TRAFIGURA

2015 ANNUAL REPORT

TRAFIGURA GROUP PTE. LTD.

ADVANCING TRADE

FINANCIAL AND BUSINESS HIGHLIGHTS*

$97.2bn
Group revenue
(2014: USD126.2 billion)

198.4mmt
Combined volume of commodities traded
(2014: 169.5mmt**)

$2.6bn
Gross profit
(2014: USD2.0 billion)

$39.1bn
Total assets
(2014: USD39.9 billion)

67%
Oil and Petroleum Products revenue as a percentage of Group revenue
(2014: 74 percent)

146.3mmt
Oil and Petroleum Products total volume traded
(2014: 120.4mmt)

2.7%
Gross profit margin
(2014: 1.6 percent)

$8.4bn
Total non-current assets
(2014: USD7.9 billion)

33%
Metals and Minerals revenue as a percentage of Group revenue
(2014: 26 percent)

12.8mmt
Metals total volume traded
(2014: 11.3mmt)

$1.1bn
Net profit
(2014: USD1.0 billion)

$5.6bn
Shareholders' equity
(2014: USD6.0 billion)

39.3mmt
Minerals total volume traded
(2014: 37.8mmt)

$1.9bn
EBITDA***
(2014: USD1.3 billion)

5,248
Average number of employees over year (2014: 5,247)

* Trafigura's financial year runs from 1 October 2014 to 30 September 2015.

** Million metric tonnes.

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

ADVANCING TRADE

Without trade, countries don't develop, economies won't grow and international business cannot function. We help make trade happen.

We move physical commodities from places where they are plentiful to where they are most needed – reliably, efficiently and responsibly.

Trafigura has been connecting its customers to the global economy for more than two decades; we are growing prosperity by advancing trade.

CONTENTS

CLAUDE DAUPHIN
(1951–2015)

This Annual Report is dedicated to the memory of our Founder and Executive Chairman, who passed away on 30 September 2015 after a struggle with illness. He is sadly missed by family, friends, colleagues and all who worked with and knew him.

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.

TRADING ACTIVITIES

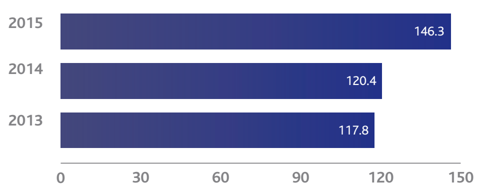
Oil and Petroleum Products

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, Mexico City, Montevideo, Moscow, Mumbai and Singapore.

146.3mmt

Oil and Petroleum Products volume traded
(2014: 120.4mmt)

DIVISIONAL PERFORMANCE



Oil and Petroleum Products volume traded (mmt)

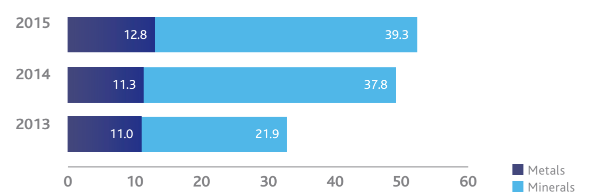
Metals and Minerals

We are one of the world's largest metals and minerals traders. We negotiate offtake agreements with miners and smelters and invest in logistics through our subsidiary, Impala Terminals, to improve market access for our clients. 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.

52.1mmt

Metals and Minerals volume traded
(2014: 49.1mmt)

DIVISIONAL PERFORMANCE



Metals and Minerals volume traded (mmt)

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.

2,744

Shipping and Chartering fixtures
(2014: 2,350+)

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

INDUSTRIAL AND FINANCIAL ASSETS

DT Group

DT Group is a joint venture between Trafigura and Cochan Ltd. 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.

50%
ownership

151
employees*

Impala Terminals

Impala Terminals is a multimodal logistics provider focused on export-driven emerging markets. It owns and operates ports, port terminals, warehouses and transport assets. It has particular expertise in providing efficient logistic solutions in challenging environments.

100%
ownership

1,794
employees

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 Trafigura's trading desks, trading partners and Galena Asset Management.

100%
ownership

1,149
employees

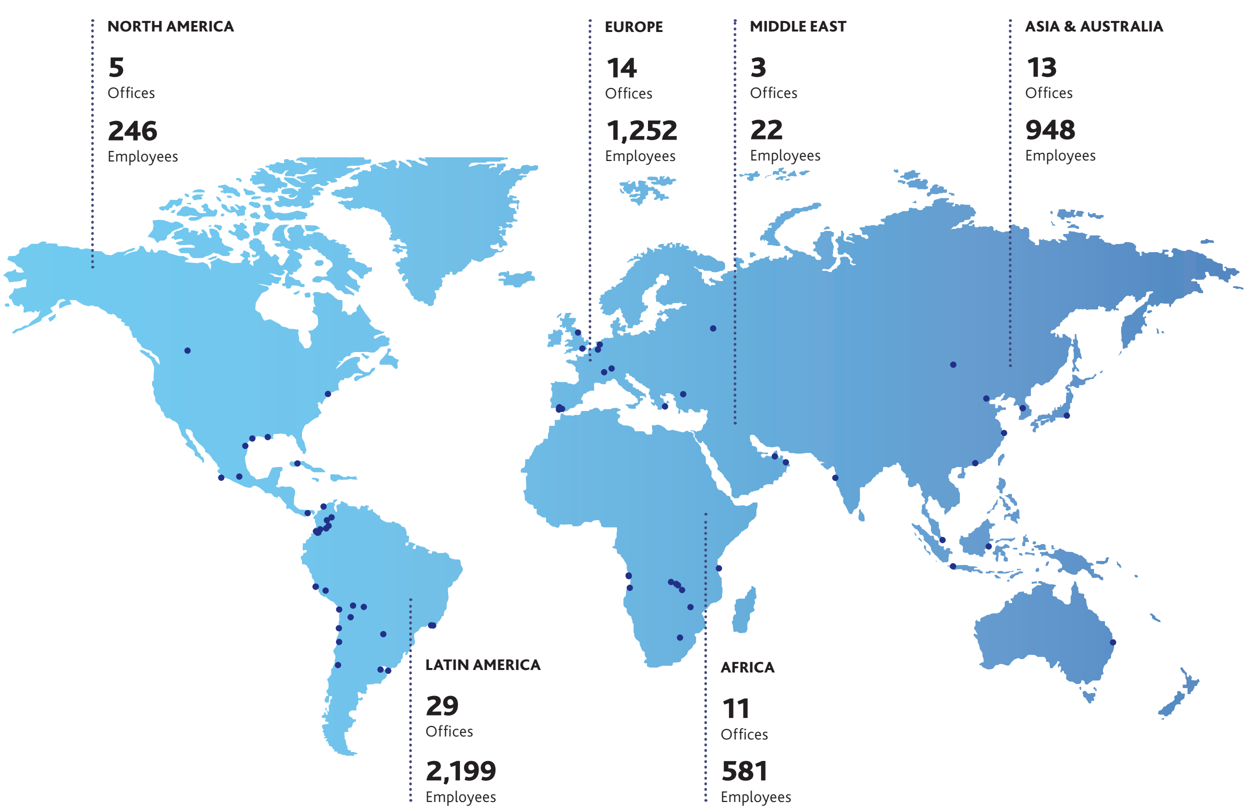
Galena Asset Management

Galena Asset Management provides investors with specialised alternative investment solutions through its range of commodity funds. It operates independently, but benefits from the Group's insights into the global supply and demand of commodities.

$2.2bn
total funds under management including managed accounts

12
years in operation

REGIONAL INFORMATION



* All employee numbers represent average annual totals.

BUSINESS HIGHLIGHTS OF THE YEAR

With 75 offices in 37 countries, Trafigura's network extends to every corner of the globe. Our international, end-to-end services connect producers and consumers worldwide. This page highlights some of our achievements over the past financial year.

OCTOBER
TRAFIGURA GROUP

Trafigura places USD300 million with US and European investors on the US Asset-Backed Securities market. Trafigura's programme is one of the largest securitisation programmes of trade receivables in Europe.

DECEMBER
TRAFIGURA, CANADA

Trafigura enters into partnership with Westmoreland Coal Company under which it will market thermal coal from Westmoreland's Coal Valley mine in Alberta, Canada. Coal Valley exports around 2mmt per annum of high quality, low sulphur thermal coal, shipping principally into North Asia.

MARCH
IMPALA, COLOMBIA

Impala commences early operations at its Barrancabermeja terminal mobilising liquid cargoes as part of its USD1 billion multimodal transport infrastructure investment in Colombia. By the end of the financial year Impala had transported over 1.7 million barrels of oil and petroleum products using its fluvial network along the River Magdalena.

APRIL
TRAFIGURA, RUSSIA

Trafigura expands its commercial relationship with Russian integrated oil company Rosneft, to become the world's second largest exporter of oil from Russia, after China, increasing overall volumes handled by Trafigura's Oil and Petroleum Products Trading Division to almost 3 million barrels per day.

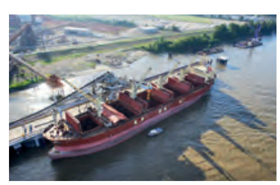
2014 — OCTOBER — NOVEMBER — DECEMBER — 2015 — FEBRUARY — MARCH — APRIL

NOVEMBER
TRAFIGURA GROUP

Trafigura joins the Extractive Industries Transparency Initiative (EITI), the global standard for encouraging disclosure of payment to governments, and commits to a policy of disclosing payments to EITI candidate and compliant countries for oil.

FEBRUARY
TRAFIGURA GROUP

Trafigura joins the United Nations Global Compact – the UN's flagship corporate responsibility initiative.



MARCH
IMPALA, US

Impala Burnside exports its one millionth tonne of product from its state-of-the-art bulk terminal in Louisiana, US just under nine months after commencing operations. With over USD300 million invested to date, the facility provides an integrated and efficient supply route to international markets via the Mississippi River through the Gulf of Mexico.

APRIL
TRAFIGURA, CANADA

Trafigura purchases Nexen Energy's third-party oil lease business in Western Canada. This acquisition almost doubles the Group's Canadian controlled lease supply and added over 150 new customers to its producer base making Trafigura one of Canada's largest aggregators of crude.

JUNE
TRAFIGURA, SPAIN

Trafigura and Mubadala Development Company set up a global joint-venture to invest in the base metals mining sector including Spanish mining operation MATSA which, following a recent expansion, now processes close to 4.6mmt of copper, zinc and lead ore per annum.

JUNE
TRAFIGURA GROUP

Trafigura releases its second Interim Report highlighting a record USD654 million net profit for the six-month period ended 31 March 2015, an increase of 39 percent over performance for the same period of 2014.

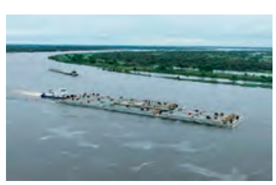
AUGUST
IMPALA, BRAZIL

The first iron ore shipment is made from Impala and Mubadala Development Company's Porto Sudeste terminal in Brazil. This shipment marks the completion of the first phase of the Group's largest construction project to date which will have the capacity to handle 50mmt of iron ore per year.

JUNE JULY AUGUST SEPTEMBER

JUNE
TRAFIGURA, SINGAPORE

Trafigura signs a storage agreement with Singapore LNG Corporation Pte Ltd to utilise excess capacity within their LNG terminal on Jurong Island. The agreement further enhances Trafigura's ties with the Republic of Singapore and demonstrates its commitment to security of supply for Asian customers.



JULY
IMPALA, PARAGUAY

Impala commences the operation of barge convoys along the Paraná River, moving over 16,000m^3 per month of gas oil, jet fuel, gasoline and naphtha products from Argentina and Uruguay, to Paraguay and Bolivia.

SEPTEMBER
TRAFIGURA, US

Trafigura and Buckeye Partners LP commence the commissioning stage of their new 50,000 barrel per day condensate splitter facility at their jointly-owned storage and export complex in Corpus Christi, Texas. The splitter will facilitate greater exports of US refined products.

SEPTEMBER
TRAFIGURA, CHINA

Trafigura registers to become a shareholder in a subsidiary of Jinchuan Group, acquiring a 30 percent stake in China's largest standalone copper smelter in Guangxi province. Trafigura will deliver against 30 percent of the facility's concentrate needs, off-taking 30 percent of its copper.

OUR STRONGEST TRADING YEAR ON RECORD

JEREMY WEIR
Chief Executive Officer

In commodity markets characterised by upheaval, over-supply and volatile trading conditions, Trafigura Group delivered a very strong commercial and financial performance in the year to 30 September 2015.

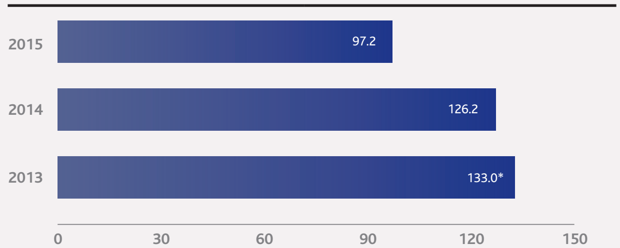
$97.2bn
Group revenue
(2014: USD126.2 billion)

$8.4bn
Total non-current assets
(2014: USD7.9 billion)

$2.6bn
Gross profit
(2014: USD2.0 billion)

$5.6bn
Shareholders' equity
(2014 : USD6.0 billion)

Group revenue (USD billion)



** 2013 Group revenue as reported in TBBV consolidated accounts*

The last day of Trafigura's fiscal year, 30 September 2015, was marked by the sad news of the passing of our Group's Founder and Executive Chairman, Claude Dauphin. He remains greatly missed by all who knew him and worked with him.

The company's performance during 2015, however, is strong testimony to what Claude created over the last 22 years: a successful, fast-growing and highly profitable company built on excellent customer service and resilience through the economic cycle.

We grew volumes in both our core trading divisions, Oil and Petroleum Products and Metals and Minerals, recorded gross margins well above the industry average, and generated the strongest EBITDA in our company's history. After taking account of investment gains, foreign exchange translation costs and write-downs, our net profit was USD1,103 million, compared to USD1,036 million in 2014.

During the year we developed existing customer relationships and established important new strategic partnerships, notably a new joint venture with the Abu Dhabi-based investment and development company Mubadala, to invest in base metals mining projects. We also continued our programme of investment in logistical and infrastructure assets that support our trading business, moving some of the most important projects from the construction phase to the start of commercial operations.

At the year-end, we decided to take significant impairments to the value of a number of our industrial and logistical assets to reflect the impact of adverse market conditions, notably in bulk commodities. These impairments, provisions and our gain on the sale of a 50 percent stake in our MATSA mine to Mubadala, are shown in the 'other income/expense' line of our consolidated income statement, contribute to the total of USD198 million. EBITDA, which we see as the most accurate measure of operating performance since it strips out investment gains and impairments, rose 43 percent from the previous year to USD1,861 million – an outstanding operating result.

CONTINUED VOLUME GROWTH IN BOTH DIVISIONS

The trading environment during the year was strong for oil and petroleum product markets, thanks to an increase in volatility; to lower prices and consequent increases in demand; and, to a lesser extent, to the emergence of contango pricing structures that created economic incentives for storage. These conditions created support for the oil business but the backdrop was more challenging for metals and minerals as a result of the slowdown in Chinese economic growth. Decelerating GDP growth in the world's largest metals market, coupled with restructuring of Chinese state-owned enterprises and tightness of credit, weighed on demand, depressed prices and created a growing supply surplus in some commodities.

In our view, some of the negative commentary on China was overdone, particularly during the second half of the fiscal year. Economic management by the Chinese authorities remains sound despite the market uncertainties on display during the summer, and they have carefully signalled their intent to move the economy from its previous focus on manufacturing investment and exports to a model based more on domestic consumption and services. This will take time and has inevitably resulted in a slower rate of growth, impacting especially strongly on metal and mineral markets.

Inside the new treatment plant at Aguas Teñidas (MATSA) mine near Seville, Spain.

