equity-accounted investees	**(3.9)**	–
Dividend income	**1.6**	1.9
Gain/loss on foreign exchange	**(21.0)**	(0.3)
Revaluation gain	**100.6**	1,122.8
Other	**(11.0)**	9.0
Total	**484.2**	1,428.0

In 2014, Trafigura reduced its stake in Trafigura Terminals LLC as described in note 6. The gain of USD392.8 million from divestments of shares is included as a gain on divestment of subsidiaries. The gain of USD100.6 million from remeasuring the retained interest at fair value is recorded as a revaluation gain.

On 31 March, 2014, the Group sold its bitumen business to its related party, Puma Energy Holdings Pte Ltd. The gain realised on the divestment of USD93.6 million is included in gain on divestment of subsidiaries.

Included in impairments on financial assets is the impairment on certain listed equity securities – available for sale due to a prolonged and significant decrease of the share price of these listed investments.

In 2013, Trafigura reduced its stake and deconsolidated Puma Holding as described in note 6. The gain from divestments of shares is included in gain on divestment of subsidiaries. The gain from remeasuring the retained interest at fair value is recorded in revaluation gain. A further USD35 million of profit on the sale of Condestable is included in gain from divestment of subsidiaries.

Gain on fair value through profit and loss instrument includes revaluation of financial debt instruments MMX Mineracao e Metalicos S.A (MMXM11) traded on the Sao Paolo stock exchange and is related to the investment made in the port terminal described in note 13.

For details on the impairments for non-financial assets, refer to notes 11 and 12.

9. GENERAL AND ADMINISTRATIVE EXPENSES

	2014 USD'M	2013 USD'M
Depreciation and amortisation	**236.1**	405.5
Staff costs	**544.9**	682.1
General and other	**223.7**	581.3
Total	**1,004.7**	1,668.9

The total fees in respect to the procedures applied to the Group by Ernst & Young Accountants LLP, the Netherlands, the external auditor, including their tax services and advisory groups amounted to USD2.0 million in 2014 (2013: USD3.0 million), which included USD0.1 million (2013: USD1.3 million) for assurance related services, USD0.2 million (2013: USD0.1 million) for tax advisory and compliance services, and USD0.1 million (2013: USD nil million) for transaction support services.

The financial statements audit fees include the aggregate fees in each of 2014 and 2013 financial years for professional services rendered for the audit of the Group's annual financial statements. Assurance related fees include the fees in relation to the annual statutory financial statement audit of subsidiaries or services that are normally provided by the auditor in connection with the audits. Transaction support fees relate to due diligence and assurance services in respect of potential acquisitions and/or divestitures.

Refer to note 27, employee benefits, for a breakdown of the staff costs.

10. TAX

a. Tax expense

Income tax expense recognised in the statement of income consists of the following:

	2014 USD'M	2013 USD'M
Current income tax expense	**230.0**	153.3
Adjustments in relation to income tax of previous year	**(20.7)**	(7.7)
Withholding tax in the current year	**2.6**	15.1
Deferred tax expense/(income)	**10.9**	(63.3)
Total	**222.8**	97.4

b. Tax recognised directly in equity

The tax credit/(charge) relating to components of other comprehensive income and equity is as follows:

	2014 USD'M	2013 USD'M
Tax expense/(income)on cash flow hedges	**19.3**	(1.2)
Total	**19.3**	(1.2)

c. Reconciliation of effective tax rate

The Group's effective tax rate differs from the statutory income tax rate of the Netherlands, which is 25% (2013: 25%).

The following table reconciles the statutory blended tax rate of the Group with the effective tax rate as shown in the consolidated statement of income:

	2014 USD'M	2014 %	2013 USD'M	2013 %
Profit before tax	**1,302.8**		2,278.7	
Income tax expense at expected statutory blended tax rate	**183.2**	**14.1%**	294.3	12.9%
Tax effect of adjustments to arrive at the effective income tax rate:				
Effect of unrecognised and unused tax losses not recognised as deferred tax assets	**51.3**		24.6	
Non-taxable income or subject to specific Tax Holidays	**(44.1)**		(282.2)	
Withholding tax	**2.6**		15.1	
Non-deductible expenses	**50.5**		53.3	
Adjustments in relation to income tax of previous years	**(20.7)**		(7.7)	
	222.8		97.4	
Effective tax rate		**17.1%**		4.3%

d. Deferred tax assets and liabilities

	2014 USD'M	2013 USD'M
Accelerated depreciation for tax purposes	**(52.1)**	(6.2)
Property, plant and equipment and other assets	**(250.7)**	(143.3)
Losses	**114.2**	84.8
Derivatives	**18.2**	46.0
Other temporary differences	**(1.7)**	(135.6)
	(172.1)	(154.3)

	2014 USD'M	2013 USD'M
Reflected in the consolidated balance sheet as follows:		
Deferred tax assets	**166.2**	177.6
Deferred tax liabilities	**(338.3)**	(331.9)
Deferred tax liability, net	**(172.1)**	(154.3)

	2014 USD'M	2013 USD'M
Opening balance as at 1 October	**(154.3)**	(296.7)
Tax expense during the period recognised in profit or loss	**(10.9)**	63.3
Other comprehensive income	**(19.3)**	1.2
Divestments of subsidiaries	**–**	77.9
Prior year adjustments	**12.4**	–
Closing balance as at 30 September	**(172.1)**	(154.3)

The tax losses expire within five years (2014: USD29.7 million; 2013: USD11.8 million), more than five years (2014: USD41.3 million; 2013: USD5.7 million) or do not expire (2014: USD13.8 million; 2013: USD15.9 million). The deductible temporary differences do not expire under current tax legislation. Deferred tax assets have not been recognised in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilise the benefits from.

The Group has unrecognised deferred tax assets amounting of USD84.8 million (2013: USD33.4 million).

e. Tax uncertainties

Trafigura operates in numerous jurisdictions worldwide resulting in cross-border intercompany transactions whereby the transfer pricing rules applied in one country have an impact on the results in another country. In order to reduce transfer pricing uncertainties, transfer pricing studies are performed and reports are prepared to fulfil local transfer pricing requirements.

Due to complexity of tax rules, interpretation by local taxing authorities can differ from Trafigura's interpretation based on opinions provided by local tax counsel. In Peru there is a dispute where taxing authorities are of the opinion that certain expenses are not deductible from local taxable income, whereby it is now up to the judicial system in Peru to decide. Based on expert opinions Trafigura's position should ultimately prevail in court.

In countries where Trafigura starts new operations or alters business models, the issue of permanent establishment and profit allocation thereto may arise. The risk is that taxing authorities in multiple jurisdictions claim taxation rights over the same profit.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

11. PROPERTY, PLANT AND EQUIPMENT

USD'M	Land and buildings	Machinery and equipment	Barges and vessels	Exploration and evaluation assets	Other fixed assets	Total
Cost						
Balance at 1 October 2013	853.8	339.1	454.1	382.3	1,059.7	3,089.0
Acquisitions through business combinations	–	–	–	–	–	–
Additions	153.3	101.0	106.2	4.6	1,031.9	1,397.0
Reclassifications	52.8	372.3	(33.9)	0.6	(415.5)	(23.7)
Effect of movements in exchange rates	(29.8)	–	–	–	(0.7)	(30.5)
Impairment	(0.2)	(4.4)	–	–	(17.6)	(22.2)
Disposals	(24.5)	(17.5)	(82.6)	–	(25.0)	(149.6)
Divestments of subsidiaries	(48.7)	(198.8)	–	–	(381.3)	(628.8)
Balance at 30 September 2014	**956.7**	**591.7**	**443.8**	**387.5**	**1,251.5**	**3,631.2**
Depreciation and impairment losses						
Balance at 1 October 2013	153.4	74.1	43.2	–	132.1	402.8
Depreciation for the year	61.1	42.2	33.1	–	55.6	192.0
Impairment losses	8.2	78.5	–	–	10.5	97.2
Reclassifications	1.8	(7.8)	–	–	(10.2)	(16.2)
Disposals	(6.4)	(7.3)	(16.7)	–	(7.8)	(38.2)
Divestments of subsidiaries	(1.6)	(14.1)	–	–	(1.1)	(16.8)
Balance at 30 September 2014	**216.5**	**165.6**	**59.6**	**–**	**179.1**	**620.8**
Net book value at 30 September 2014	**740.2**	**426.1**	**384.2**	**387.5**	**1,072.4**	**3,010.4**

USD'M	Land and buildings	Machinery and equipment	Barges and vessels	Exploration and evaluation assets	Other fixed assets	Total
Cost						
Balance at 1 October 2012	1,391.2	1,462.1	228.9	267.9	703.5	4,053.6
Acquisitions through business combinations	16.7	82.3	–		65.2	164.2
Additions	193.9	225.9	215.4	105.1	1,055.9	1,796.3
Reclassifications	141.6	67.4	9.8	9.2	(238.4)	(10.4)
Effect of movements in exchange rates	(20.9)	(14.1)	–	–	(13.7)	(48.7)
Impairment	(3.8)	(1.9)	–	–	(4.0)	(9.6)
Disposals	(16.8)	(14.4)	–	–	(69.1)	(100.3)
Divestments of subsidiaries	(848.2)	(1,468.1)	–	–	(439.7)	(2,756.0)
Balance at 30 September 2013	**853.8**	**339.1**	**454.1**	**382.3**	**1,059.7**	**3,089.0**
Depreciation and impairment losses						
Balance at 1 October 2012	174.4	345.0	22.4	–	133.7	675.5
Acquisitions through business combinations					–	
Depreciation for the year	111.6	148.4	20.8	–	77.4	358.1
Impairment losses	0.1	5.4	–	–	–	5.5
Reclassifications	2.9	1.2	–	–	(21.2)	(17.1)
Effect of movements in exchange rates	(1.0)	(0.6)	–	–	1.3	(0.2)
Disposals	(1.4)	(8.5)	–	–	(19.8)	(29.6)
Divestments of subsidiaries	(133.1)	(416.9)	–	–	(39.4)	(589.4)
Balance at 30 September 2013	**153.4**	**74.1**	**43.2**	**–**	**132.1**	**402.7**
Net book value at 30 September 2013	**700.4**	**265.0**	**410.9**	**382.3**	**927.7**	**2,686.3**

Machinery and equipment mainly consists of specialised industrial equipment.

Included in the Land and buildings and Other fixed assets category is assets under construction, which relates to assets not yet in use. Total balance at 30 September, 2014 amounted to USD667.3 million (2013: USD530 million). Once the assets under construction come into operation they are reclassified to the appropriate asset category and it is from that point that they are depreciated. Further other fixed assets mainly consist of small equipment, computer hardware, software licences, office equipment and refurbishment.

The net book value of property, plant and equipment acquired under finance leases at 30 September, 2014 was USD69.3 million (2013: USD59.2 million).

Certain items of property, plant and equipment are pledged as collateral for an amount of USD359.5 million (2013: USD438.9 million) mainly for vessel loans.

Depreciation expenses are included in general and administrative expenses. Impairment charges are included in other income and expense. During the year a regular assessment was made whether there were indications of assets impairment as a result of varying factors, including the developments in markets and market prices for specific products (eg, iron ore, coal). The continuing low coal and iron ore prices and forecasts, and the higher than planned investments resulted in impairment charges of USD90 million related to Impala Terminals Burnside LLC.