Business highlights for the year included:

- Strong volume growth and a record year of profitability for our Oil and Petroleum Products Division. We grew our market share significantly, with trading volumes rising from a daily average of 2.5 million barrels in fiscal 2014 to more than 3 million barrels. Performance was especially strong in crude oil, where we saw an increase in volumes sourced from Russia among other producing nations, and in the rapidly growing liquefied natural gas market, where we maintained our leading position. But it was also gratifying to note the strength in depth demonstrated by volume growth on almost every trading desk within the division.
- Volume growth and improved performance also in the Metals and Minerals Division. Despite the challenging environment, we maintained our competitive edge and grew market share even in some non-ferrous concentrate markets where we already occupy a leading position. Our coal book continued to grow and contributed stronger profit for the year. More generally, we refreshed our trading teams with new talent and established sound foundations for continued growth in 2016.
- Continued focus on close customer relationships based on the principles of mutual benefit and long-term sustainability, together with our ability to offer creative, integrated solutions. We have worked for many years on selecting the right counterparties with whom to do business, and this is paying dividends in distressed markets. Examples include our strong network of relationships with oil refiners around the world, our growing commercial ties with Rosneft in crude oil purchases, and the strategic partnership we have established in copper with China's Jinchuan Group, demonstrated by our 30 percent equity investment in Jinchuan's new smelter in Guangxi Province (realised in October 2015). In some cases, commercial partnerships or prospects prompted us to acquire equity stakes in partner companies as an investment – as in the cases of Nyrstar, the Brussels-listed zinc smelting and mining company, or of Pacific Exploration, with oil-producing assets in Colombia.
- The ramp-up of early commercial operations in some of the key infrastructure projects being developed by our Impala Terminals subsidiary, notably the Porto Sudeste iron ore terminal in Brazil jointly controlled with Mubadala and the USD1 billion multimodal port and logistics investments project in Colombia.
- Creation with Mubadala of a new joint venture focused on investment in base metal mining projects around the world, and Mubadala's acquisition as part of this of a 50 percent stake in our MATSA copper mine in Spain. This further extends the already-established relationship between Trafigura and Mubadala, and promises significant future value creation. A platform combining the strong investment philosophy of Mubadala and Trafigura's operational, commercial and deal-sourcing skills offers obvious advantages at a time when resource assets will increasingly be available for purchase at attractive prices.
- A successful and carefully planned management transition following diagnosis of our Chairman's illness in March 2014. The year saw a number of senior management changes including the departure of Simon Collins as Head of Metals and Minerals trading and, at the year-end, that of Pierre Lorinet as Chief Financial Officer. However, the Board of Directors and executive team that are taking Trafigura forward have many years' experience of the business and of working together, and have been well prepared for the task. We are also focused on promoting the next generation of talent within the company into more senior positions.

A RESILIENT AND TRANSPARENT BUSINESS MODEL

The year also provided ample opportunities for Trafigura to demonstrate the strength and robustness of a business model built to thrive in turbulent market conditions. We believe our structure, investment strategy and business culture are unique in a number of respects that contribute to this resilience.

First shipment of iron ore from Impala Terminals and Mubadala's Porto Sudeste export facility in Brazil.

First, we remain focused on maintaining and optimising our physical trading business so that it delivers customer service of unrivalled reliability and efficiency. This means further developing management and operating systems that institutionalise the drive for greater efficiency across the company, using a panoply of financial and other tools to hedge our risks, investing heavily in state-of-the-art information technology and devoting significant amounts of senior management time to tailoring our trading activities to customers' needs.

Second, our trading focus is underpinned by our ownership model based on private company status and employee-shareholders. This encourages an optimal alignment between the interests of owners and managers, a conservative approach to risk management, and a focus on developing the business for the long term. This model has served Trafigura well since its foundation in 1993, and the Board is fully committed to maintaining it in the years to come. At a time of heightened scrutiny of some of our publicly-quoted peers, we see no reason to change course.

Third, we have created a funding and operating model that is itself unique, drawing on a deep and diverse pool of bank liquidity, collateralised short-term trade finance facilities that ensure maximum transparency on transactions for our banks, and longer-dated capital market issuance to finance longer-term assets.

Fourth, we have maintained a disciplined approach to capital investment. We invest in logistical and infrastructure assets where we see the need to support our trading business by eliminating bottlenecks. We look to use our balance sheet to invest from time to time in mining or other assets that support our trading business, or to provide financial support to commodity producers and customers. But we are resistant to the temptations of wholesale diversification. We remain at heart a trading company. When opportunities arise, we are quite prepared to divest assets and recycle the proceeds into investments that offer new opportunities for value creation, as we did on a number of occasions during 2015.

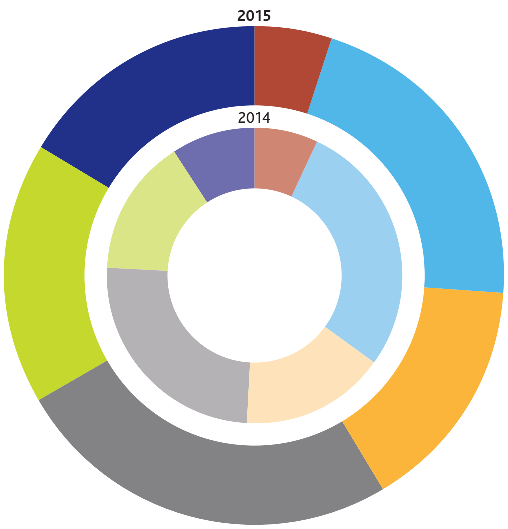
Fifth, we understand that a modern trading company needs to focus on developing a new set of human skills and cultural attributes. Trafigura is uniquely focused among its peer-group on developing and incentivising trading teams with the agility, intellect and ambition to succeed in markets that are increasingly transparent and ever-more closely regulated.

We know that we have to offer more – better performance, more creative risk-management solutions, more integrated service and investment offerings. This means working hard to recruit and train our own talent pool, and it also means devoting special attention to fostering a culture of collegiality and teamwork. The things we offer require our people to work together and to be incentivised collectively as well as individually. We believe that this year's performance – featuring strong results across the board – shows we are doing something right in this regard.

Finally, part and parcel of this commitment is the task of ensuring Trafigura operates as a responsible business. We continued to sharpen our focus on corporate responsibility, transparency and generating greater internal and external understanding of our wider role in society and the economy. This year, for the first time, we published a standalone Responsibility Report to assess our progress and chart our next steps on what is a continuing journey. In it we made our first disclosures of payments to governments under the Extractive Industries Transparency Initiative (EITI), for example, and set out our approach to working with communities in countries and locations where we operate industrial assets.

OIL AND PETROLEUM PRODUCTS

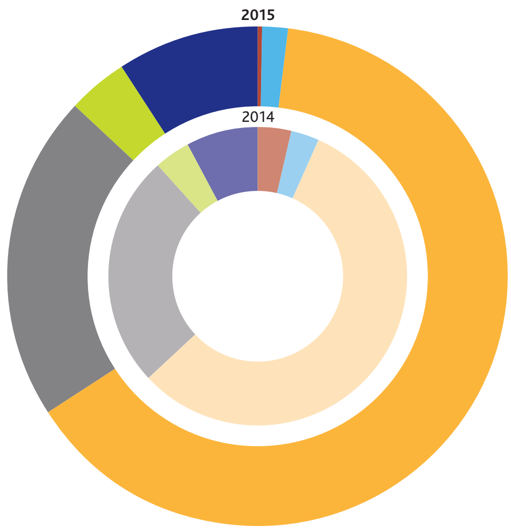
Revenue by geography (%)



Region	2015	2014
Middle East	5%	9%
Africa	21%	25%
Asia & Australia	15%	13%
Europe	25%	26%
Latin America	17%	15%
North America	16%	12%

METALS AND MINERALS

Revenue by geography (%)



Region	2015	2014
Middle East	0.3%	0.5%
Africa	2%	2%
Asia & Australia	64%	73%
Europe	21%	15%
Latin America	4%	2%
North America	9%	9%

LOOKING AHEAD

We believe the current Chinese economic slowdown is an important inflection point for commodity markets. Combined with the uncertain prospects for global GDP growth in 2016, it means that markets, whether for oil or for metals and minerals, will be characterised by surplus supplies and relatively depressed prices for some time to come – in some markets, for another several years.

Trafigura is well positioned to cope with distressed markets. The diversification of our business trading energy and industrial minerals is itself a strength. The exposure of our trading business to low commodity prices is limited by the proactive approach we take to hedging flat price risk; in respect of our fixed assets, we actively monitor market exposures. We have demonstrated that our model is robust through the economic cycle – not just in 2015 but also when we recorded strong commercial and financial performance through the global financial crisis of 2008-09. We have taken a conservative approach to valuing our assets in these results, as demonstrated by the significant impairments on them we took at the year-end, and we will continue to pay close attention to this topic in the current year. We will also continue to focus intensely on cost and on moving quickly to address areas of under-performance.

We succeed by growing traded volumes and defending, or where possible, expanding our margins. We know that in an increasingly complex and competitive trading environment, we need to be able to expand further in order to capitalise on economies of scale. Commodities trading will in future be a business for large firms with diversified and well-financed trading interests or for small specialists. It will certainly not be a hospitable environment for mid-sized, under-capitalised or unfocused players.

We have a long record of sound finances, strong liquidity and careful risk management, including extremely low credit losses throughout our history. We continue to invest in systems and processes that equip us to operate in complex markets at scale and to continue to grow while maintaining operational efficiency and healthy profit margins. In the difficult conditions likely to persist through 2016, we will have to pay even closer attention to credit risk and to carefully selecting our counterparties, while at the same time we will remain alive to the enhanced trading and investment opportunities that are likely to be exposed by distressed markets and to our customers' needs for support. Perhaps our greatest strength in this environment will be the financial firepower and management focus that we maintain in order to be able to seize and capitalise on these opportunities.

Jeremy Weir,
Chief Executive Officer

Scan for an interview with Jeremy Weir discussing Trafigura's performance, or visit **www.trafigura.com/financials/2015-annual-report/**

MARKETPLACE REVIEW

PRONOUNCED VOLATILITY AND ECONOMIC SLOWDOWN

SAAD RAHIM
Chief Economist and
Head of Analysis

Markets are constantly in motion, but by almost any standard the period from October 2014 to September 2015 was a year of pronounced volatility and movement.

Across our fiscal year, the economic narrative switched from a rapidly increasing commodity appetite from China, to a slowdown across emerging markets. This movement was reflected across asset classes and geographies, and across companies and countries large and small.

For a decade now, commodity markets have felt the inexorable upward pull of two factors: surging Chinese growth and accommodative monetary policy by global Central Banks. The sustainability of these two factors was called into question over the year, leading to a weaker price environment for commodities. However, the fiscal year ended with interest rates broadly in the same place they have been for over seven years, with the US Federal Reserve looking set to continue to keep rates low for some time yet. While Chinese growth looked weaker in 2015 than it has at any time since 2008, structural economic forces should continue to drive commodity demand growth over the long term.

ECONOMIC SLOWDOWN IN CHINA

China's slowdown had to some extent been expected as the economy matured, but the timing and the speed with which it would unfold were unknowns. While the government remains committed to a growth target somewhere between 6 and 7 percent per year, it became clear towards Q4 2014 that growth was in fact running below those levels. Although the headline GDP numbers were in line with the government's objectives, other indicators such as freight traffic, electricity consumption and physical demand for key commodities were all weakening. Some of this is a natural result of the economy moving from an investment- and export-intensive growth model to a more consumption-led one. Investment in infrastructure in particular has been a material driver of China's commodity demand growth, but as the country has entered the middle stages of development, the need for exponential expansion has slowed.

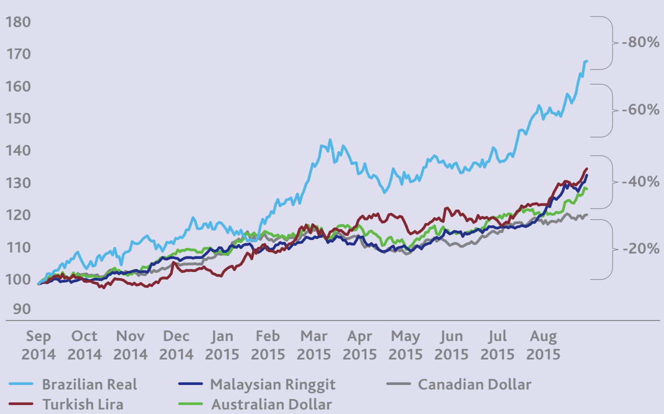
Slowing growth in China has affected commodity producers and prices around the globe, from iron ore producers in Brazil to oil exporters in the Middle East to coal companies in Australia. Exporters of manufactured goods have also been impacted, with Japan, Korea and Germany all seeing trade volumes suffer.

PRESSURE ON EXPORTER CURRENCIES

The weakness in global trade has put pressure on the currencies of major exporters over the past year, which in turn has led to lower production costs in many key producers. In particular, Russia and Brazil, two major partners for Trafigura, have seen their currencies depreciate significantly, impacting costs in a positive manner and growth in a negative one. In addition to the commodity-price-led currency moves, the last fiscal year also saw a reversal of one of the defining trends of the last decade: USD weakness. From 2001 to the end of 2007, the USD depreciated by more than 35 percent, both a symptom of, and a contributor to, rising commodity prices. Funds moved out of the falling currency and into rising commodities. However, driven by expectations that the Federal Reserve would start raising rates sooner rather than later, starting in late summer last year the USD reversed direction and has since climbed 25 percent, contributing to the fall in commodity prices.

EXPORTER CURRENCIES VS. USD INDEX

The renewed strength of the USD in 2014 combined with commodity price weakness to pressure the currencies of major commodity producers.



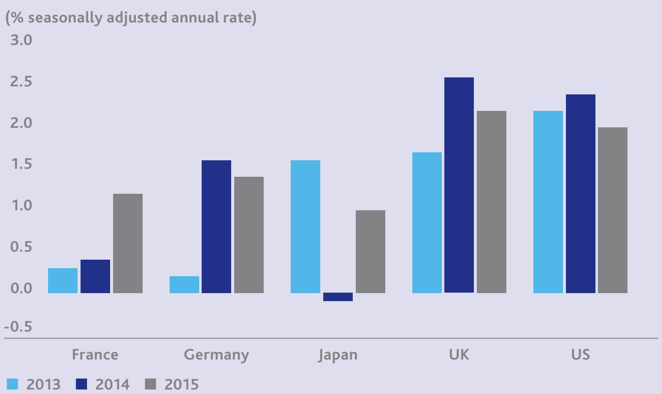
Source: Bloomberg, Trafigura Research.

GROWTH IN THE US RELATIVE TO OTHER MARKETS

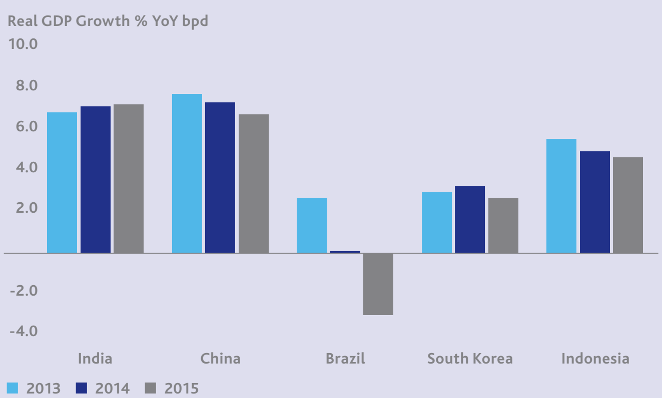
The strength in the USD was also driven by relatively stronger growth in the US. As China and emerging markets slowed, the US and Europe served as engines of growth, with consumers spending at levels not seen on a sustained basis since the global financial crisis. Although business investment remained lacklustre compared to what would be normally expected at this stage in a recovery, real estate investment, rising employment and export gains engendered a more positive economic landscape.

REAL GDP GROWTH

With few exceptions, the most recent GDP figures show weaker growth in 2015 versus 2014.



Source: IMF, Trafigura Research.



Source: IMF, Trafigura Research.

As a result of slow Chinese growth, global demand in key commodities was weaker than expected. Energy demand was notably weak in 2014, while the weakness spread to non-ferrous metals and bulk minerals (iron ore and coal) in 2015. Across most commodities, rising supplies met weaker than expected demand, creating an oversupply glut that in most cases has not yet begun to unwind.

THE OIL MARKET

Oil was the first to show signs of an unbalanced market, with prices beginning to deteriorate in late summer of 2014. Prices had been fairly stable above USD100 per barrel (Brent, nominal USD) since 2011, occasionally spiking above USD120 per barrel but generally staying close to the USD100 mark. In the view of many industry participants, this was driven by higher costs, particularly of steel but also of the types of resources that were now available to the industry. The marginal barrel was thought to come either from the oil sands in Canada, or from the ultra-deepwater developments coming on stream in West Africa and Latin America – expensive developments in the USD90+ per barrel break-even range. That higher cost was thought to set a floor under prices.

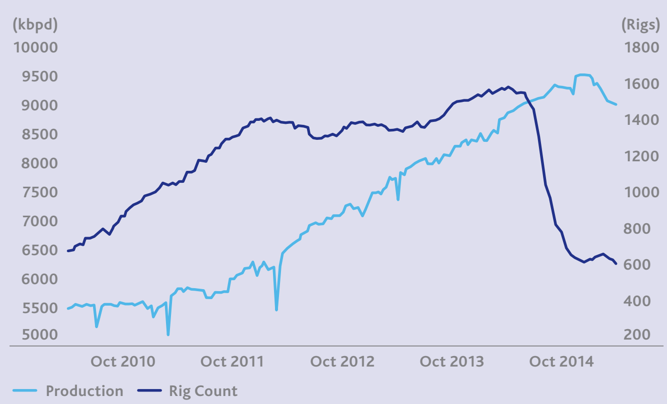
However, as they tend to do, higher prices drove economic and technical innovation, in this case creating, in a remarkably short space of time, the US shale industry. Horizontal drilling and hydraulic fracturing, techniques which had been around for decades, were now combined, unlocking a whole new resource base in the US.

Supplies from Libya, which had been offline since the Arab Spring began in 2011, came back into the market at the same time that US shale production was growing sharply. In fact, according to the US Department of Energy, US production has grown by an average of 1.1 million barrels per day (bpd) each year since 2012, the most rapid and sustained increase in volumes since Saudi Arabia's take-off in the early 1970s, when it added over 1 million bpd of production capacity a year.

This tide of supply was met by some of the weakest global demand in over 20 years. Demand grew by just 0.85 million bpd[1], meaning growth was less than 1 percent for the first time since 1993 outside of a major financial crisis or US recession. The resulting oversupply would normally have led to an OPEC production cut that would have balanced the market and stabilised prices, but in the face of sustained US shale supplies, the Group decided to fight for market share and maintain production at record levels. The result was a drop in prices of over 50 percent to the mid USD40s, a range not seen on a sustained basis since the early 2000s.

US OIL PRODUCTION AND RIG COUNT

Despite the sharp fall in US rig count, production continued to hold at elevated levels, thanks to cost cuts and efficiency gains.



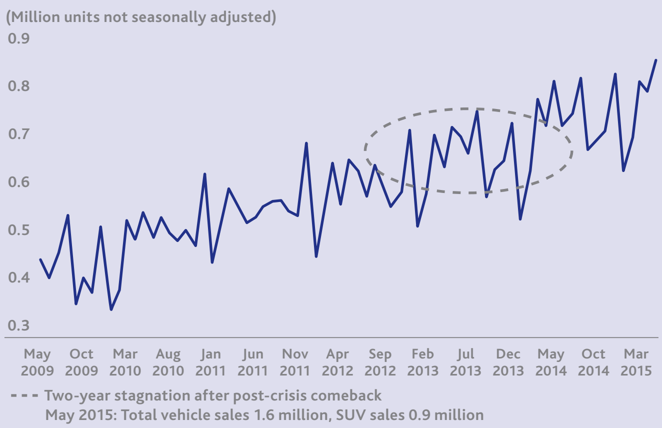
Source: US Department of Energy, Baker Hughes, Bloomberg, Trafigura Research.

1. BP Statistical Review of World Energy, 2015 edition.

However, the drop in oil prices proved a boon to consumers, who began to increase demand as prices fell. Vehicle sales, particularly of light trucks and SUVs, rebounded strongly in the US, the world's largest vehicle market. Similar increases were seen in Europe and China, helping support product margins well into the middle of 2015. As a result, prices then moved back upward in Q2 2015, retracing almost 50 percent of their fall and hovering above USD60 per barrel. However, this resulted in significant forward hedging by producers, who had been able to bring their costs down such that they were profitable at those levels. Unlike the 2008 price collapse, costs during this price correction have not been 'sticky'. In 2008, oilfield service providers viewed the fall in prices as due to weakness in financial markets, not in the fundamentals of supply and demand. This time around, however, the weakness emanated directly from the oil market itself, and as such, costs had to fall in order to compensate. Producer hedging meant that production that was previously at threat of being turned off was able to keep going, adding supplies to the market.

LIGHT TRUCK SALES IN THE US

After a two-year period of stagnation following the financial crisis, the fall in oil prices helped light truck/SUV sales accelerate sharply.



Source: Bloomberg, Wards, Trafigura Research.

As long as consumer demand was increasing rapidly, and margins were strong, the excess supply could be absorbed. But the rate of supply increase meant that even relatively strong product demand in early 2015 could not absorb all the barrels, and surplus inventories began to build in both crude and products. This in turn led to prices falling heading into the summer months, which normally are a seasonally strong demand period.

This dynamic of price increases bringing back US volumes could persist for some time, as shale production can generally be brought on or off much more rapidly than traditional production. In addition, volumes from Iran, Iraq, Brazil, Canada and other areas are expected to come into the market in the coming year, adding to the supply situation. Balanced against this, the global economy should continue to see robust demand growth again in 2016, helping to redress some of the current imbalances.

THE METALS MARKET

Metals have generally been slower than oil to react to weakness in China, the world's largest commodity market, but from early 2015, prices moved downward quite substantially. As with oil, capacity has been ramping-up in recent years in the expectation of strong demand from China, only for that capacity to come on just as demand slowed.

Copper, often seen as a barometer for the health of the global economy, moved from about USD7,000 per tonne in September last year to trading just under USD5,000 per tonne at the close of our fiscal year in September. The structural changes China is undergoing as it moves from an investment-led model to a more consumer-based economy have seen copper demand stagnate in the world's biggest consumer of the metal. Electricity grid build-out in particular has been slower to materialise this year than expected, due in no small part to an ongoing corruption crackdown that appears to have stymied decision making. Furthermore, as the pace of China's urbanisation slows from breakneck to merely rapid, real estate activity has slowed as well, leading to less demand for copper in housing. Over the medium term, the excess housing inventory in China should be absorbed, as workers continue to move from the countryside into cities. As inventories drop, construction activity should begin to pick up.

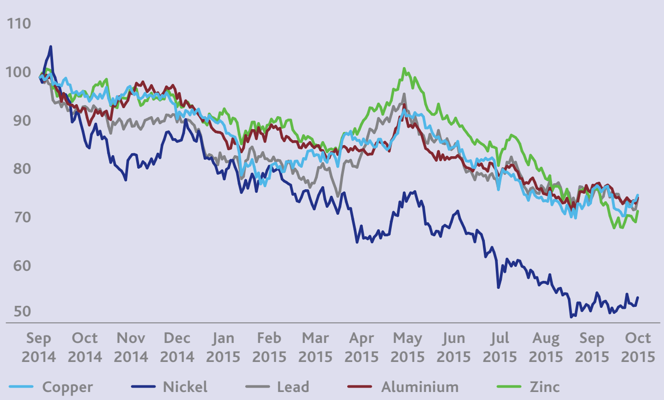
Most other industrial metals fell by a similar percentage to the copper market. New uses for aluminium, including in transportation and in high-voltage electricity grids, have meant that demand both inside and outside of China has been rising steadily, outperforming growth of the other base metals. Stronger vehicle sales in the US and Europe in particular have contributed to this rising demand as companies such as Ford move their most popular models to aluminium-based designs. China, however, has moved from being the world's largest importer to being a growing exporter, as low-cost capacity built during the boom years continues to come online and add to global supplies, reversing the dynamic of the last decade to some extent. The shift has left the market as a whole in surplus, which combined with significantly lower energy prices, has brought prices down to the lowest levels since the global financial crisis.

Nickel was hit hardest among the non-ferrous metals group over the past year. Nickel inventories rose substantially this year on the back of weak demand, substantial destocking of stainless steel and less supply disruption than had been anticipated due to the ban on ore exports from Indonesia, leading to a price correction of closer to 50 percent. The zinc market was expected to see deficits this year due to the closure of some significant mines; however, similar to the other metals markets, weak demand has meant that the overall balance was close to flat, weighing on prices.

Unlike in the oil market, metals producers have already reacted to the lower price environment by announcing supply cuts in key metals. This has helped keep a floor under prices, but it is unclear whether the announced cuts will be enough to halt the slide entirely. As with oil, demand growth will have to do its part to help rebalance the market.

METALS PRICES (INDEXED TO 1 SEPTEMBER 2014)

Although not as dramatic a fall as we have seen in oil over the past year, metals prices have declined relatively sharply as well, reflecting slowing demand out of China.



Source: London Metals Exchange, Bloomberg, Trafigura Research.

BULK COMMODITIES

For the bulk commodities, where 40-50 percent of costs were energy-related at the peak, the collapse in oil prices has led to a dramatic decline in prices, with iron ore prices currently 70 percent below where they were at the start of 2014. Not all of the price weakness can be attributed to reduced costs, however – with global steel production set to contract in 2015, for only the second time since 1998, demand for iron ore and metallurgical coal has struggled. On the surface, seaborne iron ore supply has seen almost no growth this year although this masks a battle for market share between Australian and Brazilian suppliers that increased exports by 50 million tonnes this year, and a long tail of smaller producers that have been displaced. This highlights the high level of efficiency in the iron ore market: despite negative demand growth, the iron ore market will not register a surplus this year, unlike most of the base metals.

Similar to iron ore, the coal market has suffered from weak demand this year. Shifts in the structure of China's economy meant that power consumption growth has declined sharply as heavy industry slows. The seaborne coal market has felt additional pressure as China has implemented policies aimed at reducing imports, while investment in new forms of power production and distribution are reducing generating capacity in the provinces that have traditionally been the market for imported volumes. The future of seaborne coal demand now lies outside of China. India has committed to a significant increase in coal-fired generation capacity between now and 2020, as has South Korea.

What has become clear over the last fiscal year is that the world can no longer count on seemingly limitless Chinese demand growth, and as such, a material portion of the commodity production projects that had been initiated in a higher price environment will need to be rationalised in order to rebalance the market in line with this new reality. In particular, projects that are higher cost or that were only possible by taking on significant leverage will have to be re-evaluated in light of the recent price environment.

LOOKING AHEAD

Looking ahead, after a period of supply rationalisation and potentially weaker emerging market growth, structural changes in the world economy will mean that demand for commodities will continue to look positive. Although China may no longer be the primary driver of commodity demand, new areas of growth are likely to emerge, whether in India, Southeast Asia or Africa. Increasing numbers of people will move into cities in search of better economic prospects, and rising incomes will drive demand for everything from vehicles to appliances, and from infrastructure to housing, all of which will rely on the trade of energy, metals and minerals.

A HEALTHY PROFIT IN A CHALLENGING MARKET

PIERRE LORINET
Chief Financial Officer

The Trafigura Group recorded a strong financial result in its 2015 fiscal year, showing a healthy increase in net profit despite write-downs on some industrial assets to reflect the impact of adverse market conditions, and a sharp rise in EBITDA.

Performance Indicators

$97.2bn Group revenue (2014: USD126.2 billion)	**$8.4bn** Total non-current assets (2014: USD7.9 billion)
$2.6bn Gross profit (2014 USD2.0 billion)	**$39.1bn** Total assets (2014: USD39.9 billion)
2.7% Gross profit margin (2014: 1.6 percent)	**$5.6bn** Shareholders' equity (2014: USD6.0 billion)
$1.1bn Net profit (2014 USD1.0 billion)	**$1.9bn** EBITDA* (2014: USD1.3 billion)

The Trafigura Group's strong financial performance in 2015 reflected continued profitable volume growth in both trading divisions and gross margins well above the industry average. Net profit recorded for the year by Trafigura Group Pte. Ltd. (TGPL), the new, Singapore-based consolidated reporting entity, was USD1,103 million, an increase of 6.5 percent from the figure of USD1,036 million recorded by TGPL in 2014.** The increase in profit came despite a number of write-downs on industrial and logistical assets to reflect the impact on their value of adverse market developments in some specific commodity segments such as iron ore and coal.

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

**This consolidated financial report for the year ended 30 September 2015 is the first to be prepared with Trafigura Group Pte. Ltd. (TGPL), a company registered in Singapore, as the consolidating entity. Prior to this date, Trafigura Beheer B.V. (TBBV), a Dutch registered company, was the main consolidating entity for the Group. All the numbers in this report for both 2015 and 2014 fiscal years refer to TGPL; the 2014 numbers cited here therefore differ from the numbers in Trafigura's 2014 Annual Report, issued when TBBV was the reporting entity.

Main highlights of the year included a strong increase in traded volume in the Oil and Petroleum Products Division, which handled a daily average volume of more than 3 million barrels compared with a daily average of 2.5 million barrels in 2014, and a significant gain on our investment in the MATSA mining complex in Spain following the sale of a 50 percent stake to Mubadala of Abu Dhabi. A number of our most important capital investment projects were completed during the year and started to ramp-up commercial operations, but they faced significant headwinds as a result of depressed market conditions.

Throughout the year, we maintained an exceptionally robust liquidity position featuring strong support from our network of banks, and were able to put that financial strength to work in order to gain increased access to trading flows via investments in and pre-payment agreements with producers.

PROFITABILITY

Revenue in 2015 totalled USD97,237 million, a decrease of 23 percent from the figure of USD126,189 million recorded by TGPL in 2014. This reflected the sharp decline in commodity prices across the board compared with the previous year, and came despite significant volume increases. Total volume of commodities traded rose 17 percent to 198.4mmt, with oil and petroleum products volumes rising 22 percent to 146.3mmt and metals and minerals volumes increasing 6 percent to 52.1mmt.

Gross profit was USD2,600 million, an increase of 28 percent over the figure of USD2,035 million recorded in 2014. This represented a gross profit margin of 2.7 percent compared to the margin of 1.6 percent registered in 2014, reflecting among other factors a strong trading performance in volatile markets and our continued progress in delivering operational efficiency. General and administrative expenses including staff costs were USD995 million, slightly lower than the 2014 figure of USD996 million.

In divisional terms, the gross profit figure reflected a 50 percent increase in gross profit in Oil and Petroleum Products to USD1,680 million and a broadly flat result in Metals and Minerals, with gross profit at USD920 million compared to USD915 million in 2014.

The 'other income/expense' line showed a significant negative impact from impairments of non-financial assets and from additional provisions, which more than offset the gain from divestment of a 50 percent stake in MATSA to Mubadala. The gain from the divestment of MATSA shares was USD142 million, with an additional gain of USD148 million recorded as a result of re-measuring Trafigura's retained 50 percent interest in MATSA at fair value.

Corpus Christi oil storage facility, Texas, US.

Impairments of non-financial assets totalled USD407 million, including a USD244 million impairment on the value of the AEMR iron ore mining project in Angola, which was placed on standby in 2014. After taking into account non-controlling interests, the net result of this impairment on the result attributable to owners of the company was USD73 million. Other write-downs included a further impairment of USD100 million on the Burnside coal export terminal in Louisiana, US; and an impairment of USD48 million on warehousing assets in Democratic Republic of the Congo (DRC).

We also made impairments worth a total of USD48 million to the value of equity-accounted investees on our balance-sheet, including a USD35 million impairment on the value of shares in the Belgian-listed metal processing and mining company Nyrstar that we acquired for investment purposes in the course of the year.

In our view these impairments reflect an appropriately conservative approach in view of the distressed conditions in commodity markets and their likely impact on our assets. In addition, the 'other income/expense' line includes an addition to provisions of USD72 million in aggregate. This includes a provision to cover a range of contingencies such as potential settlement costs relating to a litigation issue involving our oil business in China, potential litigation and restructuring costs for Impala Terminals, and capital expenditure commitments in DRC. Combining these impairments and provisions with the gains from the MATSA divestment and revaluation gives a net negative impact under 'other income/ expense' of USD198 million.

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 2015 was USD1,861 million, compared to USD1,299 million the previous year, a net increase of 43 percent. This was an outstanding operating performance and the best trading year in Trafigura's history.

Net financing costs were USD251 million, a decrease of 31 percent from the figure for 2014. This reflects both an easing of the financing terms we could obtain compared to the previous year and a reduction in the pace of our borrowing including capital market issuance. Trafigura's gross financial income and expense includes interest on cash balances and loans respectively, as well as interest from commercial operations.

CAPITAL ALLOCATION

The sale of a 50 percent stake in MATSA represented a continuation of our disciplined and careful approach to the allocation and investment of capital, as befits our status as a privately-owned company. Our stated strategy is 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.

Two additional factors emerged to influence our capital allocation decisions in 2015 and beyond. First, the capital investment phase of many of our largest infrastructure investment projects reached or neared completion – for example in Impala's multimodal transport and logistics investment project in Colombia and at the Porto Sudeste iron ore facility that Impala jointly controls with Mubadala. Second, the newly-formed partnership with Mubadala to invest in base-metal mining projects around the world opened an additional conduit for joint investment in the promising opportunities that current commodity markets are likely to expose.

MATSA mine near Seville, Spain.

ASSETS

As at 30 September 2015, total assets amounted to USD39,087 million, slightly lower than at the same date in 2014 when total assets stood at USD39,941 million. Fixed and non-current assets were 6.4 percent higher at USD8,357 million, compared to USD7,855 million a year earlier. The variance reflects the net effect of a number of developments including the divestment of a 50 percent stake in MATSA, the various impairments detailed earlier and other adjustments to reflect fair value of our fixed-asset investments. Capital expenditure was USD1,225 million, compared with USD1,522 million in 2014. Equity-accounted investees rose by 24 percent to USD3,168 million, reflecting the net effect of additional corporate investments, value adjustments on existing investments and the addition of our remaining 50 percent stake in MATSA.