The recoverable amounts of the property, plant and equipment were measured based on value in use, determined by discounted cash flow techniques using, where possible, market forecasts and assumptions discounted using operation specific discount rates ranging from 7-12%. The value in use methodologies inherently include judgements and estimates; including the use of forward prices in illiquid markets. Management made these judgements based on their best estimate and information available.

The Group is involved in fixed asset developments in cooperation with other investors, including government-owned entities. The Group is developing an iron ore mining project in Angola, which project is currently on-hold following negotiations with the Angolan government. Management assessed the project for impairment and concluded that the assets are not impaired. The impairment analysis is based on inherent judgements and estimates (including future iron ore prices), and taking into account the estimated outcome of the negotiations with the Angolan government.

12. INTANGIBLE ASSETS

USD'M	Goodwill	Licences	Mineral rights	Other intangible assets	Total
Cost					
Balance at 1 October 2013	7.4	6.2	410.8	159.4	583.8
Acquisitions through business combinations	0.3	–	–	6.3	6.6
Additions	–	8.5	9.7	110.1	128.3
Reclassifications	(3.2)	–	–	4.6	1.4
Effect of movements in exchange rates	(0.2)	–	–	(0.4)	(0.6)
Disposals	–	–	–	(2.9)	(2.9)
Divestments of subsidiaries	(2.1)	–	–	–	(2.1)
Balance at 30 September 2014	**2.2**	**14.7**	**420.5**	**277.1**	**714.5**
Amortisation and impairment losses					
Balance at 1 October 2013	–	3.8	30.2	49.9	83.9
Acquisitions through business combinations	–	–	–	–	–
Amortisation for the year	–	–	13.4	30.7	44.1
Impairment losses recognised in the income	5.4	–	40.9	2.7	49.0
Reclassification	(3.2)	–	–	7.1	3.9
Effect of movements in exchange rates	–	–	–	0.3	0.3
Disposals	–	–	–	(0.3)	(0.3)
Divestments of subsidiaries	–	–	–	–	–
Balance at 30 September 2014	**2.2**	**3.8**	**84.5**	**90.4**	**180.9**
Net book value at 30 September 2014	**–**	**10.9**	**336.0**	**186.7**	**533.6**

USD'M	Goodwill	Licences	Mineral rights	Other intangible assets	Total
Cost					
Balance at 1 October 2012	296.5	36.0	410.8	173.7	917.0
Acquisitions through business combinations	688.6	2.8	–	1.2	692.6
Additions	–	4.5	–	63.9	68.4
Reclassifications	(45.5)	4.7	–	56.1	15.2
Effect of movements in exchange rates	(72.8)	(0.3)	–	(3.7)	(76.8)
Impairment	–	–	–	(0.7)	(0.7)
Disposals	–	(0.5)	–	(8.9)	(9.4)
Divestments of subsidiaries	(859.3)	(41.0)	–	(122.0)	(1,022.3)
Balance at 30 September 2013	**7.4**	**6.2**	**410.8**	**159.4**	**583.8**
Amortisation and impairment losses					
Balance at 1 October 2012	–	7.4	10.9	28.9	47.3
Acquisitions through business combinations	–	–	–	–	–
Amortisation for the year	–	7.4	19.3	20.6	47.4
Impairment losses recognised in the income	–	1.8	–	–	1.8
Effect of movements in exchange rates	–	–	–	0.1	0.1
Reclassification	–	3.9	–	18.0	21.9
Disposals	–	(0.2)	–	(8.6)	(8.8)
Divestments of subsidiaries	–	(16.6)	–	(9.1)	(25.7)
Balance at 30 September 2013	**–**	**3.8**	**30.2**	**49.9**	**83.9**
Net book value at 30 September 2013	**7.4**	**2.4**	**380.6**	**109.5**	**499.9**

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Goodwill is the only intangible asset with an indefinite life. All other intangible assets are amortised as follows:

- Licence fees paid are amortised evenly over their respective periods, for which the licences have been granted, generally not exceeding 10 years;
- Other intangible assets are amortised evenly over their estimated useful economic life. Other intangibles mainly consist of mining concessions, payments made under exclusivity contracts with clients for petroleum fuels and lubricants, and exploration costs.

Amortisation expenses and impairment charges are included in general and administrative expenses.

Intangible assets with finite lives are tested for impairment when impairment indicators exist. Goodwill is tested for impairment annually either individually or at the cash-generating unit (CGU) level. Annually, development costs are evaluated on a project-by-project basis by reviewing current status and project details.

For the purpose of impairment testing, goodwill is allocated to the CGUs, or groups of CGUs.

At 30 September, 2014, the recoverable amounts of the CGU's were determined from value in use calculations. Goodwill held by CGUs is USD nil (2013: USD8 million).

During the regular assessment of whether there is an indication of asset impairment or whether a previously recorded impairment may no longer be required, the evaluation of projects and forecasts and mining assets resulted in impairment charges of USD41 million in relation to mining licenses/mineral rights in the Central Africa Region.

13. EQUITY-ACCOUNTED INVESTEES

The Group's share of profit in its equity-accounted investees for the year was a gain of USD86.1 million (2013: loss of USD13.0 million).

In 2014, the Group received dividends of USD0.5 million from its investments in equity-accounted investees (2013: USD0.2 million). The fair value of the listed equity-accounted investees per 30 September, 2014 is USD0.4 million (2013: USD1.4 million).

Trafigura has acquired a non-controlling stake in Porto Sudeste do Brazil SA, which owns a private port terminal devoted to handling iron ore. The total consideration in respect of the acquisition is USD200 million for a 32.5% indirect ownership in the port through PSA Fundo do Investimento em Participacoes (FIP), a joint venture with Mubadala. The acquisition is accounted for as a business combination at the FIP level and using the purchase price method of accounting.

The transaction has been signed in February 2014. The PPA reflected in these consolidated financial statements is provisional.

Name	Place of incorporation/ registration	Activities	Percentage of equity attributable to the Group – 2014	Percentage of equity attributable to the Group – 2013
Buckeye Texas Partners LLC	United States	Terminaling	20.0%	–
Cadillac Ventures Inc.	Canada	Mining	24.4%	24.7%
Empresa Minera del Caribe S.A.	Caribbean	Mining	49.0%	49.0%
Napoil Limited	Bermuda	Oil trading	49.0%	49.0%
Osmunda Limited	Isle of Man	Oil trading	33.0%	33.0%
PSA Fundo do Investimento em Participacoes	Brazil	Investing	50.0%	–
Porto Sudeste do Brasil S.A.	Brazil	Port services	32.5%	–
PT Servo Meda Sejahtera	Indonesia	Coal trading	30.0%	–
Puma Energy Holdings Pte. Ltd.	Singapore	Oil trading	48.8%	48.8%
Transportadora Callao S.A.	Peru	Transportation	30.0%	30.0%

Summary financial information for equity-accounted investees (all associates) is as follows. These represent the aggregate amounts presented in their respective financial reporting. Individually significant associate, Puma Energy Holdings Pte Ltd, is shown separate from the other associates.

Puma Energy Holdings Pte. Ltd.

	2014 USD'M	2013 USD'M
Assets	**6,528.6**	5,046.0
Liabilities	**4,649.1**	3,216.8
Revenue	**13,204.9**	–
Profit/(loss) for the year	**175.7**	–

Puma Energy Holdings Pte Ltd. has been deconsolidated per 30 September, 2013 and therefore revenue and profit or loss for the year are included for Puma in 2014 for the first time in the summary above.

Other associates

	2014 USD'M	2013 USD'M
Assets	**6,528.0**	1,344.0
Liabilities	**4,857.0**	971.1
Revenue	**6,769.6**	7,257.0
Profit/(loss) for the year	**(9.2)**	0.2

14. LOANS RECEIVABLE AND ADVANCES

	2014 USD'M	2013 USD'M
Loans to associates and related parties	**–**	232.9
Long-term prefinancings	**457.5**	1,680.6
Other non-current loans receivable	**266.6**	139.8
Total	**724.1**	2,053.3

Loans receivables include loans to related parties and advances provided to suppliers with repayment in products. These loans are held to maturity and generate a fixed or variable income for the Group.

On 21 June, 2013, Trafigura signed a long-term export contract under which Rosneft will deliver 10.11 million metric tonnes of crude oil and petroleum oil products (by mutual agreement) over a period of five years. As part of the export contract, Trafigura also arranged a USD1.5 billion five-years prepayment facility in favour of Rosneft. The facility was syndicated with a pool of international banks and fully disbursed on 30 September, 2013. The prepayment to Rosneft is included in long-term prefinancings. This balance reduced to zero after the sale and subsequent deconsolidation of Trafigura Investment Sarl, as described in note 6.

A portion of the long-term prefinancings, as well as short-term prepayments, is on a limited recourse basis.

15. OTHER INVESTMENTS

The Group's long-term investments consist of equity securities which were designated as available-for-sale financial assets, and have no fixed maturity or coupon rate. The fair values of listed equity investments are based on quoted market prices.

For the financial year ended 30 September, 2014, net gains from disposal of available-for-sale financial assets recognised in income amounted to USD9.1 million (2013: USD22.6 million). At 30 September, 2014, certain unlisted equity investments with a carrying amount of USD92.9 million (2013: USD104.9 million) were stated at cost less impairment. During 2014, a total amount of USD16.6 million of impairments in other investments was recorded (2013: USD63.4 million).

	2014 USD'M	2013 USD'M
Listed equity securities – available-for-sale	**235.0**	121.5
Listed debt securities – at fair value	**428.1**	–
Unlisted equity investments, at cost	**92.9**	104.9
Total	**756.0**	226.4

Listed debt securities includes financial debt instruments acquired related to the investment made in the port terminal described in note 13.

16. INVENTORIES

Carrying amount	2014 USD'M	2013 USD'M
Storage inventories	**4,861.6**	4,394.2
Floating inventories	**3,023.4**	3,443.4
Supplies	**20.2**	18.7
Total	**7,905.2**	7,856.3

As at 30 September, 2014 (and 30 September, 2013) all of the inventory has either been sold or hedged. The Group is committed to financing its day-to-day trading activity through self-liquidating transactional lines, whereby the financing banks retain security on the goods purchased. The percentage of total inventories financed in this way is carefully monitored.

17. TRADE AND OTHER RECEIVABLES

	2014 USD'M	2013 USD'M
Trade debtors	**7,191.1**	6,812.4
Provision for bad and doubtful debts	**(34.2)**	(16.9)
Accrued turnover	**6,009.7**	7,370.6
Broker balances	**250.8**	484.4
Other debtors	**1,098.2**	633.9
Other taxes	**361.0**	205.6
Related parties	**649.4**	303.8
Total	**15,526.0**	15,793.8

Of the USD7,191.1 million trade debtors, USD1,506.5 million had been sold on a non-recourse basis under the securitisation programme (2013: USD1,558 million). Refer to note 18.

As at 30 September, 2014, 18.6% (2013: 18.0%) of receivables were between 1-60 days overdue, and 7.7% (2013: 7.8%) were greater than 60 days overdue. Such receivables, although contractually past their due dates, are not considered impaired as there has not been a significant change in credit quality of the relevant counterparty, and the amounts are still considered recoverable taking into account customary payment patterns and in many cases, offsetting accounts payable balances.

18. SECURITISATION PROGRAMME

The Group operates a Securitisation Programme which enables the Group to sell eligible receivables. The securitisation vehicle, Trafigura Securitisation Finance plc., is consolidated as part of the Group and consequently the receivables sold to the programme are included within the consolidated trade debtor balances.

Over time the external funding has increased significantly in size while incorporating a longer-term committed funding element, principally through the issuance of Medium Term Notes (MTN), as well as retaining a significant proportion of variable funding purchased by bank sponsored conduits.

As at 30 September, 2014, the maximum available amount of external funding of the programme was USD2,753 million (2013: USD2,750 million). The utilised funding of the programme as at 30 September, 2014 was USD1,809 million (2013: USD1,602 million).

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

The available external funding of the securitisation programme consists of:

	Interest rate	Maturity	2014 USD'M	2013 USD'M
AAA MTN	Libor + 2.40%	2015 – May	**400.0**	400.0
BBB MTN	Libor + 4.00%	2015 – May	**30.0**	30.0
AAA VFN	See note	various within one year	**2,083.5**	2,093.5
BBB VFN	See note	various within one year	**156.4**	157.1
Senior subordinated debt	Libor + 4.25%	2017 – March	**82.8**	69.4
Total			**2,752.7**	2,750.0

a. Interest rate note

The rate of interest applied to the AAA Variable Funding Notes is defined in the Securitisation Facility Documentation and is principally determined by the demand for Commercial Paper issued by seven bank-sponsored conduits. The Group benchmarked the rate provided against overnight Libor. In the case of the rate of interest applicable to the BBB Variable Funding Notes, the rate of interest is principally determined by the liquidity of the interbank market.

b. Maturity note

The maturity of the AAA Variable Funding Notes has been staggered so as to diversify the maturity profile of the AAA funding. This aims to mitigate the 'liquidity wall' risk associated with a single maturity date for a significant funding amount.

19. CASH AND CASH EQUIVALENTS

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day and three months depending on the immediate cash requirements of the Group and earn interest at the respective short-term deposit rates. The fair value of cash and cash equivalents approximates the carrying value. An amount of USD41.6 million (2013: USD143.9 million) of cash at banks is restricted and can be collected when fixed asset construction invoices are presented to the banks.

	2014 USD'M	2013 USD'M
Cash at bank and in hand	**2,694.8**	2,779.0
Short-term deposits	**1,014.7**	433.6
Total	**3,709.5**	3,212.6

As at 30 September, 2014, the Group had USD6.8 billion (2013: USD5.9 billion) of committed revolving credit facilities of which USD2.5 billion (2013: USD1.9 billion) remained unutilised. The Group had USD1.6 billion (2013: USD1.2 billion) of immediately (same day) available cash in liquidity funds. The Group had immediate access to available liquidity balances from liquidity funds and corporate facilities in excess of USD4.1 billion (2013: USD3.1 billion).

Short-term deposits made for periods longer than three months are separately shown in the statement of financial position and earn interest at the respective short-term deposit rates.

20. CAPITAL AND RESERVES

a. Share capital and share premium

The currency translation reserve, revaluation reserve and legal reserve are legal reserves and are therefore not freely distributable to the shareholders. The legal reserve is maintained for the undistributed profits of participating interests.

During the year the Company:

- Issued 425 Ordinary C shares and 21,216 E14 & F14 preference shares;
- Redeemed 21,339 ordinary and ordinary equivalent shares held by Beheer Malta Limited for a total value of USD885,290,700, comprised of 4,359 ordinary shares, 1,574 A1 & B1, 3,278 A2 & B2, 966 A3 & B3, 1,058 A4 & B4, 1,840 A5 & B5, 34,666 C6 & D6, 24,760 C7 & D7, 30,966 C8 & D8 23,918 C9 & D9, 24,261 C10 & D10, 14,853 C11 & D11, 17,983 E12 & F12 and 10,238 E13 & F13 and 1,422 E14 & F14 preference shares.

The Company intends to redeem the equivalent of 26,215 ordinary shares for USD1,317 million from 2015 to 2018 subject to compliance with its financial covenants and may periodically consider additional redemptions.

The Company's authorised share capital is denominated in EUR and as at 30 September, 2014 amounts to EUR962,460 with total issued and fully paid share capital of EUR121,260 as set out below.

Number of shares	Type	Class	Nominal value	Participating
90,000	Ordinary	A	EUR4,54	5,767
9,000	Ordinary	B	EUR4,54	2,519
1,000	Ordinary	C	EUR100	721
150,000	Non-cumulative preference	A1-5	EUR0,01	8,520
150,000	Non-cumulative preference	B1-5	EUR0,01	8,520
1,800,000	Non-cumulative preference	C6-11	EUR0,01	446,715
1,800,000	Non-cumulative preference	D6-11	EUR0,01	446,715
1,200,000	Non-cumulative preference	E12-15	EUR0,01	121,835
1,200,000	Non-cumulative preference	F12-15	EUR0,01	121,835

Share capital has been translated against year-end exchange rates:

2014 USD1 = EUR0.78823

2013 USD1 = EUR0.75557

Shareholders' voting rights are calculated by dividing the nominal value by EUR 0.01.

One A preference share and one B preference share from the same issue have the same economic entitlement as an ordinary share. The C and D shares have one twentieth of the economic entitlement of A and B shares respectively. The E and F shares have one fiftieth of the economic entitlement of A and B shares respectively. The non-cumulative preference shares have a 100% dividend rate each year, so each preference share is entitled to EUR 0.01 dividend with the A, C and E preference shares entitled to any dividend declared in excess of this minimum dividend.

Farringford NV, the founding investing company, is the ultimate shareholder of the Company. Shares are also held by employees (who hold B, D and F preference shares) and the employee trust Trafigura Trustees (Jersey) Limited (which holds A, C and E preference shares). Trafigura Nominee (Jersey) Limited also holds B, D and F preference shares on behalf of the employees.

b. Capital securities

The Company issued capital securities with a par value of SGD200 million in February 2014. The distribution on the capital securities is 7.5% and is listed on the Singapore Stock Exchange on 19 February, 2014. The first distribution date was 19 August, 2014. The capital securities may be redeemed at the Company's option in whole, but not in part, on the distribution payment date in February 2019, or any distribution date thereafter on giving not less than 30, nor more than 60 days' notice to the holders.

The Company issued capital securities with a par value of USD500 million on 19 April, 2013. The distribution on the capital securities is 7.625% per annum. The first distribution date was 19 October, 2013. The capital securities may be redeemed at the Company's option in whole, but not in part, on the distribution payment date in April 2018 or any distribution date thereafter on giving not less than 30, or more than 60 days' notice to the holders.

The SGD200 million and the USD500 million issued securities are perpetual in respect of which there is no fixed redemption date. The distribution on the capital securities is per annum, payable semi-annually in arrears every six months from the date of issue. The company may elect to defer (in whole but not in part) any distribution in respect of these capital securities.

In the event of a winding-up, the rights and claims of the holders in respect of the capital securities shall rank ahead of claims in respect of the Company's shareholders, but shall be subordinated in right of payment to the claims of all present and future unsubordinated obligations, except for obligations of the Company that are expressed to rank pari passu with, or junior to, its obligations under the capital securities.

c. Translation reserve

The translation reserve comprises all foreign currency differences arising from the translation of the financial statements of foreign operations, as well as from the translation of liabilities that hedge the Company's net investment in a foreign operation.

d. Other reserves

Other reserves comprise the share-based payment reserves and revaluation reserves. Included in the revaluation reserve is a loss of USD4.7 million (2013: gain of USD6.5 million) related to the mark to market valuation of available-for-sale financial assets.

e. Legal reserves

Legal reserves are reserves that originate from Dutch Law and include gains from associates where dividend payments cannot be enforced by Trafigura and positive revaluations of level three physical forward contracts. Furthermore, included in legal reserves are unrealised fair value revaluation amounts on acquisitions and disposals of subsidiaries.

f. Cash flow hedge reserve

Included in the cash flow hedge reserve is a gain of USD26.2 million (2013: USD17.7 million loss) related to the effective portion of the changes in fair value of cash flow hedges, net of tax.

g. Dividends

The dividends on the non-cumulative preference shares are the contractual coupon rates for these shares. The dividends have not been paid. No dividend has been declared on the ordinary shares. The value of the dividends amounts to USD14,642 (2013: USD19,790).

21. MATERIAL PARTLY-OWNED SUBSIDIARIES

Financial information of subsidiaries that have material non-controlling interest is provided below. The information is based on amounts before intercompany eliminations.

The Company has control over DTS Holdings Pte Ltd with a 50% equity interest (2013: 50%). DTS Holdings PTE Ltd is a business venture between Trafigura and Cochan and is the main holding company of the DT Group. The DT Group's activities span trading, shipping, infrastructure, asset management, logistics and mining. Summarised statement of income:

	2014 USD'M	2013 USD'M
Revenue	**5,335.2**	5,709.0
Cost of sales	**(5,189.6)**	(5,570.0)
General and administrative expenses	**(55.8)**	(54.0)
Net financing income	**11.6**	9.1
Profit before tax	**101.4**	94.1
Income tax expense	**(0.3)**	(8.9)
Profit for the period	**101.1**	85.2
Attributable to non-controlling interest	**40.5**	41.1

Summarised statement of financial position as at 30 September:

	2014 USD'M	2013 USD'M
Total non-current assets	**512.9**	579.2
Total current assets	**1,793.0**	1,436.2
Total non-current liabilities	**(12.7)**	(50.0)
Total current liabilities	**(1,707.8)**	(1,481.5)
Total equity	**585.4**	483.9
Attributable to		
Non-controlling interests	**289.9**	249.3
Owners of the Company	**295.5**	234.6

22. LOANS AND BORROWINGS

This note provides information about the contractual terms of the Group's interest-bearing loans and borrowings, which are measured at amortised cost. For more information about the Group's exposure to interest rate, foreign currency and liquidity risk, see note 26.