Non-current prepayments were up 176 percent at USD1,067 million, relating mainly to increased pre-financing activity related to oil trading as our structured finance activity continued to play a key role in support of increasing our trade flows. Loans receivable were 32 percent higher than last year at USD440 million, due principally to a shareholder loan to MATSA.

Current assets were 4.5 percent down at USD30,641 million from USD32,087 in 2014. Inventories were down 2.5 percent at USD7,614 million, compared to USD7,812 million. This figure reflects the net effect of a decrease in the value of metals and minerals stocks and an increase in oil stocks. In line with Trafigura's risk management policies, all stock was either presold or hedged at all times throughout the year.

EQUITY AND LIABILITIES

Group equity was USD5,658 million as of 30 September 2015, compared to USD6,316 million as at September 2014. This reflects a number of adjustments designed to bring TGPL's consolidated equity in line with the consolidated equity of the holding company TBBV, taking into consideration the contribution to equity from the 2015 profit.

We believe that the appropriate comparator for Group equity as of 30 September 2015 is TBBV consolidated equity as of 30 September 2014: USD5,557 million. The difference between the two numbers is largely explained by share buy-backs from individual shareholders (USD775 million in 2015), offset against the contribution to equity from the 2015 profit and substantial negative foreign currency translation effect (USD314 million), especially on the value of equity-accounted investees.

Current liabilities including short-term bank borrowings were slightly down from the 2014 figure at USD25,629 million compared to USD26,233 million.

CASH FLOW

Operating cash flow before working capital changes was USD1,886 million in 2015. This compares with a figure of USD1,291 million in 2014. 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 inflow of USD1,717 million (2014: cash outflow of USD1,442 million). Investing activities resulted in a net cash use of USD2,198 million compared to a net use of USD1,491 million in 2014. Net cash generated from financing activities was USD345 million compared to USD3,427 million in 2014. The overall balance of cash and cash equivalents as of 30 September 2015 was USD3,534 million, a decrease of USD136 million from the figure of USD3,670 million the previous year.

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 USD47,000 million, as at 30 September 2015, in credit facilities from 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.

BANK FINANCING

As a privately owned company, Trafigura funds itself primarily through 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.

The fiscal year 2015 was no different and in spite of the challenges that the commodities market has experienced over the last 12-18 months, Trafigura was able to add 13 new banks to its banking group which consisted, as at 30 September 2015, of 126 banks across the world. Cyclicality and volatility is a characteristic of many industries, not just commodities trading. Just as we rely on an open dialogue with our banking partners at times of increased stress or volatility within the banking market, likewise banks and investors rely on clear and comprehensive communication from Trafigura when increased commodity market volatility brings new questions to the fore.

Access to deep and constant liquidity is a key reason for Trafigura's leading competitive position and we see communication with banks, financial stakeholders and trading counterparties as instrumental to maintaining this position. During our fiscal year, we achieved a modest increase in our total available lines to reach USD47,000 million, up from USD46,200 million at the end of September 2014. Due to the reduced absolute level of commodity prices that we have seen over 2015 and therefore the reduced working capital requirements, our focus this year has been on maintaining stable access to funding and not on growing our access to liquidity as much as we have in other years. 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 USD47,000 million, we have USD21,000 million of headroom or excess liquidity across all our facilities available to ensure resilience in all market conditions.

As at 30 September 2015, the Group had USD7,800 million (2014: USD6,800 million) of committed revolving credit facilities of which USD3,200 million (2014: USD2,500 million) remained unutilised. The Group had USD1,800 million (2014: USD1,600 million) 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 USD4,900 million (2014: USD4,100 million).

The year saw the very successful refinancing of a number of Trafigura's flagship facilities. Trafigura refinanced both of its Revolving Credit Facilities (RCFs) – its Asian RCF closed in October 2014 and its European RCF closed in March 2015. The 2014 Asian RCF closed at USD1,730 million and attracted a total of 29 banks, including five new banks to the facility and providing the Group with a net increase in liquidity of USD380 million. The 2015 European RCF closed at USD5,300 million with 51 banks and a net increase in liquidity for the Group of USD565 million.

DEBT AND CAPITAL MARKETS ISSUANCE

In recent years, Trafigura has increasingly sought financing outside of the traditional commodity trade finance loan markets to allow us to diversify funding sources, lengthen our maturity profile and allow us to continue to grow our access to funding in support of growth.

Following successful issuance in 2013 and 2014, Trafigura continued to expand its European Medium Term Notes (EMTN) programme in 2015 by issuing a new EUR550 million 5 percent senior fixed rate bond, the second series under its EMTN programme which was established in 2013 for a total size EUR2,000 million. The new offering was 1.6x oversubscribed with institutional investors taking more than 50 percent of the notes issued. The notes performed strongly in market trading following their primary issuance. However a widening of our spreads has occurred since the beginning of August, reflecting (i) general market weakness linked to the volatility caused by China and the events in the Middle East, (ii) moves in commodity prices, and (iii) news flow from some of our peers.

The issuance of the new notes under our EMTN programme followed closely on the maturity of Trafigura's first Eurobond, which was launched in April 2010 and had a tenor of five years. Following the liability management exercise that Trafigura undertook last year, exchanging EUR109 million of the 2010 Eurobond for EUR107 million of our 2018 EMTN, the size of the maturing bond in April 2015 was USD391 million, meaning that the new EMTN notes more than refinanced these notes.

First shipment of iron ore from Impala Terminals and Mubadala's Porto Sudeste facility, Brazil.

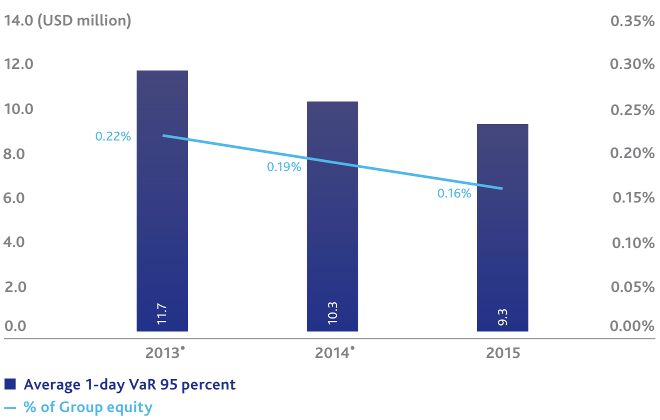
Also in April 2015, USD430 million of notes issued in 2012 by Trafigura Securitisation Finance plc (TSF) the securitisation vehicle of the Trafigura Group, reached maturity. Those notes had been pre-emptively refinanced in October 2014 when TSF issued the Series TSF 2014-1 Notes, a new series of public notes totalling USD300 million on the US 144A asset-backed securities (ABS) market.

TRAFIGURA GROUP CORPORATE REORGANISATION

This consolidated financial report for the year ended September 30, 2015 is the first to be prepared with Trafigura Group Pte. Ltd. (TGPL), a company registered in Singapore, as the consolidating entity. Prior to this date, Trafigura Beheer B.V., a Dutch registered company was the main consolidating entity for the Group. This change is the last stage in a process that commenced in 2012 when another Singaporean entity, Trafigura Pte. Ltd., became the main corporate entity for the Group's global trading activities. This final stage completes the process and fully establishes Singapore as the default legal jurisdiction for all of the Trafigura Group businesses. It is also an important step in creating greater consistency across the Group's structure and in aligning reporting structures and business activities in Singapore, the regional hub for our business activities in the Asia-Pacific region.

It is important to stress that Trafigura's credit standing remains the same following the reorganisation which will have no impact on lenders and creditors of Trafigura. There is also no tax advantage resulting from this change – it is simply a move to streamline the corporate structure and identity of the Group. Over the course of the past year, Trafigura has been implementing this change across its various financing facilities and trading agreements where TBBV had participated as a borrower or guarantor. In some cases, TBBV has already been fully replaced by TGPL; while for some of the larger Group financing facilities, TBBV has been removed as a borrower, but left as a guarantor and will only be released once a number of conditions have been satisfied, including, for example, the publication of this 2015 Annual Report.

VALUE AT RISK



• 2013 & 2014 based on equity as reported TBBV consolidated accounts. *Basis:IFRS.*

The Value at Risk (VaR) metric is one of the various risk management tools that 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 28). During 2015, average 95 percent one day VaR for derivative positions was USD9.3 million (2014: USD10.3 million) which represented less than 1 percent of Group equity.

SHAREHOLDERS STRUCTURE

Trafigura is exclusively owned by its management and 600 of its senior employees, 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/compliant with financial covenants.

LEVERAGE AND ADJUSTED DEBT

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.

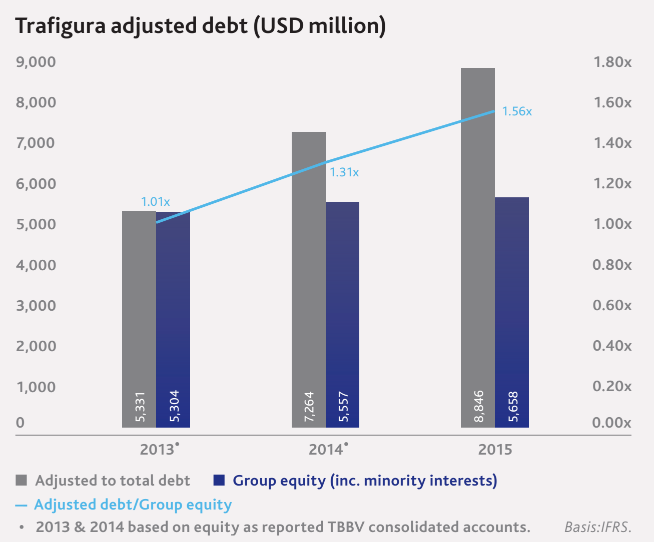
Banks and rating agencies have historically considered financial leverage after excluding some specific balance sheet items (e.g. inventories, securitisation), resulting in the use of adjusted debt as an overall leverage metric. The adjusted debt metric represents Trafigura's total long- and short-term debt less cash, deposits, readily marketable inventories, debt related to the Group's securitisation programme and the non-recourse portion of loans. This metric is a better measure of the Group's financial leverage than a simple gross debt metric. In particular, the following adjustments are made:

- The securitisation programme is 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 are deducted from debt.
- Pre-sold or hedged stock is 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 or pre-sold at all times.
- Non-recourse invoice discountings or portion of loans (for example non-recourse portions of bank financings used to extend prepayments to counterparties) are deducted from debt.

As at 30 September 2015 the ratio of adjusted net debt to Group equity stood at 1.56x.

Compared to 30 June 2015, the ratio increase at year-end is not due to the increase in adjusted debt, but rather to the level of Group equity. Following our impairment policy, we have taken USD469 million in impairments to our Group's non-current assets this year which impacted the level of shareholders' equity and of minority interests. In addition, non-cash other comprehensive income effect (mainly relating to change in foreign exchange rates) negatively impacted equity by USD480 million as of 30 September 2015.

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



MATSA sale

An important event at the end of the fiscal year was the sale of 50 percent of our interest in Minas de Aguas Teñidas (MATSA). The profit of the sale was booked in June 2015 but, after a lengthy regulatory process, the cash payment was received in two instalments: one in early October 2015 and one in November 2015. Had the regulatory process been more efficient and the cash payments had been booked during the same fiscal year as the accounting profit, the adjusted debt ratio would have been 1.44x (down from 1.56x).

Improving the relevance of the leverage ratio

Trafigura is constantly reviewing its debt leverage through multiple financial metrics. Over time, the Company has come to question the adequacy of the adjusted debt definition as an accurate reflection of Trafigura's leverage.

It should be noted that Trafigura uses debts to finance two types of assets:

- **Short-term trading assets** which are part of the normal physical trading cycle: inventories, receivables, short-term prepayments. The debts associated with these assets are repaid through the sale/liquidation of such assets; these debts are therefore 'working-capital debts'.
- **Long-term assets** which bring additional opportunities to Trafigura's trading activities: medium- to long-term prepayments and prefinancings, infrastructure assets such as logistical assets and shares in associated companies (Puma, MATSA, Nyrstar). The debt associated with the prepayments/prefinancings is repaid through liquidation of the contract; however, being long-term, creditors are likely to disregard its working-capital nature. On the other side, the debt associated with infrastructure assets is repaid through EBITDA generation. These debts can therefore be considered as 'corporate debts'.

Working-capital debts are mostly made up of secured debts. Hence working-capital creditors are not primarily concerned by the overall group leverage: the repayment is primarily achieved through the liquidation of the underlying short-term asset.

On the other hand, corporate debt holders are dependent on the Company maintaining an adequate leverage ratio. It is this 'Corporate debt', and our ability to service it, which we aim to identify and track on a frequent basis.

We believe that this distinction is not properly captured in the adjusted debt ratio, and we will continue discussions with our financial partners in the coming months about further improvements to the leverage metrics we use. Our objective is to provide the most relevant financial understanding of our leverage to our group creditors.

TAXATION

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. The Group's effective tax rate (ETR) – the average rate at which consolidate pre-tax profits are taxed – varies from year to year according to circumstances, but in 2015 it was 11.3 percent (2014: 17.2 percent). The difference in ETR between the two years is explained, *inter alia*, by different rates of taxation applicable to gains from divestments.

OUTLOOK

As Jeremy Weir makes clear in his CEO statement, we expect 2016 to be a difficult year in commodities markets with increasing numbers of producers facing distress, especially in metals and minerals. As a consequence, the Trafigura Group will continue to take a financially conservative approach to running its business. That involves following four key principles.

First, we will ensure that our liquidity position remains extremely robust even in conditions of extreme volatility and stress. To this end, we have developed close and trusting relationships with our many banking partners, and it is a high priority to maintain these by demonstrating maximum transparency on all our transactions.

Second, we will focus intensely on maximising efficiency and minimising cost in our core trading businesses, while avoiding distractions or unnecessary diversification. Trading these markets will require greater agility and financial strength than ever. By the same token, they will offer significant opportunities to those firms that navigate them successfully.

Third, we will maintain a close eye on counterparty credit risk to minimise risk of losses or defaults.

Last and certainly not least, we will devote significant attention to how we manage our balance sheet. We are fully aware that we need to reduce our leverage in the coming months, and as stated above it remains our objective to bring the ratio of adjusted net debt to Group equity to 1.0x in the medium term. We also intend significantly to reduce our capital expenditure programme. Fortunately, in the 2016 fiscal year Trafigura is in a position to do this since many of our key capital projects have moved from the construction phase into commercial operation. As an additional measure of prudence, we will continue to be alive to the impact of adverse market conditions on the value of some of our assets.

We have long maintained that one of the fundamental design features of Trafigura's business model is resilience through the cycle. At the current inflection point in global commodity markets, we believe we are in a position to demonstrate that strength and continue to perform well despite the headwinds.

Pierre Lorinet,
Chief Financial Officer*

*Pierre Lorinet stepped down as CFO on 30 September 2015 and was succeeded by Christophe Salmon. Pierre remains a Director of Trafigura Group Pte. Ltd., Puma Energy and Impala Terminals.

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.

Transformations in space, time and form

SOURCE

We negotiate offtake agreements with oil producers, refiners, mining companies and smelters. We invest in logistics that improve market access for our suppliers.

STORE

We store petroleum products at owned and third-party tankage. We store metals and minerals at Impala Terminals and third-party-owned facilities.

BLEND

We blend physical commodities to regional, market and customer specifications in strategically located terminals and warehouses around the world.

DELIVER

We operate efficient, safe and high-quality logistics. We move commodities by barge, truck, rail, pipeline and vessel in support of our core trading activities and for third parties.

RELIABLY

We take a long-term perspective. We act as partner to nations, corporations and communities. We earn their trust and build sustained shared value.

EFFICIENTLY

We build infrastructure and develop logistics to streamline and simplify transportation. Operating at scale, we deliver on time, on-spec commodities wherever they are needed.

RESPONSIBLY

Health, safety, environmental and community (HSEC) concerns guide our planning and dictate decision making. Our robust approach to risk management lowers the risk of participating in commodity markets.

ADVANCING TRADE: HOW WE CREATE VALUE

BY MAKING MARKETS WORK
We use our global network and market intelligence to connect supply and demand for commodities at the best prices and ensure delivery in the right place, at the right time, to the right specification.

BY OPTIMISING THE SUPPLY CHAIN
We have developed leading logistical capabilities enabling us to source, store, blend and deliver oil and petroleum products, metals and minerals reliably and efficiently anywhere in the world.

BY MANAGING RISK
Our business model is resilient in the most volatile market conditions. We systematically hedge price risks and have created systems and processes that enable us to manage a complex range of operational and financial risks.

BY INVESTING IN INFRASTRUCTURE
We have invested in high-quality infrastructure that supports our trade flows, such as oil storage facilities, warehouses, ports and transport.

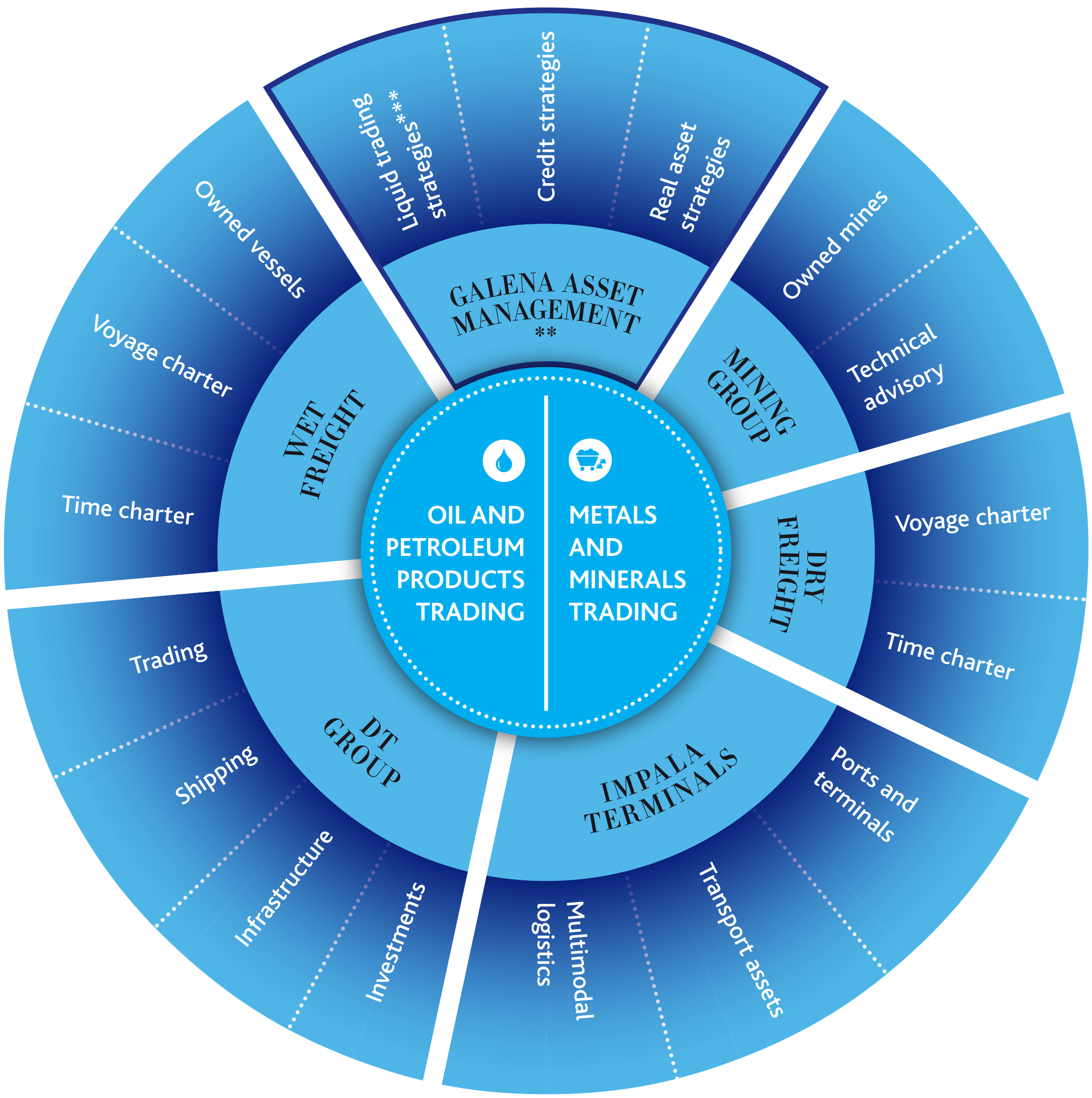
BY SUPPORTING OUR CLIENTS
Our strong financial resources give us the capacity to add value for our customers through integrated solutions incorporating trading, finance, infrastructure investment and risk management in the physical commodity sector.

BY SUSTAINING MARKETS
We aim to conduct our activities in a way that benefits local communities and society at large. Responsible trade drives economic and social progress.

OUR STRUCTURE
DELIVERS VALUE

Trafigura's core business is physical trading and logistics. Strategic investments in industrial and financial assets complement and enhance this activity. We structure these investments as standalone businesses.*

TRADING ACTIVITIES



* 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.
*** After year-end, the decision was taken to wind down the Galena Metals Fund.

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 profitably during the year. At the end of the year the division was trading over three million barrels daily.

HIGHLIGHTS

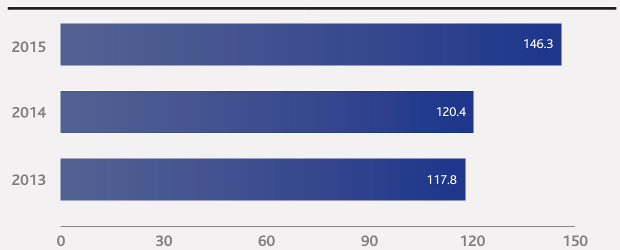
- Crude oil volumes traded increase by 45 percent.
- LNG volumes traded more than double on last year.
- Condensate splitter at Corpus Christi, Texas, US becomes operational at end of financial year.

67%
Contribution to global revenue
(2014: 74 percent)

146.3mmt
Total volume traded
(2014: 120.4mmt)

Oil and Petroleum Products volumes traded (mmt)	2015	2014
Biodiesel	0.4	0.5
Bitumen	0.8	0.3
Condensates	2.7	4.5
Crude oil	70.9	49.0
Fuel oil	9.4	9.5
Gasoline	17.2	17.5
Liquefied Petroleum Gas (LPG)	2.6	2.7
Middle distillates	29.0	25.9
Naphtha	9.3	8.1
Liquefied Natural Gas (LNG)	4.2	1.7
Others	–	0.7
Total	**146.3**	**120.4**

Oil and Petroleum Products total volume traded (mmt)



PERFORMANCE AND STRATEGY

Trafigura's Oil and Petroleum Products Division had a very strong year in 2015. We increased trading volumes substantially across the board of crude, refined products and LNG, expanded the scale and scope of our service offering, built exciting new business partnerships, and made a record contribution to Trafigura Group's net profit.

With our focus on physical trade and our global network of specialist traders and infrastructure assets, we were well positioned to benefit from the relatively favourable market conditions and to provide excellent logistical and risk management services to our customers.

Falling prices, heightened volatility and the emergence of contango price structures created significant opportunities in crude and product markets. We responded by aggressively expanding our access to storage capacity around the world and using our logistical assets to maximum advantage in support of our trading activity. An even more important contributor was the performance of our trading teams worldwide.

In a global oil market that has become more transparent and more regulated, new trading skill-sets are required for success. We believe we have now assembled one of the finest teams in the industry, with deep and diverse bench-strength across product desks and a unique spirit of teamwork in the service of our customers. The experience, commercial judgement, personal drive and communication skills of our traders have enabled us to build a unique set of long-term business relationships that support the profitable growth of our book.

Crude oil and LNG performance were highlights this year in terms of both volume and profit, as detailed below. But even in more challenging segments of the market we were able to deliver superior performance based on trading agility, well-positioned infrastructure assets and strong business relationships with customers and counterparties such as refiners.

For a second year, our North American business grew strongly, supported by our partnership with Buckeye Partners in the Corpus Christi terminal in South Texas. Other key developments included the build-out of our presence in the Far East, and the establishment of close commercial ties with Rosneft, the leading Russian oil company.

These and other developing partnerships are firmly based on the principles of trust and mutual advantage, as well as on Trafigura's ability to offer creative and innovative services for our customers. With new markets such as Iran likely to open up in the coming months, we expect this network to grow further and to drive continued profitable growth in 2016.

New condensate splitter and LPG refrigerated storage units at Corpus Christi terminal, Texas, US.

CRUDE OIL

The crude desk, with trading centres in Beijing, Calgary, Geneva, Houston, Moscow and Singapore, had a very strong year, growing traded volume by 45 percent and delivering record profitability.

The crude oil market was extremely dynamic in 2015, featuring a combination of structural over-supply, significant price volatility and a variety of fast-moving geopolitical factors. Prices fell sharply from USD115 to a low of around USD40 per barrel in the first half of the financial year after Saudi Arabia openly declared its intention to maintain production in order to win back market share from non-OPEC producers.

Other dynamic political influences on the crude market included erratic output from Libya as a result of the country's civil war; the conflict in Iraq and tensions between Baghdad and the Kurdish Regional Government; the transition to a new administration in Nigeria following presidential elections; and heightened speculation about the possibility of increased supplies from Iran following the international agreement on Iran's nuclear programme.

The fall in prices did not trigger immediate reductions in supply. The US shale oil industry adjusted by cutting costs and restructuring balance sheets. By year-end the market was in a position of significant structural surplus, with prices fluctuating in a range between USD40 and USD60 per barrel and a well-established contango structure.

Our strong commercial relationship with Rosneft enabled us to significantly expand our volumes of Russian crude over the course of the year. This provided access to new crude grades – notably Sokol and ESPO in Asia – and offered opportunities to develop new business streams. The team responded quickly to the increased Russian crude volumes, taking on extra resources and developing our customer base. In order to capitalise on the contango structure we took on significant storage positions during the course of the year and for a period of time a number of Very Large Crude Carriers (VLCCs) for use as floating storage. We continue to build our position around the increased flow of physical oil, our strategic positioning and our expanding customer base.

Our North American business continues to make a significant contribution to the trading book. We maintained and expanded our extensive US domestic lease activity both in the Eagle Ford Shale and the Permian regions of Texas, achieving our target of doubling Eagle Ford volume and tripling that from the Permian Basin.

These relationships and volumes enabled us to make optimal use of the Corpus Christi terminal in Texas, in which Trafigura has a 20 percent stake and commercial throughput rights. The commissioning of a basic condensate refinery, or splitter, on the site will provide another stream of profitable growth in the coming year. In April, we further augmented our North American business by signing an agreement with Nexen Marketing to take on its third-party lease business in Canada, doubling our controlled lease supply there and adding more than 150 new producing customers.

Looking forward, we see the market remaining over-supplied in 2016, with the strong possibility of Iran volumes adding significantly to the glut. In general this is an exciting time to be in the market with ample opportunities to grow the business significantly in coming years.

GASOLINE

In the gasoline market, 2015 was a year of volatility and change. The fall in crude prices created a profitable climate for a restructured and consolidated global refining industry. Increased refinery runs created a global surplus of refined products, but also created significant regional supply imbalances and opportunities for arbitrage.

Further, the fall in gasoline prices provided a powerful stimulus to demand, both in the US and elsewhere, as consumers drove further and bought more powerful vehicles. Even in a slowing China, the gasoline market remained strong, with expanding roads and vehicle fleets matched by increased refining capacity.

Trafigura was well positioned to perform strongly, moving aggressively to build inventories and add storage capacity around the world. Volumes rose strongly on the US Gulf Coast, where we facilitated a substantial portion of total US gasoline exports. Flows also remained strong in West Africa, the Middle East, Mediterranean and India.

The Americas have become an increasingly important and integrated focus for our gasoline book. We have strong relationships with US refiners, ample storage capacity in the Gulf and Caribbean basin, and a long-term customer base in Mexico, Colombia and Brazil coupled with access to Trafigura's industrial investment, Puma Energy's distribution network in Central America and worldwide.

Looking ahead into 2016, we expect the gasoline market to remain oversupplied and storage to be an increasingly important success factor. We continue to invest in acquiring additional capacity, based on the current robust health of the refining industry. We also expect increasing competition as refineries and national oil companies reinvest refining profits in building their own marketing capacity.

FUEL OIL

Fuel oil has been a challenging market in recent years and 2015 was no exception. With supply and demand continuing to decline on a global basis, margins were thin. The drivers are fundamental and structural, including lower fuel oil output from sophisticated modern refineries; lower demand for bunker fuel as the global shipping fleet becomes more efficient; stricter sulphur specifications in Emission Control Area (ECA) zones driving bunkers demand to gasoil; and significantly decreased demand for feedstocks in China. We expect these trends to continue in 2016.

We continue to serve the needs of our customers through blending in and shipping between our extensive global network of leased and owned storage facilities. We were well positioned to trade the broader trends in the market and capitalise on opportunities that have arisen with changing supply and demand.

In addition to our traditional areas of strength in the fuel market, we took on additional storage positions to capture contango market structure and increased our presence in the feedstock market. We also restructured and reinforced the fuel team personnel during the year to tackle the changing environment. The guiding principle was that the market continues to offer opportunities, but a new approach is required to take advantage of them.

MIDDLE DISTILLATES

Middle distillates are traded in integrated global markets which are an ideal environment for Trafigura's global network. The distillates team operates from desks in Singapore, Geneva and Houston, managing flows between refining and export centres in the US, Middle East and Asia and the diesel import markets of Africa and Europe.

During 2015, the market shifted into contango as plentiful crude avails and equally plentiful refining capacity saw the supply/demand balance shift to the long side. Any recovery in demand in the developed markets was offset by weakness in the BRIC countries, notably China which became a significant net exporter of gasoil due to low demand and high refinery runs. Diesel and jet fuel markets remain in deep contango down the curve.

We added significant storage capacity around the world and expanded volumes, underlining the strength of our networks of customers, suppliers and assets. We have increased our presence in the mature European and US markets which remain important consumers of diesel and jet fuel. We have served jet markets in emerging economies for some years through the Puma Energy network which works alongside and complements our growing presence in the developed markets in Europe and the US (see page 27); this year we also increased our presence in the major pricing centres in the US and Europe.

Looking ahead, we expect the surplus in distillates to continue for the medium term with small spikes in demand likely to be easily supplied from arbitrage or increased runs. As refining margins erode, the ability to provide financial/logistical and flexible support to refiners will be an opportunity for the company to expand its role in these markets. Longer term, the current controversy over emissions testing and general anti-diesel rhetoric in the press could have interesting implications for the product going forward.

NAPHTHA

Naphtha is a complex and illiquid product, requiring specialist trading skills and a large physical footprint to capitalise on arbitrage opportunities. Trafigura expanded its naphtha capabilities in 2015 and looks forward to continue growth in profitability and volumes in 2016. Supply and demand were finely balanced throughout the year and speed of execution has been crucial this year. Production increased, due to the shale revolution in the US, but so did US demand for naphtha as a blending ingredient for gasoline, so the expected surge in US naphtha exports did not materialise in 2015.

We developed a wide range of interesting arbitrage businesses and in particular look forward to working with our tankage facilities and dock as well as the new condensate splitter at the Corpus Christi terminal that gives us scope to refine crude and condensate locally for export. These will likely feed well into the river assets being invested in by Impala where we are supplying naphtha as a diluent for Colombia's heavy crude exports. These anchor business lines have helped us develop our US footprint and also to build exports to Asia. We also continue to grow volumes following an active participation in almost all European/Arab Gulf and Asian flows.

Looking ahead, the splitter that came on stream at the end of the financial year at Corpus Christi, will generate an additional baseline source of supply as well as giving us helpful insights into the economics of the refining business.

CONDENSATE

Trafigura is the only independent trading company with a dedicated condensate desk and is the largest condensate trader globally. We trade in all parts of the world, bringing to market a wide variety of grades. We have a diverse customer base; our customers include refineries, splitters and petrochemical plant facilities.

Condensate is a regional business, with supply driven by natural gas production and the biggest flows going from the Middle East to Asia. We have also built a supply base in the US, where the government relaxed rules prohibiting condensate exports. However, with US refiners enjoying strong margins and high run-rates, there was less condensate available for export than expected.

The new Corpus Christi splitter will strengthen our position further by giving us more condensate for export and a better understanding of refining economics. We envisage further growth in the market over the coming years and we are well positioned to make feedstock available.

LPG

Trafigura is a major participant in global LPG trade.

The LPG market in 2015 was driven by the continued growth of production in the US, with rising volumes from shale gas leading the market towards a global surplus. In recent years this growth of domestic US supply coupled with limited export capacity created an important arbitrage opportunity which those with access to US export cargoes, including Trafigura, were well positioned to capitalise on.

The LPG desk performed well in 2015, diversifying its customer base and securing several long-term contracts. On the back of increased growth in the book we were also able to increase our shipping position which now includes a large fleet of vessels covering most segments with a particular emphasis on Mid-Size Gas Carriers.

Looking ahead, we expect the market to present new challenges. We see greatly increased competition and lower physical margins. The US export market is now debottlenecked which could reduce arbitrage possibilities, putting greater importance on logistics and flexibility to create trading opportunities.

Despite this challenging environment we believe we are well positioned with our existing structure and fleet along with the flexibility that our Corpus Christi facility will allow us. We are very focused on developing our business into other regions as well as expanding our existing activity.