Carrying value of loans and borrowings	2014 USD'M	2013 USD'M
Non-current		
Private placements	**375.0**	375.0
Revolving credit facilities	**3,982.5**	3,020.3
Eurobond	**772.8**	540.8
Other loans	**999.7**	1,804.7
Finance leases	**45.7**	33.5
Total non-current	**6,175.7**	5,774.3
Current		
Revolving credit facilities	**115.0**	229.0
Eurobond	**368.9**	–
Other loans	**617.3**	300.7
Finance leases	**23.7**	15.7
Short-term bank borrowings	**13,842.1**	12,695.8
Total current	**14,967.0**	13,241.2
Total	**21,142.7**	19,015.5

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

a. Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Principal	Interest rate	Maturity	Floating/fixed rate debt	Note	< 1 year USD'M	1-5 years USD'M	> 5 years USD'M	Total USD'M
Revolving credit facilities									
USD	3,322.5	Libor + 1.20%	2017 – March	Floating		–	3,242.5	–	**3,242.5**
USD	215.0	Libor + 2.00%	2015 – October	Floating		–	215.0	–	**215.0**
USD	435.0	Libor + 1.70%	2016 – October	Floating		–	435.0	–	**435.0**
USD	90.0	Libor + 2.35%	2018 – October	Floating		–	90.0	–	**90.0**
USD	115.0	Libor + 1.70%	2014 – October	Floating		115.0	–	–	**115.0**
						115.0	3,982.5	–	**4,097.5**
Private placement									
USD	44.0	5.80%	2016 – April	Fixed		–	44.0	–	**44.0**
USD	88.0	6.50%	2018 – April	Fixed		–	88.0	–	**88.0**
USD	98.0	7.11%	2021 – April	Fixed		–	–	98.0	**98.0**
USD	36.0	4.38%	2018 – March	Fixed		–	36.0	–	**36.0**
USD	51.5	4.89%	2020 – March	Fixed		–	–	51.5	**51.5**
USD	57.5	5.53%	2023 – March	Fixed		–	–	57.5	**57.5**
						–	168.0	207.0	**375.0**
Eurobonds									
EUR	290.8	6.38%	2015 – April	Fixed		368.9	–	–	**368.9**
EUR	606.7	5.25%	2018 – November	Fixed		–	772.8	–	**772.8**
						368.9	772.8	–	**1,141.7**
Other loans									
USD	137.9	Libor + 3.75%	2019 – June	Floating		35.9	102.0	–	**137.9**
USD	400.0	Libor + 2.40%	2015 – April	Floating		400.0	–	–	**400.0**
USD	30.0	Libor + 4.00%	2015 – April	Floating		30.0	–	–	**30.0**
USD	82.8	Libor + 4.25%	2017 – March	Floating		82.8	–	–	**82.8**
JPY	25,500.0	Libor + 1.5%	2017 – March	Floating		–	233.1	–	**233.1**
USD	200.0	6.33%	2036 – July	Fixed		–	10.8	189.2	**200.0**
EUR	200.0	5.50%	2020 – July	Fixed		–	–	253.7	**253.7**
USD	26.8	Libor + 3.25%	2020 – December	Floating		3.4	13.4	4.2	**21.0**
USD	26.8	Libor + 2.85%	2021 – July	Floating		3.4	13.4	6.7	**23.5**
USD	26.8	Libor + 2.85%	2021 – July	Floating		3.4	13.4	6.7	**23.5**
MXN	415.7	Libor + 5.70%	2023 – June	Floating		2.6	11.7	14.1	**28.4**
USD	39.6	Libor + 2.95%	2019 – October	Floating		4.3	27.3	–	**31.6**
		Various loans with balances outstanding <USD'M15				51.5	90.2	9.8	**151.5**
						617.3	515.3	484.4	**1,617.0**
Finance leases						23.7	43.7	2.0	**69.4**
Total						**1,124.9**	**5,482.3**	**693.4**	**7,300.6**

For long-term assets pledged under loans and borrowings agreements, refer to note 11 (Property, plant and equipment).

Finance lease commitments are principally for machinery and equipment. Original terms range from two years to five years, some containing renewal options.

At the time of entering into finance lease agreements, the commitments are recorded at their present value using the interest rate then applicable for long-term funding. At 30 September, 2014, existing finance lease commitments are recorded at the remaining present value using the interest rate applied at commencement of the lease.

23. PROVISIONS

The carrying amount of provisions made is as follows:

Carrying amount of provisions	2014 USD'M	2013 USD'M
Opening balance 1 October	**36.2**	142.6
Additions	**2.5**	3.7
Unwind of discount	**0.2**	–
Used during the year	**(9.2)**	(27.2)
Reversed during the year	**(5.7)**	(16.8)
Divestments of subsidiaries	**–**	(66.1)
Closing balance 30 September	**24.0**	36.2
Non-current portion	**23.1**	19.8
Current portion	**0.9**	16.4
Closing balance 30 September	**24.0**	36.2

Rehabilitation costs

Provisions for rehabilitation costs are recognised due to the environmental commitment the Group has made with local authorities and for its obligations to undertake site reclamation and remediation in connection with its mining activities. Expected outflow of resources is mainly expected to happen after one year. The balance of the rehabilitation provision is USD22.3 million (2013: USD26.1 million).

24. TRADE AND OTHER PAYABLES

	2014 USD'M	2013 USD'M
Trade creditors	**3,761.8**	3,033.8
Accrued costs of sales and expenses	**6,518.0**	8,029.9
Broker balances	**303.1**	30.1
Related parties	**6.1**	0.9
Total	**10,589.0**	11,094.7

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 26.

25. CONTINGENCIES AND COMMITMENTS

The following contingent liabilities exist in respect of trade financing:

	2014 USD'M	2013 USD'M
Letters of credit	**7,128.9**	7,688.1
Letters of indemnity	**137.8**	7.2
Guarantees	**134.0**	176.4
Total	**7,400.7**	7,871.7

The Company and its subsidiaries are parties to a number of legal claims and proceedings arising out of their business operations. The Company believes that the ultimate resolution of these claims and proceedings will not, in the aggregate, have a material adverse effect on The Company's financial position, consolidated income or cash flows. Such legal claims and proceedings, however, are subject to inherent uncertainties and the outcome of individual matters is unpredictable. It is possible that the Company could be required to make expenditures, in excess of established provisions, in amounts that cannot reasonably be estimated.

As reported in the press, at certain warehouses in China, notably for the Company at Qingdao, Pinglai and Yingkou, there have been rumours that fraudulent warehouse certificates are in circulation. The Company's subsidiary, Impala, has issued warehouse certificates, and also has collateral management agreements in place, regarding metal stored at these locations. It has not been possible to independently verify the quantity and ownership of the metal stored at these locations and consequently legal proceedings have been commenced in England and China relating to ownership of the metal and potential liabilities regarding the storage arrangements. In view of the uncertainties surrounding (a) the volume of material in the warehouses; (b) its correct ownership; and (c) the approach the majority of the customers will ultimately take, it is premature to speculate on Impala's likely net exposure in relation to this matter. Looking at hypothetical yet realistic scenarios, it is considered unlikely that a potential liability for Impala would be material for the Group.

The Company is the fiscal parent of the fiscal unity for Dutch corporate income tax purposes. As a consequence, the Company is jointly and severally liable for corporate income tax liabilities of the fiscal unity.

Guarantees include guarantees to trading partners in the normal course of the business as well as the guarantee to banks for specific funding, refer to note 6.

The Company had outstanding commitments at the end of 30 September, 2014, and 30 September, 2013 as follows:

	2014 USD'M	2013 USD'M
Storage rental	**3,085.7**	817.3
Time charters	**401.4**	246.8
Office rent	**190.9**	134.2
	3,678.0	1,198.3
Assets under construction	**657.7**	445.5
Total	**4,335.7**	1,643.8

Non-cancellable operating lease rentals are payable as follows:

	2014 USD'M	2013 USD'M
Less than one year	**627.4**	435.6
Later than one year and less than five years	**2,119.3**	611.6
Later than five years	**931.3**	151.1
Total	**3,678.0**	1,198.3

Increase in storage rental commitments is mainly explained by contracts with Buckeye Texas Partners LLC and its affiliates for storage, terminaling, dockage, wharfage, and fractionation services, classified as operational leases.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

26. FINANCIAL INSTRUMENTS

a. Financial risk management

The Group is exposed to a number of different financial risks arising from normal business exposures as well as its use of financial instruments including: market risks relating to commodity prices, foreign currency exchange rates and interest rates; credit risk; and liquidity risk.

Prudently managing these risks is an integral element of Trafigura's business and has been institutionalised since the Group's foundation. Risk management guidelines are established at senior management level. The various risks the Group is exposed to are managed through a combination of internal procedures, such as strict control mechanisms and policies, as well as external third parties such as the derivative, insurance and bank markets. As a rule, Trafigura actively manages and lays off where possible a large majority of the risks inherent to its activity.

Trafigura's conservative risk management process is designed to:

- Provide a full and accurate awareness of risks throughout the Group
- Professionally evaluate and monitor these risks through a range of risk metrics
- Limit risks via a dynamic limit setting framework
- Manage risks using a wide range of hedging instruments and strategies
- Ensure a constant dialogue between trading desks, risk managers and senior management.

The three main reinforcing components of Trafigura's risk management process are the Chief Risk Officer (CRO), the Derivatives Trading Committee, and the trading teams.

The Chief Risk Officer is independent of the revenue-producing units and reports to the Chief Operating Officer and the Management Board. The CRO has primary responsibility for assessing and monitoring Trafigura's market risks. The CRO's team liaise directly with the trading teams to analyse new opportunities and ensure that risk assessments adapt to changing market conditions. The CRO's team also ensures Trafigura's risk management capabilities incorporate ongoing advances in technology and risk management modelling capabilities

The Derivatives Trading Committee, which is comprised of members of the Management Board and the Chief Risk Officer is responsible for applying Trafigura's risk management capabilities towards improving the overall performance of the Group. In 2014, the Derivatives Trading Committee met weekly to discuss and set risk and concentration limits, review changing market conditions, and analyse new market risks and opportunities.

Trafigura's trading teams provide deep expertise in hedging and risk management in the specific markets each team operates in. While the trading teams have front line responsibility for managing the risks arising from their activities, our process ensures a strong culture of escalation and accountability, with well-defined limits, automatic notifications of limit overages and regular dialogue with the CRO and Derivatives Trading Committee.

b. Market risk

Market risk is the risk of loss in the value of Trafigura's positions due to changes in market prices. Trafigura holds positions primarily to ensure our ability to meet physical supply commitments to our customers, to hedge exposures arising from these commitments, and to support our investment activities. Our positions change due to changing customer requirements and investment opportunities. The value of our positions is accounted for at fair value and therefore fluctuates on a daily basis due to changes in market prices.

Categories of market risk we are exposed to include:

- Commodity price risk results from exposures to changes in spot prices, forward prices and volatilities of commodities, such as crude oil, petroleum products, natural gas, base metals, coal and iron ore
- Currency rate risk results from exposures to changes in spot prices, forward prices and volatilities of currency rates
- Interest rate risk results from exposures to changes in the level, slope and curvature of yield curves, the volatilities of interest rates, and credit spreads
- Equity price risk results from exposures to changes in prices and volatilities of individual equities and equity indices.

Trafigura hedges a large majority of price risks arising from its activities. When there is a difference in the characteristics of available hedging instruments and the corresponding commodity price exposures, Trafigura remains exposed to a residual price risk referred to as basis risk. Dynamically managing the basis risk that arises from Trafigura's activities requires specialist skills and is a core focus of our trading and risk management teams.

Value at Risk

Value at Risk (VaR) is a statistical estimate of the potential loss in value of our positions and unsold in-transit material due to adverse market movements. Trafigura calculates VaR over a one-day time horizon with a 95% confidence level. We use an integrated VaR model which captures risks including commodity prices, interest rates, equity prices and currency rates. Trafigura's integrated VaR model facilitates comparison of VaR across portfolios comprised of a range of different risk exposures.

As of 30 September, 2014, Trafigura's one-day market risk VaR was USD4.7 million (2013: USD11.3 million). Average market risk VaR (1 day 95%) during the fiscal year was USD10.3 million compared to USD11.7 million in the previous fiscal year. Trafigura's Management Board has set a target of maintaining VaR (1 day 95%) below 1% of Group equity.

Trafigura is aware of the inherent limitations to VaR and therefore uses a variety of risk measures and risk management techniques to create a robust risk management process.

Limitations of VaR include:

- VaR does not estimate potential losses over longer time horizons where the aggregate moves may be extreme
- VaR does not take account of the liquidity of different risk positions and therefore does not estimate the losses that might arise if Trafigura liquidated large positions over a short period of time
- VaR is based on statistical analysis of historical market data. If this historical data is not reflective of futures market prices movements, VaR may not provide accurate predictions of future possible losses.

Trafigura's VaR calculation covers its trading businesses in the crude oil, refined oil products, petrochemical, natural gas, metals, concentrates, coal, iron ore, and freight markets, and assesses the open-priced positions which are those subject to price risk, including inventories of these commodities. Trafigura's VaR model is based on historical simulations, with full valuation of more than 5,000 market risk factors.

VaR is calculated based on simultaneously shocking these risk factors. More recent historical price data is more heavily weighted in these simulations, which enables the VaR model to adapt to more recent market conditions and improves the accuracy of our estimates of potential losses.

Trafigura's VaR model utilises advanced statistical techniques that incorporate the non-normal price dynamics that are an important feature of commodity markets. Our VaR model is continuously and automatically calibrated and back-tested to ensure that its out-of-sample performance adheres to well defined targets. In addition, our VaR model is regularly updated to ensure it reflects the current observed dynamics of the markets Trafigura is active in.

Trafigura has made a significant, ongoing investment in risk management systems, including a reporting system which automatically distributes customised risk reports throughout the Group on a daily basis. These reports provide up-to-date information on each team's risk using industry standard measures such as 95 percent and 99 percent Value at Risk and performance indicators such as Sharpe ratios.

All trading books have well defined VaR risk limits and management and the trading teams are automatically notified whenever a book nears its risk limit, as well as whenever a VaR overage occurs. In addition, Trafigura's deals desk management team is automatically notified whenever statistically anomalous changes occur in the profit and loss of any deal.

For senior management, the daily reports provide a comprehensive view of Trafigura's risk, classified according to various risk factors. These reports emphasise the risk diversification created by the Group's varied activities and highlight any excessive risk concentrations.

c. Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument or physical contract fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and investment securities.

The Company has a formalised credit process with credit officers in the key locations around the world. Strict credit limits are set up for each counterparty on the basis of detailed financial and business analysis. These limits are constantly monitored and revised in light of counterparty or market developments and the amount of exposure relative to the size of the Group's balance sheet. The Company makes extensive use of the banking and insurance markets to cover any counterparty or country risks that are in excess of its credit limits.

The risk management monitoring and decision-making functions are centralised and make extensive use of the Company's integrated bespoke IT system.

The Company conducts transactions with the following major types of counterparties:

- Physical commodity counterparties spread across the vertical chains for both oil and bulk, eg, producers, refiners/smelters and end-users. Sales to investment grade and non-investment grade counterparties are made on open terms up to internally approved credit limits. Exposures above such limits are subject to payment guarantees
- Payment guarantee counterparties, ie, prime financial institutions from which the Company obtains payment guarantees
- Hedge counterparties comprising a number of prime financial institutions and physical participants in the relevant markets. There is no significant concentration of risk with any single counterparty or group of counterparties. Collateral is obtained from counterparties when the Company's exposure to them exceeds approved credit limits. It is the Company's policy to have ISDA Master Agreements or ISDA-based Long-Form Confirmation Agreements in place with all hedging counterparties.

The Company trades in all major geographic regions. Where appropriate, guarantees, insurance and letters of credit are used to reduce payment or performance risk. The Company has gross credit exposure in locations across the world with a concentration in emerging markets. Most of this exposure is laid off with third parties while the Company retains between 10 to 20 percent on average of the individual exposures.

The Company's maximum exposure to credit risk, without considering netting agreements or without taking into account of any collateral held or other credit enhancements, is equal to the carrying amount of Trafigura's financial assets as indicated in the balance sheet plus the guarantees to third parties and associates. The Company's objective is to seek continued revenue growth while minimising losses incurred due to increased credit risk exposure.

Trafigura guarantees and funds a portion of the liabilities of Trafigura Investment Sarl, a Luxembourg incorporated entity, which entered into a prepayment agreement with Rosneft in September 2013. This guarantee and amounts are compliant with the applicable sanctions regulation. Refer to note 6.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(i) Concentration of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographical factors similarly affect the Company's counterparties whose aggregate credit exposure is significant in relation to the Company's total credit exposure. The carrying amount of financial assets represents the maximum credit exposure. The Company determines concentrations of credit risk by monitoring the country profile of its third-party trade receivables on an ongoing basis.

Trafigura has a diverse customer base, with no customer representing more than 5.1% (2013: 4.5%) of its revenues over the year ended 2014.

Refer to note 17 for the aging of trade and other receivables at the reporting date that were not impaired.

(ii) Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy debtors with good payment record with the Company. Cash and cash equivalents and derivatives that are neither past due nor impaired, are placed with, or entered into with reputable financial institutions or companies with high credit ratings and no history of default. The credit quality of trade and other receivables is assessed based on a strict credit policy. The Group has monitored customer credit risk, by grouping trade and other receivables based on their characteristics.

Based on the Group's monitoring of customer credit risk, the Group believes that, except as indicated above, no impairment allowance is necessary in respect of trade receivables not past due.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in note 17 (Trade and other receivables).

(iii) Guarantees

The Group's policy is to provide financial guarantees only to wholly-owned subsidiaries. As part of the Group's ordinary physical commodity trading activities, Trafigura Beheer B.V. may act as guarantor by way of issuing guarantees accepting responsibility for subsidiaries' contractual obligations.

d. Liquidity risk

Liquidity risk is the risk that the Company is unable to meet its payment obligations when due, or that it is unable, on an ongoing basis, to borrow funds in the market on an unsecured or secured basis at an acceptable price to fund actual or proposed commitments.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash and cash equivalents and ready sources of committed funding available to meet anticipated and unanticipated funding needs. Sound financial management with a focus on liquidity has been instrumental to the Group's success. The Company has demonstrated the ability to raise the appropriate types of financing to match the needs of the business and to tap various investor bases (eg, syndicated loan markets, trade finance markets, bond markets, USPP, securitisation etc.), maturities and geographies.

The Company manages its treasury and liquidity risks maintaining a strong liquidity position through the following:

- Targeting immediately-available cash on hand of minimum USD500 million under normal conditions (higher in the case of extreme volatility);
- Maintaining bilateral lines which allow the Group to mark to market financings to the value of the underlying physical assets. Mark to market financing is performed weekly (or intra-weekly in the case of extreme volatility) and provides an additional source of liquidity which is not available to competitors which are financed purely from revolving credit facilities;
- Committed unsecured credit facilities;
- Maintaining headroom under bilateral trade finance lines and committed revolving credit facilities; and
- Limited distribution of profit (significant retained earnings) and subordination of repurchased equity.

The Group provided a financial guarantee for an amount of USD300 million as of 30 September, 2014 that will expire in 2018.

The maturity analysis of the Group financial liabilities based on the contractual terms is as follows:

	Total USD'M	0-1 years USD'M	1-5 years USD'M	> 5 years USD'M
30 September 2014				
Financial liabilities				
Current and non-current loans and borrowings	**21,142.7**	14,967.0	5,482.3	693.4
Trade and other payables	**10,589.0**	10,589.0	–	–
Expected future interest payments	**840.6**	187.5	399.5	253.6
Derivative financial liabilities	**1,578.4**	1,329.0	246.8	2.6
Total financial liabilities	**34,150.7**	**27,072.5**	**6,128.6**	**949.6**

	Total USD'M	0-1 years USD'M	1-5 years USD'M	> 5 years USD'M
30 September 2013				
Financial liabilities				
Current and non-current loans and borrowings	**19,015.5**	13,241.2	4,961.9	812.4
Trade and other payables	**11,094.7**	11,094.7	–	–
Expected future interest payments	**937.1**	205.6	358.6	372.9
Derivative financial liabilities	**4,096.9**	3,806.1	211.8	79.0
Total financial liabilities	**35,144.2**	**28,347.6**	**5,532.3**	**1,264.3**

e. Interest rate risk

Trafigura is not exposed to significant interest rate risk. Interest rate risk of the Group is mainly applicable on the long-term funding of the Group, although a majority of debt, whether long-term or short-term, is floating rate.

At 30 September, assuming the amount of floating rate liabilities (excluding working capital financing) were outstanding for the whole year, interest rates were 50 basis points higher/lower and all other variables held constant, the Group's profit, other comprehensive income and group equity for the year ended 30 September, 2014 would decrease/increase by USD19.0 million (2013: USD15.9 million).

From time to time the Group enters into interest rate derivatives transactions to lock-in current interest rate levels, for instance, interest rate swaps provide a method of reducing the Group's exposure to floating interest rates arising from its corporate funding programmes. To realise the desired matching of derivative results with the hedged interest rate payments, cash flow hedge accounting is applied and the derivatives are designated as hedging instruments. The derivatives are carried on balance and their effectiveness is tested on a quarterly basis.

f. Currency risk

Trafigura has few exposures to foreign currency risk on its trading activities and those that do exist are hedged out. The Group does not use financial instruments to hedge the translation risk related to equity and earnings of foreign subsidiaries and non-consolidated companies.

The Group uses cross-currency swaps to hedge currency risk on the principal and related payments of foreign currency denominated loans and bonds for which cash flow hedge accounting is applied. The periods when the cash flows are expected to occur are similar to the periods when the cash flows on the foreign currency denominated loans occur as indicated in note 22 and 26d.

	Notionals		Fair values	
USD'M	**2014**	2013	**2014**	2013
Cross-currency swap	**1,470.1**	811.2	**(44.1)**	(1.0)
Cross-currency interest rate swap	**279.6**	91.8	**(50.6)**	(27.9)
Total	**1,749.7**	903.0	**(94.7)**	(28.9)

g. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of both debt and equity, less amounts accumulated in equity related to cash flow hedges.

The Company is exclusively owned by its employees. This shareholding arrangement leads to an alignment of the long-term interests of the Group and its management team. By virtue of having its own capital at risk, senior management is incentivised to take a long-term view of the Company's overall performance and to protect its capital.

The Group's capital management aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

The Group monitors 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, deposits, readily marketable inventories, debt related to the Group's securitisation programme and the non-recourse portion of loans to third parties.

The Group's long-term average target adjusted debt to equity ratio is 1.0x. The Group's adjusted net debt to equity ratio at the end of the reporting period was as follows:

	2014	2013
	USD'M	USD'M
Non-current loans and borrowings	**6,175.7**	5,774.3
Current loans and borrowings	**14,967.0**	13,241.2
Total debt	**21,142.7**	19,015.5
Adjustments		
Cash and cash equivalents	**3,709.5**	3,212.6
Deposits	**454.7**	523.1
Inventories	**7,905.2**	7,856.3
Securitisation debt	**1,809.4**	1,602.2
Non-recourse debt	**–**	490.0
Adjusted total debt	**7,263.9**	5,331.3
Group equity	**5,557.2**	5,303.7
Adjusted debt to Group equity ratio at 30 September	**1.31**	1.01

As at September 2014, the ratio of adjusted net debt to Group equity stood at 1.31x. The increase at year end is due to our continued investment in fixed assets on the one hand and the expansion of our prepayment portfolio (both short term and long term) on the other, the latter having had a bigger impact. The nature of the ratio means it fluctuates between quarters, but Trafigura's long-term commitment is to ensure it does not remain significantly above its target of 1.0x on a long-term basis. We expect this ratio to revert to our stated target within the next 18 months.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

h. Fair value

(i) Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

2014	Carrying value USD'M	Fair value USD'M
Assets		
Listed equity securities at fair value	235.0	235.0
Unlisted equity securities at cost	92.9	*
Listed debt securities – at fair value through profit or loss	428.1	428.1
Loans receivable and advances	724.1	724.1
Trade and other receivables	15,526.0	15,526.0
Derivatives	1,787.7	1,787.7
Deposits	454.7	454.7
Cash and cash equivalents	3,709.5	3,709.5
Total financial assets	**22,958.0**	**22,865.1**
Liabilities		
Floating rate borrowings	19,103.0	19,103.0
Fixed rate borrowings	1,970.4	2,026.8
Finance lease and purchase contract	69.3	69.3
Trade and other payables	10,589.0	10,589.0
Derivatives	1,578.4	1,578.4
Total financial liabilities	**33,310.1**	**33,366.5**

2013	Carrying value USD'M	Fair value USD'M
Assets		
Listed equity securities at fair value	121.5	121.5
Unlisted equity securities at cost	104.9	*
Loans receivable and advances	2,053.3	2,053.3
Trade and other receivables	15,793.8	15,793.8
Derivatives	3,633.7	3,633.7
Deposits	523.1	523.1
Cash and cash equivalents	3,212.6	3,212.6
Total financial assets	**25,442.9**	**25,338.0**
Liabilities		
Floating rate borrowings	17,090.1	17,090.1
Fixed rate borrowings	1,876.2	1,888.2
Finance lease and purchase contract	49.2	49.2
Trade and other payables	11,094.7	11,094.7
Derivatives	4,096.9	4,096.9
Total financial liabilities	**34,207.1**	**34,219.1**

* Unlisted equity securities are valued at cost because their fair values cannot be reliably measured.