The Golar Ice, chartered by Trafigura, supplying the commissioning LNG cargo to the BW Singapore FSRU off the Port of Ain Sokhna, Egypt.

As the global supply demand balance grows longer we are actively pursuing several new and exciting types of demand for LPG. We see continued growth and importance in this maturing market.

LNG

Liquidity in the global LNG market grew in 2015 as new supplies from Australia, Indonesia, and Papua New Guinea coincided with the emergence of new LNG buyers such as Egypt, Pakistan, and Jordan. With more available shipping capacity, this has created significant opportunities for independent traders. The market is moving closer to the widely expected tipping point where the majority of global LNG supplies will be traded on a short-term rather than through long-term contracts.

Having established an early lead in this business, Trafigura was well positioned to grow its LNG book profitably during the year. We more than doubled traded volumes and developed significant new markets and customer relationships. We grew the team in Geneva, Houston and Singapore.

The year also marked a significant geographical expansion. From an original focus on the Atlantic Basin, our reach extended east of Suez. Many of our new markets, including Pakistan and Egypt, use Floating Storage and Regasification Units (FSRUs) as a means of rapidly ramping-up supply. This technology is becoming an important driver of market development alongside the traditional approach of building on-shore regasification plants appropriate for larger or more established markets.

Looking forward, we see the LNG market continuing to grow in size and liquidity, with new American and Australian export flows likely to be a key focus on the supply side and European imports playing an important role in balancing demand. Our strategy is to maintain profitable volume growth, to provide innovative and flexible products to our clients and to invest opportunistically in infrastructure where we can add value.

We believe we have now assembled one of the finest teams in the industry, with deep and diverse bench-strength across product desks and a unique spirit of teamwork in the service of our customers.

BIODIESEL

The biodiesel market was challenging in 2015. The decline in oil prices reduced the opportunity for discretionary biodiesel blending, as the cost of biodiesel now significantly exceeds the cost of conventional oil. Regulatory uncertainty made matters worse, especially in the US where Congress failed to clarify tax policy on biodiesel and the market awaited clarification from the Environmental Protection Agency of its plans for biodiesel.

Accordingly we reduced our biodiesel trading team and adopted a targeted approach aimed at capitalising on market opportunities and helping producers manage risk, without relying too heavily on uncertain market outcomes resulting from regulatory or political decisions.

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.

HIGHLIGHTS

- DT Group continues to trade oil and petroleum products with Sonangol, Angola's state-owned energy company.
- DT Shipping charters its fleet of bunkering vessels to Sonangol.
- Angofret constructs two multi-logistic platforms along Ferro de Benguela (CFB) railway line.
- DT Agro progresses its pilot agriculture project in Catumbela.

$1.8bn	**$3.9bn**	**4**
Total assets (2014: USD2.3 billion)	Sales revenue (2014: USD5.3 billion)	Owned vessels (2014: 4 vessels)

DT Group's Ana Nzinga oil tanker, Angola.

DT Group is developing and growing a range of businesses predominantly focused on Angola. The DT Group is a 50:50 joint venture leveraging the market capabilities and financial strength of Trafigura together with the local knowledge and networks of Cochan.

Cochan is a leading Angolan management and investment firm that facilitates activities by contributing specialist expertise and capital. Trafigura helps to develop new markets in Angola and beyond by participating in projects in infrastructure, logistics and economic diversification.

The past year has been a challenging one for the Angolan economy in the face of falling oil prices and necessary fiscal adjustments by the Government. Despite these conditions the DT Group continued to strengthen its position in the country. Its trading entities, DTS Refining and DTS Commercial, continue to trade gasoil, gasoline, jet, LPG, bunker fuel and bitumen with Sonangol, Angola's state energy company, and DT Shipping charter vessels to Sonangol Distribuidora.

Through our subsidiary Angofret, we have also developed inland logistics in Angola, notably by constructing two multi-functional logistics platforms at stations along the recently upgraded Caminho de Ferro de Benguela (CFB) railway line traversing Angola from the Atlantic coast to the border with Democratic Republic of the Congo. We are considering options for further development of these platforms, together with national authorities, depending on the evolution of plans for the start-up of freight operations on CFB.

In agriculture, DT Agro successfully launched its pilot project growing fruit and vegetables in Catumbela, demonstrating how technology, modern processes and vertical integration can radically improve yields.

DT Group's majority owned mining joint venture, AEMR, was placed on standby last year and in 2015, the decision was taken to write down the value of this investment pending discussions about its future with the state mining company Ferrangol. An impairment charge of USD244 million is recorded in the Trafigura Group financial statements in respect of AEMR, which equates to a negative impact on Trafigura's profit of USD73 million after taking into account the effect of non-controlling interests.

Looking ahead, we will continue to focus on core trading and logistics businesses in support of Angola's economic needs and in cooperation with Sonangol and Pumangol, the Angolan subsidiary of Puma Energy.

For further information please visit **www.dtsholding.com**

STRATEGIC PARTNERSHIP WITH

PUMA ENERGY

Puma Energy, the global integrated midstream and downstream oil company operating in 46 countries, was deconsolidated from the Trafigura Group in September 2013 when Trafigura's holding in Puma Energy reduced to 48.8 percent. It is now held as an unconsolidated investment on the Trafigura balance sheet.

7.2m m^3 Storage capacity	**19.8m m^3** Throughput volumes
7,500+ Employees	**2,260** Retail sites

Puma Energy and Trafigura maintained a strategic commercial partnership in 2015, which continued to generate synergies for both parties. Puma Energy is the largest customer of Trafigura's Oil and Petroleum Products Trading Division, accounting for 9 percent of the division's turnover in 2015. Under long-term, arms-length commercial supply framework agreements Trafigura is supplying Puma Energy with refined oil products in most countries. In the year to 31 December 2014, its last completed reporting year, Puma Energy purchased approximately 65 percent of its 14.8m m^3 of refined oil products from Trafigura. The remainder was sourced directly from other providers.

Puma Energy also has its own dedicated in-house supply team that manages product supply in each region. Products are sourced at competitive prices utilising Trafigura's valuable market insight. This integrated supply partnership allows both Trafigura and Puma Energy to source refined oil products at attractive costs and at favourable times, which in turn allows Puma Energy to maintain cost competitiveness in the downstream, retail and distribution segment and helps generate strong operating margins. In addition, Trafigura is a preferred customer of Puma Energy, while Puma Energy supplies infrastructure and logistics services to Trafigura.

Over the past 12 months, Puma Energy has seen a further significant increase in commercial activity compared with the previous year. It opened or acquired new storage facilities and retail networks in a number of African countries including Ghana, Mozambique and South Africa, as well as investing in the world's largest offshore fuelling facility in Luanda Bay, Angola.

In the Americas it built out its existing position in Puerto Rico by acquiring BP's local aviation business; bought a sizeable retail network in Colombia; and entered other new markets such as Peru, while pursuing organic growth elsewhere.

In Europe, Puma Energy entered the UK market by acquiring certain midstream and downstream operations from Murco Petroleum, including a significant sea-fed storage location on the site of Murco's former Milford Haven refinery, three inland terminals and a wholesale and distribution business. It also increased its bitumen distribution capacity via a third-party leased bitumen terminal on the River Thames. In Asia-Pacific, Puma Energy became one of the first international companies to begin supplying Myanmar, while building its strong existing retail and wholesale position in Australia.

After the end of Trafigura's 2015 fiscal year, Trafigura contributed, together with Puma Energy's other key shareholders, to a USD500 million capital increase undertaken by Puma Energy. This was a vote of confidence by Trafigura and other shareholders in Puma Energy's business strategy, and will enable the company to maintain its growth momentum by capitalising on opportunities to expand its portfolio of mid and downstream assets.

For further information please visit **www.pumaenergy.com**

Puma Energy service station in Murrumba Downs, Australia.

METALS AND MINERALS TRADING

JEREMY WEIR*
Head of Division

Trafigura is one of the world's largest metals and mineral traders. We provide marketing, risk management and logistical services to the global mining and metals industries, connecting miners, smelters and refined metal fabricators. The division continued to grow volumes in 2015, trading 52.1 million tonnes in total.

HIGHLIGHTS

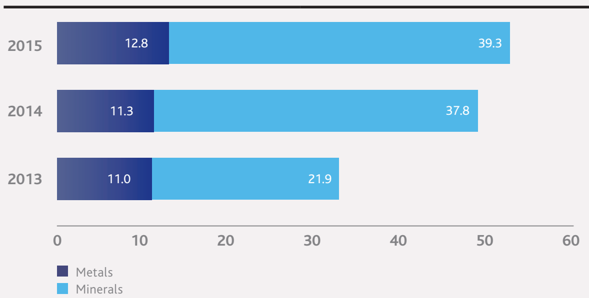
- Trafigura maintains its position as market leader in concentrates and refined metals.
- Agreement to acquire a 30 percent stake in Jinchuan Group's copper smelter in Guangxi is closed.

33%
Contribution to global revenue
(2014: 26 percent)

52.1mmt
Total volume traded
(2014: 49.1mmt)

Metals and Minerals total volume traded (mmt)	2015	2014
Non-ferrous metal concentrates	7.6	6.4
Non-ferrous refined metals	5.2	4.9
Coal	35.3	32.9
Iron ore	4.0	4.8
Others	–	0.09
Total	**52.1**	**49.1**

Metals and Minerals total volume traded (mmt)



STRATEGY AND PERFORMANCE

In what was a challenging year to be in the metals and minerals business, Trafigura's trading division more than held its own. We maintained our market leadership in a number of key non-ferrous products and in some cases grew our market share, while also entering new markets such as nickel. In refined metals, we navigated a difficult market in aluminium and positioned ourselves for future growth. We continued to build our coal book and to create a position in iron ore that will offer real value as the global market moves from its current surplus back towards a more balanced position.

The big story of the year was the reduced rate of economic growth in China, by far the world's largest market for non-ferrous concentrates, refined metals and bulk minerals and a country where Trafigura, unlike its international competitors, has a strong domestic metals presence. The economy's transition from a focus on manufacturing for export to a model based more on domestic consumption and services, coupled with a greater environmental awareness on the part of the authorities, will have a profound impact on the global metals and minerals industry for years to come.

These changes have created a structural surplus in some products. In those commodities where there is significant Chinese domestic production, such as coal and the steel complex, the likelihood of a supply response to low prices in the short term is limited owing to the priority the authorities accord to maintaining jobs. In others, such as non-ferrous concentrates, supply is responding, albeit slowly and intermittently.

While these conditions made for difficult trading in 2015, Trafigura's non-ferrous and minerals desks did well by sticking to our established strategy of carefully selecting our counterparties and building long-term relationships with them based on mutual benefit. In some cases, such as that of China's Jinchuan Group, this has led us to form strategic partnerships: the year concluded with the closing of our 30 percent equity investment in Jinchuan's new copper smelter in Guangxi province and hopes on both sides that further cooperation could ensue. We also saw some important changes in our trading teams following changes to senior management, and brought on significant new talent.

*Jeremy Weir headed Metals and Minerals trading in addition to his role as CEO until November 2015, when Amin Zahir and Julien Rolland were appointed co-heads of the division.

Molten copper at strategic partner Jinchuan Group's copper smelter in Fanchengang, China.

We expect the coming months to maintain the pattern established in 2015, but are confident that Trafigura still has plenty of headroom to grow further in these markets, building on its reputation for reliable and efficient service and its long-term customer relationships, while focusing carefully on management of credit risk. At the same time, low commodity prices will also create opportunities for us to deploy our financial strength in support of customers and in investing for value.

COPPER CONCENTRATES

Trafigura is a market leader in trading of copper concentrates, with a managing team based in Geneva and supported by regional and local offices around the world. The market presented significant challenges with a fundamental shift in the copper metal balance from deficit to a more balanced position featuring a small surplus in 2015. On a more positive note, 2015 also saw significant copper concentrates stocks drawn down, especially in China, bringing stocks back to normal levels towards the end of the year. This was a consequence of increased requirements from Chinese smelters, combined with the slower start-up of production at the newly commissioned, third-party owned, mines in Latin America.

Copper industry fundamentals remain for now relatively healthy across the globe but have also been affected to some extent by the deceleration in China, which accounts for 40 percent of global copper concentrate demand. The market had long considered a correction to be on the cards but it has happened earlier than expected, coinciding as it did with the national anti-corruption drive and consequent paralysis in decision-making in parts of the economy. In addition, the aftermath of the Qingdao warehousing and Yantai smelter speculation scandals injected greater caution into business decision-making and credit remained tight for many businesses outside the state-owned enterprise (SOE) sector.

Balanced markets are harder to trade, requiring greater agility of decision-making, creativity and, for a physical trader, attention to every detail of customer service and execution. We restructured the team during 2015 to bring on young talent and focus efforts on increasing the speed with which the book is turned over and trading ideas are generated and executed.

The result was a very satisfactory performance, with traded concentrates volume growing 29 percent year on year to 3.1 million tonnes from 2.4 million tonnes in 2014. In addition we concluded some significant investments that will support further volume growth in 2016 and succeeding years, including the expansion of the MATSA mining complex in Spain, the construction in Huelva of a state-of-the-art logistics and warehousing operation and the investment in Jinchuan Group's new copper smelter in Fangcheng. The Jinchuan Fangcheng joint venture involves offtake agreements covering both copper concentrates and refined metal, and represents the first step of a significant strategic partnership for Trafigura with one of the leading Chinese smelting groups.

Looking ahead, we intend to maintain the strategy rolled-out in 2015. We expect the market to remain in balance in 2016, before an expected surplus emerges towards the end of the year. The environment will require especially careful navigation including close attention to credit risk as it will feature significant financial distress among producers and smelters. Our priority will be protecting margins and market share, and if possible growing volumes further. We are also focusing on the environmental aspects since we believe environmental compliance in China will be an increasingly important success factor in the years to come.

LEAD CONCENTRATES

The lead concentrates market, in which Trafigura has been the leading player for several years, was impacted by the Chinese economic slowdown. In 2015, after two years of stagnation, Chinese demand decreased year-on-year. Since Chinese consumption accounts for up to 70 percent of global lead concentrates demand, this led to a softer concentrate market particularly for certain qualities.

Trafigura's lead concentrates desk did well and reached its objectives in 2015 as it calibrated its trading position to the difficult market environment. We maintained our strong position worldwide and played to our strategic, financial and logistical strengths. Key to our success are the long-term relationships we have established across the market with suppliers as well as users.

Looking ahead into 2016, we expect similar market conditions to those experienced in 2015. We believe Chinese demand will remain under pressure given financial constraints on consumers and increasing focus on environmental impacts. Nevertheless we are confident we are well positioned to maintain profitable market leadership.

ZINC CONCENTRATES

Trafigura's zinc concentrates desk successfully achieved its strategic objectives for 2015 and expanded its leadership in the market.

In terms of overall market conditions, the supply shortfall that had been widely expected to emerge in the past two years failed to materialise. Nevertheless a series of changes in miners' plans, including the delay of some major planned closures, changed the supply-demand balance. From the point of view of concentrates demand, the Chinese market was healthy, with imports increasing year-on-year by between 50 and 60 percent and smelters increasing their capacity utilisation. Outside China demand was constant year-on-year.

Looking ahead, we expect the anticipated market shortfall finally to emerge by the end of 2016 as both the Century mine in Australia and the Lisheen mine in Ireland are closing their operations. Trafigura is well positioned to benefit from the expected market dynamics.

NICKEL CONCENTRATES

The 2015 fiscal year marked Trafigura's effective debut as a trader of both nickel concentrate and mixed hydroxide intermediate product (MHP) in a low-price, over-supplied environment. So the focus of our new trading desk was on laying the foundations for a long-term sustainable business that replicates the success we have had in other base metals. Nickel is a regionally traded commodity, and we are working in all the most important areas. In this first year we successfully established ourselves as the second-largest trader in volume terms and demonstrated to our counterparties that we can add value to their business. We expect the low-price environment to continue into 2016. Our focus will continue to be on growing volumes and diversifying our geographical scope and customer base.

ALUMINA

The alumina trading team, based in Geneva and Shanghai and supported by regional specialists elsewhere, had a satisfactory year. We established new customer relationships and expanded existing business, both in China and in the rest of the world.

The alumina market remained broadly balanced for most of the year, which is customary on the grounds that the product can only be stored for a short period owing to its properties. A disproportionate increase in Chinese alumina production at the end of the reporting period created a domestic surplus, leading to the decrease of the domestic alumina price. The alumina price outside of China followed the same trend as the domestic price.

A successful particular feature of our year was the creation of a number of strategic partnerships with aluminium smelters, involving the sale of alumina and the purchase of aluminium. These arrangements are working well and to the advantage of both sides.

Looking forward, we expect to see increasing financial pressure on US alumina refineries that have not been able to benefit from currency depreciation against the dollar and on the higher-cost refineries in China. We continue to see opportunities to build our business profitably on the basis of established and new relationships.

REFINED METALS

The refined metals desk trades eight distinct commodities – copper cathodes, copper blister, aluminium, lead, zinc, nickel, silver, and scrap. We also trade semi-finished products such as copper wire rods and aluminium billets to complement each respective refined metal book. Despite challenging market conditions in 2015, the refined metals department operated profitably and grew volumes by over 6 percent to finish the year with a total traded volume of over 5 million tonnes.

The two biggest factors impacting performance were a slowing Chinese economy and the collapse of aluminium premiums. Developments in the Chinese market were pivotal. Demand for all metals was significantly subdued, impacting volumes, margins and credit transmission. The impact was felt noticeably in Trafigura's offshore cost, insurance and freight (CIF) business. The domestic onshore business, however, continued to grow and diversify in customers and metals traded.

The collapse in aluminium premiums occurred after the London Metal Exchange changed its warehousing rules to reduce queues and to increase the speed of metals leaving warehouses. This affected all market participants to differing degrees. Being less exposed, Trafigura was less affected than most competitors and our trading team was able to act swiftly to mitigate losses in the 2015 fiscal year and, in addition, to book business at good value for 2016.

The refined metals team underwent personnel restructuring with nominated book heads assuming more responsibility for developing the books commercially and for developing existing and new talent. Refined metals are traditionally short term with almost all businesses being fixed on an annual basis. We have made significant inroads in establishing multi-year contracts with key counterparties which allows us to trade the respective metal books with a long-term perspective.

Going into 2016, we anticipate an equally challenging environment. Uncertainty persists over Chinese growth, and with low metal prices we face potential supply side shocks. We look to take advantage of these market conditions and improve our performance significantly in profitability and volumes.

IRON ORE

The global iron ore market remained exceptionally weak in 2015 as the major producers continued to ramp-up output to reduce unit costs; Chinese demand weakened; and a wave of Chinese steel exports drove international steel prices so low as to create an unprecedented challenge for other steel producers. Iron ore prices were particularly depressed throughout the fiscal year and in the circumstances, we ran a conservative book.

First shipment of iron ore from Impala Terminals and Mubadala's Porto Sudeste export facility in Brazil.

We also expanded our value proposition to global steel producers by combining with the coal desk to offer them coking coal.

A positive development for the longer term was Impala's completion of the Porto Sudeste export facility south of Rio de Janeiro in Brazil. The port, jointly controlled with Mubadala of Abu Dhabi, saw its first shipments in September and will ramp-up operations in 2016, albeit slowly, owing to depressed market conditions. As the market improves, Porto Sudeste will be a vital lifeline to world markets for producers in the 'iron ore quadrangle' of Minas Gerais state.

Looking forward, we expect global market weakness to persist for the next 12 months until the production surplus is slowly unwound. But we believe a sustained recovery in iron ore will be possible only when the global steel market moves closer to balance.

COAL

The weakness that has afflicted global coal markets for several years as a result of a structural surplus in supply, dramatically worsened in 2015. Demand for seaborne coal imports in China – previously the largest market by far – fell sharply as the weakness of the Renminbi rendered foreign coal uncompetitive with surplus domestic supplies. Prices dropped to levels last seen in 2007, increasing pressure on producers. On the other hand currency weakness in many producing countries, coupled with lower fuel costs, enabled many mines that would otherwise have gone out of business, to carry on.

Trafigura's coal trading desk saw the market distress as an opportunity to build physical business. We grew traded volume to 35 million tonnes from 32.9 million tonnes in 2014 and registered a healthy net profit. We extended our reach and product offering, building new supply and customer relationships based on reliable service, and becoming one of only two truly global operators in the market. At a time when some competitors are reducing their exposure or withdrawing entirely, our commitment is paying dividends. Growing volumes make us more liquid and strengthens our ability to perform and support producers and consumers.

We grew a strong position in India, which overtook China as the largest import market during the year. We sourced increasing volumes from Indonesia, where Trafigura is investing in the SDJ mining joint venture in South Sumatra. We entered the coking coal market, sourcing supplies from Colombia, and also developed business in pet coke and met coke. We continued our successful offtake and marketing partnership with the Bowie mines in the US, 50 percent owned by the Galena Private Equity Resources Fund, and concluded a number of other third-party marketing arrangements.

In the coming year we expect further growth in our coal book based on providing reliable service and, where needed, financial support for our customers. The market, however, will remain depressed until the global coal mining industry implements much more significant production cuts than have been seen so far. Further ahead, the outlook for coal is negative with global policymakers focused on curbing the use of high-carbon fuels. As a result we believe that the year of peak coal consumption is coming into view. But we will remain committed to serving the market while there is a need.

SHIPPING AND CHARTERING

Trafigura Maritime Logistics is the Group entity that arranges shipping and freight services to Trafigura's various commodity trading teams as well as to third-party clients. It operates both as a service provider securing competitive and reliable freight for in-house oil, metals and minerals traders, and as a profit centre in its own right.

All commercial shipping and chartering activities are managed out of Trafigura's key regional offices. All post-fixture operations, which include issuing voyage orders, completing stowage plans, negotiating with port agents and handling demurrage claims are managed centrally from our Athens office.

2,744

Shipping and Chartering fixtures per year
(2014: 2,350+)

2015 Wet and Dry Freight Activity	Wet	Dry
Tonnage shipped	95mmt[1] + 11mmt[1][a] 2014: 60mmt[1]	32mmt[2] 2014: 33mmt[2]
Number of fixtures	1,959 2014: 1,600	785 2014: 754
Average time-charter fleet	75[3] + 9[4] 2014: 35-40[3]	40[3] 2014: 40[3]

[1] Includes both internal and external usage to other owners/operators.
(a) Additional 11mmt includes small tankers, bitumen and gas tonnage previously not registered in 2014.
[2] Includes 21mmt external customer tonnage.
[3] A vessel on hire for longer than three months.
[4] Gas related time-charters for longer than three months.

MT Stena Primosk oil tanker.

Trafigura is a leading player in global shipping and a key partner for ship-owners around the world. Our freight desks work closely with the company's trading teams, who rely on real-time freight pricing to structure physical arbitrage opportunities.

The shipping and chartering desk had a very active fiscal 2015 in both the wet and dry sides of the business, recording an increase in fixtures and increased overall tonnage shipped as well as a marked expansion in the fleet of vessels held on time-charter. Having access to an in-house fleet provided value for the traders when optionality and flexibility was required, as well as deepening the Group's access to market intelligence.

The performance of the wet freight and dry freight markets diverged significantly as a result of the differing supply-demand stories in oil and petroleum products on the one hand and metals and minerals on the other. A strong tanker market contrasted with conditions of over-supply and less demand in dry freight.

WET FREIGHT

The wet freight desk had a very strong year on the back of a significant fleet growth combined with firmer freight markets. Increased demand came in different forms, of which the expansion in the Middle Eastern refinery capacity creating incremental export flows; and product market volatility, were the main product tanker market demand drivers.

On the supply side, 2015 saw the lowest tanker fleet growth since the late 1990s, creating a healthy supply-demand balance. Lower fuel costs supported earnings in all tanker segments.

The wet freight book capitalised on the situation by significantly expanding the time-charter fleet in the larger product tanker segments (LR1/LR2) while reducing exposure to the smaller handy tanker segment. There was also fleet growth in the larger crude segments (Aframax/Suezmax/VLCC) on the back of a constructive market view combined with a growing crude cargo programme.

The first two of eight Guangzhou shipyard-constructed medium-range new-build tankers ordered back in 2013 were delivered and sold on to a third party. The remaining six are due for delivery in 2016.

Looking ahead, 2016 looks to be a more challenging year as flagging global economic growth and the knock-on effects on oil demand feed through to the freight markets.

Dry bulk vessel.

DRY FREIGHT

In the dry freight market, where Trafigura is a preferred counterparty of most major market players, conditions were challenging throughout the year, as a persistent and significant overhang of surplus supply coincided with an overall reduction of demand for freight.

While global seaborne cargo volume continued to rise, freight demand as measured in tonne-miles fell as a result of a decrease in long-haul trades being a consequence of the precipitous fall in Chinese coal imports. Adding to this loss of tonne-miles, there was a further implied reduction in vessel demand due to the near-absence of congestion at ports around the world making more vessels available in an already oversupplied market.

On the supply side, the global dry freight fleet continues to grow, but with scrapping levels at an all-time high there are signs that the supply side is beginning to adjust to reduced demand.

In the circumstances Trafigura's dry freight desk performed remarkably well and was able to record a positive result at a time of significant broader market distress. Thanks to the anchor volumes carried for Trafigura's traders, we were well positioned to offer competitively priced freight services to third-party customers, which account for 60 percent of our dry freight business. In addition we carried very few vessels at fixed prices, maintaining our time-charter fleet largely on an index-linked pricing basis.

We also made the most of our position by focusing strategically on niche trades in terms of geographies and vessel sizes – notably on routes that complement Trafigura's trading strengths.

The outlook for 2016 remains difficult with the market continuing to be over-supplied and continued uncertainties about the outlook for demand of dry bulk commodities such as iron ore and coal. Trafigura's strategy will consist of focusing on its strengths and positioning itself conservatively with respect to capacity. One important new factor for 2016 and beyond is the completion of the large Porto Sudeste iron ore export facility in Brazil, which offers significant future upside for our bulk freight business.

For further information please visit
www.trafigura.com/our-services/shipping-chartering/

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, terminals, warehouses and transport assets which together offer end-to-end logistics solutions for dry and liquid bulk cargoes, general cargo and containers.

HIGHLIGHTS

- All key projects move from construction to commercial operations.
- Business refocused on core capital-intensive, multimodal investment projects.
- Multimodal logistics project in Colombia launches early commercial operations.
- Porto Sudeste iron ore port in Brazil sees first shipments.
- Huelva metals blending terminal in Southern Spain receives first tonnes.

$2.6bn+
Total assets
(2014: USD2.1 billion)

$340.2m
Sales revenue
(2014: USD405.3 million)

1,749
Employees
(2014: 1,624)

18
Countries of operation

25+
Locations worldwide

MOVING FROM CONSTRUCTION TO COMMERCIAL OPERATIONS

In 2015, Impala Terminals moved from a phase of construction and capital investment at multiple sites around the world towards the launch of full commercial operations in our major projects. The year also saw a renewed focus on our core business model, the ownership and operation of capital intensive multimodal logistics chains in export-driven emerging markets, a business with relatively high barriers to entry. It was a challenging year for Impala in terms of financial performance.

We decided to exit a number of non-core activities, including the LME warehousing business and our warehouse operations in China, and to increase our commitment to regions where Trafigura has a strong trading presence such as Latin America, Africa and Southern Europe. By refocusing our activities, we adjusted to broader changes in the economics of the marketplace and allowed more management time to be allocated to strategically key projects for the Group. Provisions were made for restructuring costs and for potential legal costs that Impala may incur in respect of the protracted dispute concerning warehouse fraud at the port of Qingdao, China.

Over the year, we also focused intensely on achieving greater operational efficiency and cost reduction, assisted by the implementation of new operating and IT systems, while maintaining a rigorous approach in all our operations to health, safety and the environment. Revenues and operating results improved year-on-year as commercial operations ramped-up – a trend we expect to continue as all key locations reach full capacity over the next 12 to 24 months.

EARLY COMMERCIAL OPERATIONS IN COLOMBIA

Our USD1 billion state-of-the-art multimodal logistics investment in Colombia launched commercial early operations during the year, in both liquid and dry cargoes and containers. On the liquids side, over 1.7 million barrels of crude oil and oil products had been transported by the end of September. In dry goods, we began shipment of containers from the ocean ports of Cartagena and Barranquilla to our Barrancabermeja River terminal and are in advanced discussions to become the preferred logistics partner for a number of international container shipping lines.

Development work on our international inland port at Barrancabermeja continues, with construction scheduled for completion mid 2016. Licensing will shortly be in place, allowing us to route international cargoes straight to the facility, all under one bill of lading – bringing significant advantages to cargo importers and exporters. In the west of the country, our Ferrocarril del Pacifico (FDP) rail concession from

Early operations are already underway at Impala's inland riverside port at Barrancabermeja, Colombia.

Buenaventura is operating with increased capacity and reliability to the interior of the country after taking delivery of four reconditioned locomotives.

In September, we successfully refinanced the purchase of vessels for the Magdalena River operation via a USD350 million asset-backed credit facility with 12 international banks. We continue to explore financing opportunities for our fixed port assets currently under development.

PORTO SUDESTE OPEN FOR BUSINESS

Porto Sudeste, the new iron ore port south of Rio de Janeiro in Brazil that we control together with Mubadala, officially opened for business in September and exported its first two shipments of iron ore, the second of them via a Capesized vessel. Capable of handling over 50 million tonnes of iron ore annually, with load rates of over 20,000 tonnes per hour, the facility is one of the most modern and efficient of its kind. We are ramping-up operations gradually in view of the depressed international market conditions for iron ore, but Porto Sudeste is a long-term investment that will generate attractive returns for Impala and the Trafigura Group as volumes increase.

IMPROVING EXPORT AND IMPORT FLOWS FROM HUELVA, SPAIN

Our new operation in the Port of Huelva, Spain is set to become one of the premier metals concentrates blending terminals in Europe. The facility, which opened its doors in September, is designed to receive, blend and export metal concentrates from the MATSA mine amongst others in the south of Spain. In addition to this, it will be able to receive and blend imported material from other global locations, allowing unparalleled flexibility and access to markets.

The state-of-the-art facility includes automated sampling and testing capabilities, along with conveyor belts for transporting material around the facility and a ship loader for exporting product on ocean-going vessels. The terminal will provide world-class services efficiently, reliably and economically.

CONTINUING OPERATIONS IN LATIN AMERICA, AFRICA AND THE US

Operations at our other locations continued to improve. During the year we launched a new logistics chain along the Paraná River, delivering much needed fuels from the River Plate in Argentina to Paraguay and Bolivia. Using a fleet of eight barges and a single pusher, Impala Paraguay is moving significant volumes of both gasoil and jet fuel upriver from the River Plate in Argentina. Our fleet will soon expand to take on a second pusher and fleet of barges and will also begin moving soy bean oil from producing areas in Argentina.

In Africa, our facilities in Dar es Salaam, Tanzania and Ndola, Zambia continue to improve and are shortly expected to undergo accreditation or reaccreditation under the ISO quality standard.

Our coal export terminal in Burnside, US expanded into the petcoke market in the face of low steam coal export volumes. The terminal is evaluating the possible addition of rail connectivity, which would see it become the only terminal in the region connecting rail, fluvial and ocean-going methods of transport. In recognition of the impact on Burnside of the depressed international coal market and lower than anticipated export volumes, an impairment charge of USD100 million was recorded in the Trafigura Group financial statement.

At our Callao export and warehouse terminal in Peru, the conveyor belt connecting our facility to a dedicated concentrates loading berth continued to ramp-up whilst a roof is completed to cover the entire yard. This project, once complete, will make our facility one of the largest for metals concentrates globally.

Our container freight forwarding teams also made significant progress, with over 60,000 twenty foot equivalent units (TEU) handled during the financial year and over 35,000 TEU of bookings made with shipping lines. The team continues to grow and now provides almost global coverage for both Trafigura and other companies.

During the summer of this year we de-registered as an LME approved warehousing operator globally and wound down our operations in the UK, Antwerp and China. It should be emphasised, however, that this does not signify an end to Impala's involvement in refined metals logistics and warehousing: our operations in both Africa and Dubai remain unaffected and continue to grow.

LOOKING AHEAD

Our focus for the upcoming year will be on ensuring that we manage each operation as efficiently and safely as we can. The logistics market for the commodities that we handle has become increasingly competitive over the past year due to falling prices and slowing demand growth. It is therefore more important than ever that we are able to provide a best-in-class service safely and at an economic cost to ensure continued healthy volumes through our facilities. We have embarked on a cost reduction and efficiency programme across the business which will allow us to achieve this, whilst maintaining safety and quality standards.

For further information please visit **www.impalaterminals.com**

MINING GROUP

NICOLAS TREAND
Global Head of
Mining Operations

Trafigura's Mining Group manages mining operations, develops projects, conducts technical audits of existing and potential partner projects and provides advisory and support services to the rest of the Group. The 2015 fiscal year saw significant expansion and the conclusion of an important investment joint venture.

HIGHLIGHTS

- Completion of the expansion of the Aguas Teñidas mining complex in Spain.
- Creation of joint venture company with Mubadala to invest in the base metals mining sector across the globe.
- Launch of new mining projects in Cuba, Brazil and in DRC.

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

3.6mmt
Ore extracted at MATSA mine, Spain (2014: 3.3mmt)

0.7mmt
Ore extracted at Catalina Huanca mine, Peru (2014: 0.6mmt)

The key objectives of the Mining Group are to invest in and develop mining projects that are both growing and profitable in their own right and that provide our Metals and Minerals Trading Division with access to material produced via long-term offtake or marketing agreements.