Management has determined that the carrying amounts of trade and other receivables, cash and cash equivalents, deposits and trade and other payables reasonably approximate their fair values because these are mostly short term in nature and are repriced regularly.

The fair value of the guarantee, as disclosed in note 6, was calculated based on level 3 valuation inputs taking into account current illiquid market conditions; which include sanctions enacted by the US and EU.

(ii) Fair value hierarchy

The table below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie, as prices) or indirectly (ie, derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

Level 1 classifications primarily include futures with a maturity of less than one year. Level 2 classifications primarily include swaps and physical forward transactions which derive their fair value primarily from exchange quotes and readily observable broker quotes. Level 3 classifications primarily include physical forward transactions which derive their fair value predominately from calculations that use broker quotes and applicable market-based estimates surrounding location, quality and credit differentials. In circumstances where Trafigura cannot verify fair value with observable market inputs (Level 3 fair values), it is possible that a different valuation model could produce a materially different estimate of fair value.

It is Trafigura's policy to hedge significant market risk, therefore sensitivity to fair value movements is limited. Trafigura manages its market risk using the Value at Risk (VaR) as disclosed in note 26b.

	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	**Total USD'M**
30 September 2014				
Available-for-sale financial assets	235.0	–	–	**235.0**
Equity securities designated at fair value through profit or loss	428.1	–	–	**428.1**
Total	**663.1**	**–**	**–**	**663.1**
Derivatives – Assets				
Futures	502.0	–	–	**502.0**
OTC derivatives	–	629.7	–	**629.7**
Physical forwards	–	459.2	175.8	**635.0**
Cross-currency swaps	–	3.3	–	**3.3**
Interest rate swaps	–	–	–	**–**
Other financial derivatives	–	17.6	–	**17.6**
Total	**502.0**	**1,109.8**	**175.8**	**1,787.6**

	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	**Total USD'M**
30 September 2014				
Derivatives – Liabilities				
Futures	108.4	–	–	**108.4**
OTC derivatives	–	397.7	–	**397.7**
Physical forwards	–	532.9	410.0	**942.9**
Cross-currency swaps	–	98.0	–	**98.0**
Other financial derivatives	–	31.4	–	**31.4**
Total	**108.4**	**1,060.0**	**410.0**	**1,578.4**

	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2013				
Listed equity securities – available-for-sale	121.5	–	–	**121.5**
Total	**121.5**	**–**	**–**	**121.5**
Derivatives – Assets				
Futures	415.8	–	–	**415.8**
Swaps	–	362.2	–	**362.2**
Physical forwards	–	2,706.8	140.7	**2,847.5**
Cross-currency swaps	–	4.2	–	**4.2**
Interest rate swaps	–	–	–	**–**
Other derivatives	–	4.0	–	**4.0**
Total	**415.8**	**3,077.2**	**140.7**	**3,633.7**

	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2013				
Derivatives – Liabilities				
Futures	643.7	–	–	**643.7**
Swaps	–	272.1	–	**272.1**
Physical forwards	–	2,765.4	371.6	**3,137.0**
Cross-currency swaps	–	33.2	–	**33.2**
Interest rate swaps	–	0.4	–	**0.4**
Other derivatives	–	10.5	–	**10.5**
Total	**643.7**	**3,081.6**	**371.6**	**4,096.9**

There have been no transfers between fair value hierarchy Levels in 2014 (2013: no transfers in either direction). Materially all level 3 physical forwards are settled in the next year.

27. EMPLOYEE BENEFITS

a. Equity participation plan

The Company has an equity participation plan (EPP) which is open to employees of the Group. Shares issued to employees are preference shares, which give rights to economic benefits with limited voting rights. The founders of the Company, represented in Beheer Malta Limited, a parent company of Trafigura Beheer B.V., together with the Board of Directors of the Company, decide on the share awards to be issued to employees. Annual remuneration (which includes the equity participation awards) is subject to review by the remuneration committee of the Company.

The value of the shares is based on the net asset value of an ordinary share as set out in the Articles of Association of the Company which management believe is a fair approximation of the fair value. Shares awarded under the EPP may vest immediately or over a period of several years.

Employees do not have the right to sell shares that have vested unless a purchase offer has been made by Beheer Malta Limited. Upon termination of employment, employees must transfer all of their shares at the direction of Beheer Malta Limited. The Company does not have a legal nor constructive obligation to settle the shares held by employees in cash. If employment is ceased prior to the end of the vesting period the shares will be forfeited except as otherwise determined by Beheer Malta Limited.

The Group accounts for the EPP as an equity settled plan, the fair value of the shares granted, determined at the grant date, is recorded in the statement of income rateably over the vesting period of the shares.

During 2014, 2,949 immediately vesting shares were granted to employees representing a value of USD5.6 million (2013: 23,411 shares representing a value of USD28.6 million) and 18,267 shares were granted with a vesting period of 3-5 years representing a value of USD34.5 million (2013: 38,620 shares representing a value of USD47.1 million).

Compensation in respect of share-based payments recognised in staff costs amounted to USD42.2 million in 2014 (2013: USD70.8 million).

Unrecognised staff costs in respect of rateably vesting shares expected to be recognised from 2015 to 2019 amount to USD60.4 million at 30 September, 2014 (2013:USD77.1 million).

b. Personnel expenses

	2014 USD'M	2013 USD'M
Salaries and bonuses	**451.4**	551.9
Social security costs	**32.4**	40.0
Pension costs	**18.9**	19.4
Share-based payments	**42.2**	70.8
Total	**544.9**	682.1

The average number of employees split geographically is depicted below:

2014	Oil and Petroleum FTE	Metals and Minerals FTE	Corporate and Other FTE	Total FTE
North, Central and South America	198	1,972	173	**2,343**
Europe and Africa	365	1,344	424	**2,133**
Asia, Middle East and Australia	196	376	278	**850**
Total	**759**	**3,692**	**875**	**5,326**

2013	Oil and Petroleum FTE	Metals and Minerals FTE	Corporate and Other FTE	Total FTE
North, Central and South America	991	1,652	181	**2,824**
Europe and Africa	2,290	1,181	465	**3,936**
Asia, Middle East and Australia	1,391	379	243	**2,013**
Total	**4,672**	**3,212**	**889**	**8,773**

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

28. RELATED PARTIES

a. Transactions with key management personnel

(i) Key management personnel compensation

In addition to their salaries, the Group also provides non-cash benefits to directors and executive officers. Executive officers also participate in the Group's share participation programme (see note 20). Compensation of key management personnel, including all members of the Board of Directors and Management Board, comprised of the following:

	2014 USD'M	2013 USD'M
Short-term employee benefits	**3.0**	2.5
Post-employment benefits	**0.3**	0.3
Share-based payments	**5.5**	4.9
Total	**8.8**	**7.7**

In addition, the members of the Supervisory Board received total remuneration of USD1.4 million (2013: USD1.3 million).

(ii) Key management personnel and director transactions

As at 30 September, 2014 loans receivable from the members of the Board of Directors and Management Board total USD3.0 million (2013: USD2.6 million). Interest is charged on the loans at approximately Libor + 1.0% and the loans are repayable within the 1-3 year bracket.

b. Other related party transactions

Related party receivables/(payables)	2014 USD'M	2013 USD'M
Puma Energy	**626.0**	471.2
PT Servo Meda Sejahtera	**104.2**	–
Farringford NV	**16.7**	33.9
Beheer Malta Ltd	**(1.2)**	1.6
Ecore B.V.	**3.4**	24.5
Valcoast Investment SA	**–**	0.8
Buckeye Partners LLC	**(3.7)**	–
Other	**2.1**	4.3
Total	**747.5**	536.3

	2014 USD'M	2013 USD'M
Sales	**6,466.1**	1.6
Purchases	**747.8**	36.3
Interest income	**26.8**	–
Interest expense	**15.7**	–

Puma Holding has been deconsolidated per 30 September, 2013 and therefore sales or purchases for the year are included starting 2014 in the table above.

Transactions between related parties are made on terms equivalent to those that prevail in arm's length transactions.

The table below summarises the nature of relationship and nature of transaction entered with the related party:

Party	Nature of relationship	Nature of transaction
Farringford NV	Ultimate parent	Loans and cost recharges
Beheer Malta Ltd	Parent company	Buy back of treasury shares
Ecore B.V.	Cousin group	Cost recharges, trading and hedging
Puma Energy Holding	Equity-accounted investee	Financing and trading agreement
Porto Sudeste do Brasil S.A.	Equity-accounted investee	Loans and cost recharges
Buckeye Partners LLC	Equity-accounted investee	Lease agreements
PT Servo Meda Sejahtera	Equity-accounted investee	Loan

A list of consolidated subsidiaries and associates is included in note 41.

29. NEW STANDARDS AND INTERPRETATIONS NOT YET ADOPTED

The Group has not applied the following new and revised IFRSs, which have been issued but are not yet effective, in these financial statements.

- IFRS 9 Financial Instruments, effective 1 January, 2018
- IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures – Sale or Contribution of Assets between an Investor and its Associate or Joint Venture, effective 1 January, 2016
- IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January, 2016
- IFRS 14 Regulatory Deferral Accounts, effective 1 January, 2016
- IFRS 15 Revenue from Contracts with Customers, effective 1 January, 2017
- IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January, 2016
- IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, effective 1 January, 2016
- IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 July, 2014
- IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements, effective 1 January, 2016
- IAS 32 Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January, 2014
- IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets, effective 1 January, 2014
- IAS 39 Financial Instruments: Recognition and Measurement – Novation of Derivatives and Continuation of Hedge Accounting, effective 1 January, 2014
- IFRIC 21 Levies, effective 17 June, 2014
- Annual Improvements to IFRSs 2010-12 Cycle (Issued December 2013), effective 1 July, 2014
- Annual Improvements to IFRSs 2011-13 Cycle (Issued December 2013), effective 1 July, 2014
- Annual Improvements to IFRSs 2012-14 Cycle (Issued September 2014), effective 1 January, 2016.

The Group is in the process of making an assessment of the impact of these new and revised IFRSs upon initial application. As at the date of this report, the Group's management does not expect that the impact on the Group's results of operations and financial position will be material upon adoption of these new Standards.

The following IFRSs have been applied for the first time in 2014

- IFRS 7 Amendments – Amendments to IFRS 7 Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities
- IFRS 10 Consolidated Financial Statements, effective 1 January, 2014 but early adopted
- IFRS 11 Joint Arrangements, effective 1 January, 2014 but early adopted
- IFRS 12 Disclosure of Interests in Other Entities, effective 1 January, 2014 but early adopted
- IFRS 10-12 – Transition Guidance, effective 1 January, 2014 but early adopted
- IFRS 10, IFRS 12 and IAS 27 – Investment Entities, effective 1 January, 2014 but early adopted
- IFRS 13 Fair Value Measurement
- IAS 12 Income Taxes – Recovery of Tax Assets
- IAS 27 Separate Financial Statements, effective 1 January, 2014 but early adopted
- IAS 28 Investments in Associates and Joint Ventures, effective 1 January, 2014 but early adopted
- IFRIC 20 Stripping Costs in the Production Phase of a Surface Mine
- Annual Improvements 2009-11 Cycle Amendments to a number of IFRSs issued in May 2012.

IFRS 10 CONSOLIDATED FINANCIAL STATEMENTS

IFRS 10 establishes a single control model that applies to all entities including special purpose entities. IFRS 10 replaces the portion of IAS 27 'Consolidated and Separate Financial Statements' that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12 'Consolidation – Special Purpose Entities'. IFRS 10 changes the definition of control such that an investor controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. To meet the definition of control in IFRS 10, all three criteria must be met, including:

- an investor has power over an investee;
- the investor has exposure, or rights, to variable returns from its involvement with the investee; and
- the investor has the ability to use its power over the investee to affect the amount of the investor's returns.

The standard becomes effective for financial years beginning on or after 1 January, 2014 but has been early adopted by the Company. Reference is made to note 3 cc vii.

IFRS 11 JOINT ARRANGEMENTS

IFRS 11 replaces IAS 31 'Interests in Joint Ventures' and SIC-13 'Jointly-controlled Entities – Non-monetary Contributions by Venturers'. IFRS 11 removes the option to account for jointly controlled entities using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The standard becomes effective for financial years beginning on or after 1 January, 2014 but has been early adopted.

IFRS 12 DISCLOSURE OF INTERESTS IN OTHER ENTITIES

IFRS 12 sets out the requirements for disclosures relating to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The requirements in IFRS 12 are more comprehensive than the previous existing disclosure requirements for subsidiaries. The standard becomes effective for financial years beginning on or after 1 January, 2014 but has been early adopted. Reference is made to note 13 for disclosure on the Group's interest in equity-accounted investees and note 21 for disclosure on material non-controlling interest.

IFRS 13 FAIR VALUE MEASUREMENT

IFRS 13 establishes a single source of guidance under IFRS for all fair value measurements. IFRS 13 does not change when fair value is required to be used, but rather provides guidance on how to measure fair value under IFRS. IFRS 13 defined fair value as an exit price; the price that would be received to sell an asset or paid to transfer a liability. As a result of the guidance in IFRS 13, the Group reassessed its policies for measuring fair values, in particular, its valuation inputs such as non-performance risk for fair value measurement of liabilities. IFRS 13 also requires additional disclosures. Application of IFRS 13 has not materially impacted the fair value measurements of the Group. Additional disclosures where required, are provided in the individual notes relating to the assets and liabilities whose fair values were determined. Fair value hierarchy is provided in Note 26.

G. COMPANY STATEMENT OF FINANCIAL POSITION

	Note	30 September 2014 USD'M	30 September 2013 USD'M
Assets			
Investment in subsidiaries	32	**6,037.9**	5,546.8
Equity-accounted investees	32	**–**	2.2
Loans receivable and advances	32	**1,139.7**	–
Other investments	32	**13.6**	18.5
Total non-current assets		**7,191.2**	5,567.5
Trade and other receivables	33	**24.2**	2,767.9
Loans receivable and advances	33	**689.4**	–
Income tax receivable		**–**	4.4
Cash and cash equivalents		**26.5**	0.5
Total current assets		**740.1**	2,772.8
Total assets		**7,931.3**	8,340.3
Equity			
Share capital	34	**0.2**	0.1
Capital Securities	34	**645.8**	491.4
Reserves	34	**1,718.6**	1,644.6
Retained earnings	34	**2,891.1**	2,903.6
Shareholders' equity		**5,255.7**	5,039.7
Liabilities			
Loans and borrowings	37	**490.4**	1,011.2
Derivatives		**–**	37.0
Deferred tax liabilities		**2.3**	–
Total non-current liabilities		**492.7**	1,048.2
Current tax liabilities		**40.4**	24.6
Loans and borrowings	37	**689.4**	1,025.3
Trade and other payables	35	**1,371.7**	1,082.8
Derivatives		**81.4**	119.7
Total current liabilities		**2,182.9**	2,252.4
Total shareholders' equity and liabilities		**7,931.3**	8,340.3

See accompanying notes

H. COMPANY STATEMENT OF INCOME

	Note	2014 USD'M	2013 USD'M
Share of net income of subsidiaries	32	**989.3**	2,108.6
Result of the Company net of income taxes		**50.4**	(76.4)
Net profit		**1,039.7**	2,032.2

See accompanying notes

I. NOTES TO THE COMPANY FINANCIAL STATEMENTS

30. GENERAL

The 2014 parent company financial statements of Trafigura Beheer B.V. (the Company) have been prepared in accordance with Part 9, Book 2 of the Netherlands Civil Code. As allowed by section 402, Book 2 of the Netherlands Civil Code, the statements of operations of the Company are presented in condensed form. In accordance with subsection 8 of section 362, Book 2 of the Netherlands Civil Code, the recognition and measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements (see note 3 to the consolidated financial statements) except for the investments in subsidiaries, joint ventures and associates.

The principal business office of the Company is at Ito Tower, Gustav Mahlerplein 102, 1082 MA Amsterdam, the Netherlands.

31. INVESTMENTS IN SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES

Investments in subsidiaries, joint ventures and associates are accounted for using the net equity value. The Company calculates the net equity value using the accounting policies as described in note 3 to the consolidated financial statements.

32. FINANCIAL FIXED ASSETS

As of 30 September, 2014 and 30 September, 2013, the Company held a number of subsidiaries which it accounts for using the equity method.

The movement in the balance of the account is as follows:

	Subsidiaries	Equity-accounted investees	Loans receivable and advances	Other investments	**Total**
	USD'M	USD'M	USD'M	USD'M	**USD'M**
Balance at 1 October 2013	5,546.8	2.2	–	18.5	**5,567.5**
Effect of movements in exchange rates	(105.8)	–	–	–	**(105.8)**
Other changes in equity of subsidiaries	32.3	–	–	–	**32.3**
Additions	54.2	–	1,139.7	–	**1,193.9**
Impairment	–	–	–	(4.9)	**(4.9)**
Disposals/write-offs	–	(2.2)	–	–	**(2.2)**
Dividend received	(456.5)	–	–	–	**(456.5)**
Share of net income	989.8	–	–	–	**989.8**
Other movements	(22.9)	–	–	–	**(22.9)**
Balance at 30 September 2014	**6,037.9**	**–**	**1,139.7**	**13.6**	**7,191.2**

Loans receivables and advances mainly include loans receivable from related parties. For a list of subsidiaries, joint ventures and associates, see note 41.

I. NOTES TO THE COMPANY FINANCIAL STATEMENTS *(CONTINUED)*

33. TRADE AND OTHER RECEIVABLES

	2014 USD'M	2013 USD'M
Amounts due from subsidiaries	–	2,733.8
Other debtors	**14.8**	0.4
Related parties	**9.4**	33.7
Total	**24.2**	2,767.9

The Company has loans receivables and advances from a subsidiary which are held to maturity and generate a fixed or variable income for the Company.

34. SHAREHOLDERS' EQUITY

The equity movement schedule is included in chapter D of the consolidated financial statements. For the notes to the equity, reference is made to note 20 of the consolidated financial statements. Legal reserves for purposes of the company's shareholders' equity are the same as the reserves disclosed in note 20. The reserves not directly available for distribution as at 30 September, 2014 were USD1,718.7 million (2013: USD1,644.6 million).

35. TRADE AND OTHER PAYABLES

	2014 USD'M	2013 USD'M
Amount payable to subsidiaries	**571.0**	–
Trade creditors	**77.9**	203.6
Accrued costs of sales and expenses	**712.5**	878.6
Related parties	**10.3**	0.6
Total	**1,371.7**	1,082.8

36. CONTINGENCIES AND COMMITMENTS

The following contingent liabilities exist in respect of trade financing:

	2014 USD'M	2013 USD'M
Letters of credit	**294.5**	557.3
Letters of indemnity	–	4.1
Guarantees	**15.0**	5.6
Total	**309.5**	566.9

In the normal course of business the Company has received legal claims in respect of business contracts. Management believes that no significant liability exists in respect of these claims, except for those contracts where specific provisions have been made. The Company is the fiscal parent of the fiscal unity for Dutch corporate income tax purposes. As a consequence, the Company is jointly and severally liable for corporate income tax liabilities of the fiscal unity.

The Company had outstanding commitments at the end of 30 September, 2014 and 30 September, 2013 as follows:

	2014 USD'M	2013 USD'M
Storage rental	**7.7**	77.0
Time charters	–	78.0
Office rent	**2.1**	2.7
	9.8	157.7
Assets under construction	–	–
Total	**9.8**	157.7

Non-cancellable operating lease rentals are payable as follows:

	2014 USD'M	2013 USD'M
Less than one year	**9.2**	24.9
Later than one year and less than five years	**0.6**	73.7
Later than five years	–	59.1
Total	**9.8**	157.7

37. LOANS AND BORROWINGS

Carrying value of loans and borrowings	2014 USD'M	2013 USD'M
Non-current		
Private placements	**230.0**	230.0
Revolving credit facilities	**–**	115.0
Eurobond	**–**	540.8
Other loans	**260.4**	125.4
Total non-current	**490.4**	1,011.2
Current		
Eurobond	**368.9**	–
Revolving credit facilities	**115.0**	229.0
Other loans	**4.3**	153.5
Short-term bank borrowings	**201.2**	642.8
Total current	**689.4**	1,025.3

	Principal	Interest rate	Maturity	Floating/fixed rate debt	< 1 year USD'M	1-5 years USD'M	> 5 years USD'M	**Total USD'M**
Revolving credit facilities								
USD	115.0	Libor + 1.70%	2014 – October	Floating	115.0	–	–	**115.0**
					115.0	–	–	**115.0**
Private placement								
USD	44.0	5.80%	2016 – April	Fixed	–	44.0	–	**44.0**
USD	88.0	6.50%	2018 – April	Fixed	–	88.0	–	**88.0**
USD	98.0	7.11%	2021 – April	Fixed	–	–	98.0	**98.0**
					–	132.0	98.0	**230.0**
Eurobonds								
EUR	290.8	6.38%	2015 – April	Fixed	368.9	–	–	**368.9**
					368.9	–	–	**368.9**
Other loans								
JPY	25,500.0	Libor + 1.5%	2017 – March	Floating	–	233.1	–	**233.1**
USD	39.6	Libor + 2.95%	2019 – October	Floating	4.3	27.3	–	**31.6**
					4.3	260.4	–	**263.9**
Total					**488.2**	**392.4**	**98.0**	**978.6**

The Company was in compliance with all its corporate and financial covenants as at 30 September, 2014.

38. EMPLOYEE INFORMATION

The average number of employees during the year was 31 (2013: 64).

39. AUDITOR'S FEES

See note 9 in the consolidated financial statements.

40. REMUNERATION OF THE SUPERVISORY BOARD AND BOARD OF DIRECTORS

The Group provides cash and non-cash benefits to the directors. Members of the Board of Directors also participate in the Group's share participation programme (see note 20). Compensation of all members of the Board of Directors comprised of the following:

	2014 USD'M	2013 USD'M
Short-term employee benefits	**2.0**	1.5
Post-employment benefits	**0.1**	0.2
Share-based payments	**3.8**	3.0
Total	**5.9**	4.7

In addition, the members of the Supervisory Board received total remuneration of USD1.4 million (2013: USD1.3 million).

I. NOTES TO THE COMPANY FINANCIAL STATEMENTS *(CONTINUED)*

41. CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

For entities where legal shareholding is less than 50%, the Group has consolidated based on the definition of control under IFRS. Certain entities with a percentage of interest below 50% are held through intermediate holding companies controlled by the Group.

Principal consolidated operating subsidiaries	Location	% Owned 2014	% Owned 2013
Angola Exploration Mining Resources S.A.	Angola	30%	30%
AngoRecycling Industry, Lda.	Angola	25%	25%
Catalina Huanca Sociedad Minera S.A.C.	Peru	100%	100%
Chuntile Holdings s.a.r.l.	Luxembourg	100%	100%
DT Investments DMCC	United Arab Emirates	50%	50%
DT Trading Ltd.	Bahamas	50%	50%
DTS Commercial Pte. Ltd.	Singapore	50%	50%
DTS Refining Pte. Ltd	Singapore	50%	50%
Edenfield Procurement DMCC	United Arab Emirates	100%	100%
Empresa de Recolha de Residuos de Angola, Lda	Angola	50%	50%
Fangchenggang Guo Tong Import and Export Co. Ltd	China	100%	100%
Galena Asset Management B.V.	Netherlands	100%	100%
Galena Asset Management Limited	United Kingdom	100%	100%
Galena Investments 2 Limited	Malta	100%	–
Galena Investments 2 S.à r.l.	Luxembourg	100%	–
Galena investments limited	Malta	100%	100%
Galena Investments S.à r.l.	Luxembourg	100%	100%
Genghis Holding Company Limited	Malta	100%	100%
Iberian Finance s.a.r.l.	Luxembourg	100%	100%
Iberian Minerals Corp.	Switzerland	100%	100%
Iberian Minerals Financing S.A.	Luxembourg	100%	100%
Iberian Minerals Holdings Cooperatief U.A.	Netherlands	100%	100%
IM Finance s.a.r.l.	Luxembourg	100%	100%
Impala Holdings Limited (Previously known as Cochan Malta Limited)	Malta	100%	100%
Impala Middle East FZCO (Previously known as N.E.M.S. (Middle East) FZCO)	United Arab Emirates	77%	77%
Impala Logistics (Shanghai) Company Limited	China	100%	100%
Impala Terminals Burnside LLC (Previously known as Impala Warehousing (US) LLC)	United States	100%	100%
Impala Terminals Mexico, S.A. de C.V. (Previously known as Impala Warehousing S.A. de C.V.)	Mexico	100%	100%
Impala Terminals Peru S.A.C (Previously known as Impala Peru S.A.C.)	Peru	100%	100%
Impala Terminals UK Limited (Previously known as North European Marine Services Limited)	United Kingdom	100%	100%
Impala USA Inc (Previously known as NEMS (USA) Inc.)	United States	100%	100%
Impala Warehousing & Logistics SPRL	Congo, The Democratic Republic of the	100%	100%
ITH (Luxembourg) S.à r.l	Luxembourg	100%	–
ITH (Malta) Ltd	Malta	100%	–
IWL (Luxembourg) S.à r.l.	Luxembourg	100%	100%
IWL Capital LLC	Marshall Islands	100%	100%
IWL Holding B.V.	Netherlands	100%	100%
IWL Holdings (Luxembourg) S.à r.l.	Luxembourg	100%	100%
IWL Investments (Malta) Limited	Malta	100%	100%
Luna Mining SARL (Previously known as Luna Mining Sprl)	Congo, The Democratic Republic of the	100%	100%
Manatee Holding Company Limited	Malta	100%	100%
Meteor Ltd	Isle of Man	100%	100%
Minas de Aguas Teñidas, S.A.U ('MATSA')	Spain	100%	100%
Ningbo Minghui Recycling Resources Co., Ltd	China	95%	95%
Petromining S.A.	Argentina	100%	100%
Puma Energy Holdings Malta Limited	Malta	100%	100%
Shanghai Trafigura Energy and Resource Trading co., ltd.	China	100%	100%
Sonatraf DMCC	United Arab Emirates	100%	100%
TAG ECO Recycling (UK) Limited	United Kingdom	100%	100%
Trafigura AG	Switzerland	100%	100%
Trafigura B.V.	Netherlands	100%	100%
Trafigura Calgary Ltd.	Canada	100%	100%
Trafigura Chile Limitada	Chile	100%	100%
Trafigura Corpus Christi Holdings Inc.	United States	100%	–
Trafigura Derivatives Limited	United Kingdom	100%	100%
Trafigura DMCC	United Arab Emirates	100%	100%
Trafigura Eurasia LLC	Russian Federation	100%	100%
Trafigura Funding S.A.	Luxembourg	100%	100%
Trafigura Group Pte Ltd	Singapore	100%	100%
Trafigura Holdings Limited	Malta	100%	100%
Trafigura Holdings S.à r.l.	Luxembourg	100%	100%
Trafigura India Private Limited	India	100%	100%
Trafigura Investment (China) Co.,Ltd	China	100%	100%
Trafigura Limited	United Kingdom	100%	100%
Trafigura Maritime Ventures Limited	Malta	100%	100%
Trafigura Marketing Inc.	United States	100%	100%
Trafigura Marketing Ltd.	Canada	100%	100%
Trafigura Mexico, S.A. de C.V.	Mexico	100%	100%
Trafigura Nat Gas Limited	Malta	100%	100%
Trafigura Overseas Projects Pte. Ltd	Singapore	100%	100%
Trafigura Peru S.A.C.	Peru	100%	–
Trafigura Pte Ltd	Singapore	100%	100%
Trafigura Services Pte. Ltd.	Singapore	100%	100%
Trafigura Services South Africa (Pty) Ltd	South Africa	100%	100%
Trafigura Trade Investments (Luxembourg) S.à r.l.	Luxembourg	100%	100%
Trafigura Trade Investments B.V.	Netherlands	100%	100%
Trafigura Trading (Yangshan) Co.,Ltd	China	100%	100%
Trafigura Ventures Trading Ltd	Mauritius	100%	100%
Urion Holdings (Malta) Limited	Malta	100%	100%
EF90LLC	United States	–	100%
Trafigura Investments S.à r.l.	Luxembourg	–	100%

Equity-accounted investees carried at net equity value	Location	% owned 2014	% owned 2013
Cadillac Ventures Inc.	Canada	24%	25%
Empresa Minera del Caribe S.A.	Caribbean	49%	49%
Napoil Limited	Bermuda	49%	49%
Osmunda Limited	Isle of Man	33%	33%
PSA Fundo do Investimento em Participacoes	Brazil	50%	–
Porto Sudeste do Brasil S.A.	Brazil	33%	–
Puma Energy Holdings Pte. Ltd.	Singapore	49%	49%
PT Servo Meda Sejahtera	Indonesia	30%	–
Transportadora Callao S.A.	Peru	30%	30%
Buckeye Texas Partners LLC	United States	20%	–

42. BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

THE BOARD OF DIRECTORS
Claude Dauphin
Mark Irwin
Pierre Lorinet
Mariano Marcondes Ferraz
Mike Wainwright
Jeremy Weir

THE SUPERVISORY BOARD
Chris Cox
Thomas Strathclyde
Eric de Turckheim
Andrew Vickerman

Amsterdam, 4 December, 2014

J. OTHER INFORMATION

43. APPROPRIATION OF NET PROFIT

According to Article 20 of the Company's Articles of Association, the annual meeting of shareholders determines the appropriation of the Company's net profit for the year.

According to Article 20.4 first a 100% dividend of the nominal value of each of the classes of preference shares is deducted from those profits. The Board of Directors propose that the remaining net profit of USD1,039.7 million for the year ended 30 September, 2014 be transferred to retained earnings.

44. SUBSEQUENT EVENTS

There were no events after the end of the reporting period that require disclosure.

45. SUMMARY OF BRANCH OFFICES

Trade Name	Location
Trafigura Beheer B.V., Dubai Branch	UAE
Trafigura Beheer B.V., Fujairah Free Zone, Branch Office	UAE
Trafigura Beheer B.V., Branch Office Geneva	Switzerland
Trafigura Beheer B.V, Branch Office Lucerne	Switzerland

INDEPENDENT AUDITOR'S REPORT

To: the shareholders, the Supervisory Board and the Board of Directors of Trafigura Beheer B.V.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements for the year ended 30 September, 2014 of Trafigura Beheer B.V., Amsterdam. The financial statements include the consolidated financial statements and the company financial statements. The consolidated financial statements comprise the consolidated statement of financial position as at 30 September, 2014, the consolidated statement of income, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes, comprising a summary of the significant accounting policies and other explanatory information. The company financial statements comprise the company statement of financial position as at 30 September, 2014, the company statement of income for the year then ended and the notes, comprising a summary of the accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code, and for the preparation of the report of the board of directors in accordance with Part 9 of Book 2 of the Dutch Civil Code. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION WITH RESPECT TO THE CONSOLIDATED FINANCIAL STATEMENTS

In our opinion, the consolidated financial statements give a true and fair view of the financial position of Trafigura Beheer B.V. as at 30 September, 2014 and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with Part 9 of Book 2 of the Dutch Civil Code.

OPINION WITH RESPECT TO THE COMPANY FINANCIAL STATEMENTS

In our opinion, the company financial statements give a true and fair view of the financial position of Trafigura Beheer B.V. as at 30 September, 2014 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Pursuant to the legal requirement under Section 2:393 sub 5 at e and f of the Dutch Civil Code, we have no deficiencies to report as a result of our examination whether the report of the board of directors, to the extent we can assess, has been prepared in accordance with Part 9 of Book 2 of this Code, and whether the information as required under Section 2:392 sub 1 at b-h has been annexed. Further, we report that the report of the board of directors, to the extent we can assess, is consistent with the financial statements as required by Section 2:391 sub 4 of the Dutch Civil Code.

Rotterdam, 4 December, 2014
Ernst & Young Accountants LLP
Signed by A.A. Heij

NOTES

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Paper from responsible sources
FSC® C022913
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Printed by Pureprint on Vision Superior which is FSC certified.

Pureprint is certificated to ISO 14001 environmental management system, is registered to EMAS the Eco Management Audit Scheme, is a CarbonNeutral® Company and has been awarded The Queen's Award for Enterprise: Sustainable Development.

Designed and produced by SALTERBAXTER MSL.
Written by Gotell Communications.
Photography by Charles Cannon, Edwin Koo, Gareth Bentley, Giles Bernard, Jonathan Glynn Smith, Kevin Butts, Marcus Almeida and Sturrock Grindrod.

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