In delivering on these goals, 2015 was a record year for the Mining Group. It brought a significant expansion in production at the Aguas Teñidas mining complex, and saw the launch of a new mining project in Cuba as well as investments in Brazil and Democratic Republic of the Congo.

Most significantly for future growth and investment, Trafigura and Mubadala, the Abu Dhabi-based investment and development company, announced the creation of a new joint venture company to invest in the base metals mining sector around the world. As part of this agreement, Mubadala acquired a 50 percent stake in MATSA.

It is with sincere regret that I report two fatalities during the year. Both of these highly unfortunate events involved contractors working at our mining sites in Spain and in Peru. This is of great concern to the Group. Any loss of life associated with work-related activities is unacceptable and our most important objective looking forward is to reduce the number of fatalities to zero. For more information on Trafigura's approach to Health, Safety, the Environment and Communities (HSEC), please refer to our 2015 Responsibility Report available at *www.trafigura.com/responsibility*.

FURTHER GROWTH AT MATSA

The Mining Group's flagship operation is Minas de Aguas Teñidas (MATSA), producing copper, zinc and lead concentrates along with some silver on the Iberian Pyrite Belt in Spain's south-western region of Andalusia.

The year saw completion of a EUR220 million, two-year expansion plan including a new treatment plant that has doubled annual processing capacity from 2.3 million to 4.6 million tonnes. Aguas Teñidas produced 3.6 million tonnes during the year. In addition the nearby satellite Sotiel mine was reopened in early 2015, producing at an annualised rate of about 600,000 tonnes in order to feed the expanded processing plant.

In July 2015, the new Magdalena mine was brought on stream, six months ahead of schedule after a EUR77 million investment. Situated seven kilometres from Aguas Teñidas and the processing facility, this is the first new mine to have opened in Spain in decades. The deposit being exploited is very rich in copper and polymetallic ores, with copper content of between 2 and 3 percent – a superior quality than the original Aguas Teñidas mine, and an especially advantageous quality at a time of lower copper concentrate prices.

Magdalena started producing in July 2015 at an annualised rate of 600,000 tonnes, scheduled to rise to an annualised rate of 1.3 million tonnes by April 2016.

Meanwhile, we continued to explore in the region for other exploitable ore bodies, both in the vicinity of the Magdalena mine and further afield. Our strategy is to replace the reserves we produce every year, maintaining the life of MATSA and its satellites at more than 20 years, safeguarding hundreds of jobs while continuing to secure valuable production for Trafigura's Metals and Minerals Trading Division.

The developments in 2015 brought to a close a period of relatively high capital expenditure at MATSA. We expect capex to fall in 2016 from the annual rate of EUR150 million to EUR200 million of recent years to approximately EUR50 million to EUR70 million, depending on the scale of the exploration programme.

Recent investments have created in MATSA a state-of-the-art modern mining operation, using the latest technology and maintaining a rigorous, compliant and responsible approach to management of HSEC. We are continuing to focus on optimising productivity after eight years of significant investment, with our optimisation project expected to improve EBITDA substantially and give MATSA one of the lowest break-even production costs in the global copper mining industry.

Inspection of core samples, MATSA mine, near Seville, Spain.

JOINT VENTURE WITH MUBADALA

MATSA was the centrepiece for the agreement announced by Trafigura and Mubadala on 29 June 2015 to create a 50:50 joint venture company to invest in the base metals mining sector. On completion of this transaction in September 2015, ownership of MATSA was transferred to the joint venture on 13 October after receipt of all official approvals.

This agreement is a tangible sign of the close cooperation that has developed between Trafigura and Mubadala over the past two years, starting with their joint investment in the Porto Sudeste iron ore export facility near Rio de Janeiro, Brazil.

The joint venture brings together the well-developed investment philosophy of one of the world's leading government investment funds and the deal-sourcing, trading and operational capabilities of Trafigura. It will focus on investing at scale in significant projects and operating assets that offer value and growth potential in a low-price environment, to be identified in 2016 and beyond.

COST REDUCTION AT CATALINA HUANCA , PERU

The other operating mine owned by the Mining Group is Catalina Huanca, situated in the mountainous Ayacucho region of Peru and producing lead and zinc concentrates with some gold and silver.

Catalina is a challenging operation at very high altitude, with a complex ore body and very limited infrastructure. This generates high operational costs. So the main focus during the year was investment in cost reduction and production efficiency including improvements in transport infrastructure and a new processing plant – in order to improve the mine's economic viability at current metal prices. This has unfortunately resulted in a number of job losses at the site.

The mine produces very high-quality concentrates and remains an attractive asset especially given its zinc output. Our strategy is to replace resources produced, thus maintaining the life of the mine above three years.

OTHER MINING INVESTMENTS AND ACTIVITIES

The Mining Group pursued a number of other activities and investments during the course of FY 2015. On behalf of Galena Asset Management's Private Equity Resources Fund, we increased to a 78 percent shareholding in Mawson West, a resource company listed on the Toronto Stock Exchange and based in Perth, Australia. This operation is currently focused on running the Kapulo copper mine located in the south-eastern province of DRC, Mawson West's other previously producing asset having been put on care and maintenance during the year.

This project demonstrated how the Mining Group's restructuring expertise can achieve benefits for Galena investors. The first priority was to establish a management team and build production towards the target, followed by substantial reductions in corporate and administrative costs. The priority looking forward is to build production further while continuing to focus on cost and considering next steps in exploration.

In Brazil, the Mining Group with Mubadala, agreed to acquire the Tico-Tico and Ipe iron ore mining and processing assets from the creditors of MMX Sudeste, subject to various conditions. The assets represent an opportunity for Trafigura to expand in the ferrous mining business and will complement the Porto Sudeste port business jointly controlled by Impala Terminals and Mubadala. The Mining Group is interested in exploring further opportunities to play a role in the consolidation of the fragmented mining industry in Brazil's Belo Horizonte region.

In Cuba, Trafigura signed a joint venture agreement with the Government of Cuba in January to develop the Castellanos zinc and lead mine. The joint venture, Emincar, is expected to require total investment of USD300 million and to be operational in mid-2017.

The capital expenditure and operation will be managed by the Mining Group and overseen by a Board of Directors representing the joint venture partners.

Elsewhere the Mining Group made technical contributions during the year to the Trafigura investment in Jinchuan's new copper smelter in China, which closed just after the end of the financial year, and to Galena Private Equity Resource Fund's investment in the Bowie Resource Partners' coal mines in the US.

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's 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 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. Above all, we will redouble our efforts to enhance safety at our global operations.

For further information please visit **www.trafigura.com/about-us/structure/trafigura-mining-group/**

GALENA ASSET MANAGEMENT

DUNCAN LETCHFORD*
CEO, Galena Asset Management

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.

Refined metals in storage.

Galena Asset Management, the wholly owned investment subsidiary of Trafigura, plays two essential roles in the Group's strategy.

First, it provides a platform for third-party investors such as institutions, sovereign wealth funds and family offices, to invest alongside Trafigura in commodity markets and assets. Since Trafigura intends to remain a private company owned by its senior employees, accessing the superior returns generated in Galena funds by the application of Trafigura's specialist insight has been seen as an attractive opportunity over the years.

Second, Galena is regulated by the Swiss Financial Market Supervisory Authority (FINMA). In a world in which regulation of commodities firms and markets is on a rising trend, a standalone regulated entity, run by highly qualified individuals, is an essential vehicle for managing regulatory risk.

DIFFICULT MARKETS

Overall 2015 was a difficult year for commodity-related hedge funds. Commodities were in a bear market, with prices of oil, precious metals and industrial metals and minerals showing structural weakness almost across the board. In addition the year witnessed the closure or withdrawal from the market of a number of notable hedge funds and more generally of the banks' proprietary trading arms. As a consequence the market became noticeably less liquid and more difficult to trade.

In effect, we have seen a sea-change in investor attitudes. From the mid-2000's onwards, commodities came to be seen increasingly widely as an investable asset class. This perception has now largely unwound, to be replaced by a generalised aversion on the part of institutional investors towards the segment as a whole. We estimate that total assets under management (AUM) in the top 10 commodity funds globally have fallen from more than USD50 billion in 2008 to less than USD10 billion today.

In these unpromising circumstances, Galena outperformed the asset class, making the most of our ability to trade both long and short – although absolute returns were still disappointing. As an illustration of our capacity to 'beat the market', the proprietary long-only index that includes the same metals we trade in the Galena Metals Fund lost 25 percent over the year, while the Metals Fund itself was down just 1.8 percent.

Nevertheless, such was the negative sentiment towards the sector that a number of our investors drew down their accounts and exited the commodities segment, with the result that our assets under management fell year-on-year. After year-end, the decision was taken to wind down the Galena Metals Fund, and Trafigura announced it was reviewing the future management of Galena Asset Management.

A CONSERVATIVE APPROACH

In its investment and risk management strategy for the year, Galena adopted an extremely conservative approach. We strictly limited the use of leverage in our long-short Metals Fund; our Commodity Trade Finance Fund confined its activity to top-quality borrowers; and our Private Equity Resources Fund preferred to exercise patience than to invest. The Resources Fund has raised USD415 million to invest in the equity and debt of metals and mining companies, but has invested only USD150 million to date and made no transactions in FY2015. The strategy is to await the greater value opportunities that currently distressed commodities markets are likely to expose – for example in coal, zinc or iron ore.

We are likely to remain similarly positioned over the coming year, barring significant unexpected developments in the markets. There are opportunities in the market, albeit fewer than before, and we want to be in a position to seize them at the right moment.

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

*Duncan Letchford was CEO of Galena Asset Management and a Board member of Trafigura until December 2015, when he stepped down to pursue other interests.

RISK MANAGEMENT

HOW TRAFIGURA MANAGES RISK

RISK MANAGEMENT PHILOSOPHY

Trafigura operates in dynamic markets that pose a wide range of risks, whether financial, political, operational or environmental. In consequence, a rigorous and conservative approach to risk management is an integral element of Trafigura's business and has been a central focus of the Group since its foundation.

As a rule, the Group actively manages and mitigates wherever possible the identifiable or foreseeable risks inherent to its activity – for example in systematically hedging exposure to flat prices and in extensively using insurance and financial tools such as letters of credit.

It has also ensured a degree of diversification in its business – trading a wide range of commodities with diverse and uncorrelated market dynamics in various geographical regions – that in itself reduces the Group's exposure to risk. Unlike many financial assets, physical commodity markets provide many opportunities for risk diversification. The premium paid for copper in China, for example, has little to do with the pricing relationship in LPG 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.

TRAFIGURA'S RISK MANAGEMENT SYSTEM

To manage the full range of risks to which it is exposed, the Group has developed a system with multiple lines of defence.

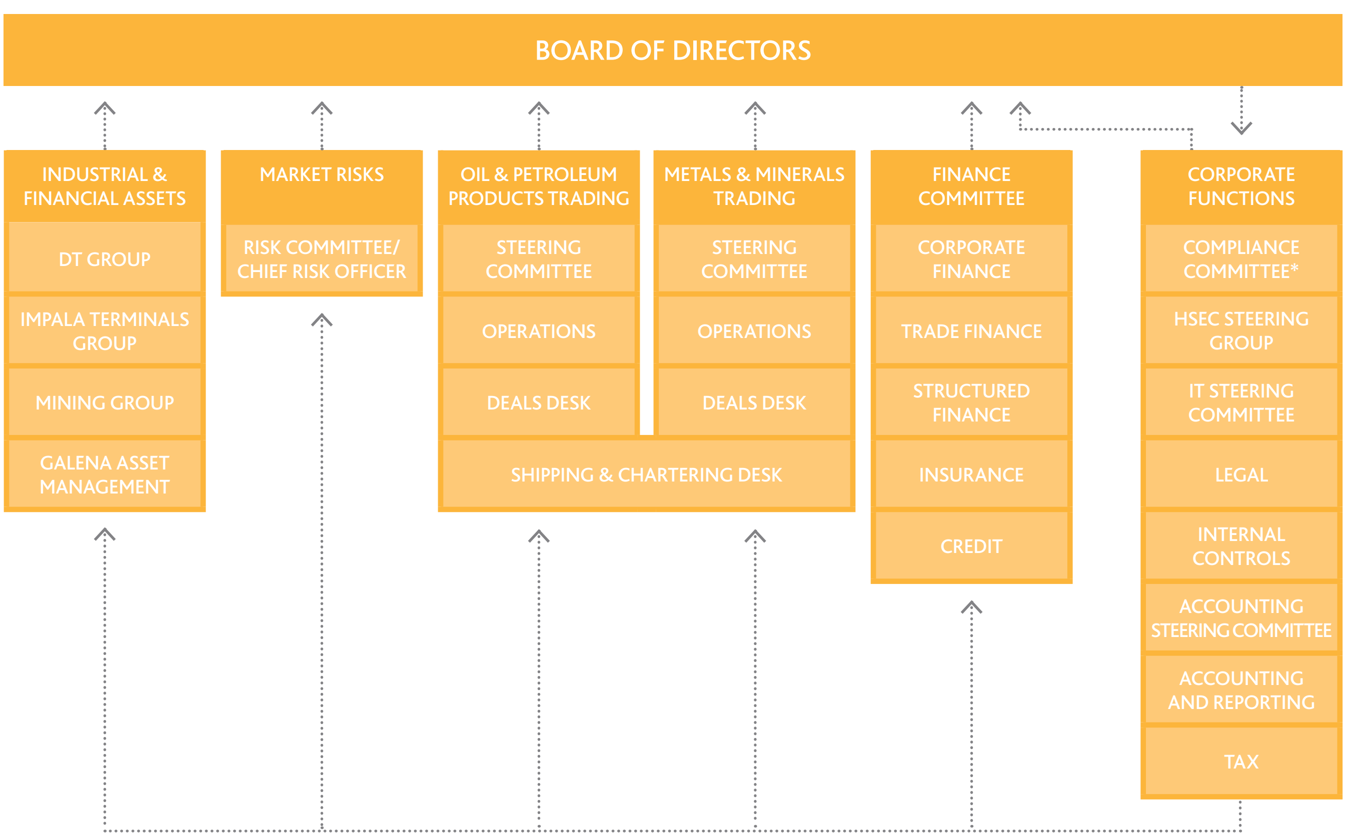
The first line consists of managers of the trading divisions and operating companies, overseen directly by the executive members of the Board of Directors.

Trafigura has a flat corporate governance structure featuring short and direct channels of communication and control (see separate section on Governance on page 44).

The Board of Directors has principal oversight responsibility, sets the risk management framework, determines the overall risk appetite of the business, and ensures that the appropriate structures and processes are in place to handle each category of risks in an appropriate manner.

The second line consists of a series of corporate functions that establish policies and processes for managing different categories of risk, as well as providing analysis, advice and implementation support. A further line of defence is provided by the Supervisory Committee of the Board of Directors, which reviews risk management as part of its active programme of supervision and inspection.

OVERVIEW OF TRAFIGURA'S RISK MANAGEMENT SYSTEM



*The Trafigura Group Pte. Ltd. Compliance Committee is chaired by our Chief Executive Officer. The Global Head of Compliance chairs the Compliance Committees of all Group companies.

MARKET AND PRICE RISK

Risk Committee and Chief Risk Officer

Trafigura systematically hedges all index price exposure incurred as a result of its trading activities within a framework set by the Board of Directors and implemented by the Risk Committee and the Chief Risk Officer (CRO).

The CRO reports directly to the Chief Operating Officer and the Board of Directors. 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 ongoing programme of 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 are used across the company. The CRO's risk team employs advanced statistical models that capture the non-normal dynamics which are an important feature of commodity markets.

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.

FINANCE AND CREDIT RISKS

Finance Committee and Finance Department

The Finance Department supports the activities of the whole Group and is involved at the earliest stage of transactions and projects. Overseen by the Finance Committee, it is responsible for assessment of financial risk and has the capacity to veto any transaction. Within Finance, the Credit Department's key role is to safeguard the balance sheet. It performs fundamental credit analysis, assessing credit risk associated with the Group's counterparts, setting internal limits, monitoring exposures and overseeing documentation.

KEY RISK	MITIGATION AND ACTIONS	
MARKETS AND PRICES • Volatility in commodity prices, spreads, interest and exchange rates. • Fluctuations in the supply of, or demand for, commodities which we trade.	• It is a fundamental objective of Trafigura's business model to be able to operate successfully in all market conditions. The Group's policy is to hedge all index price exposure related to physical transactions on a deal-by-deal basis. • As a matter of policy, 100 percent of stock is at all times either pre-sold or the index price is hedged. • Despite such hedging Trafigura remains exposed to basis risk, ie the risk of changes in the difference between the price of the commodity being hedged and the hedging instrument. The group carefully monitors all its hedging positions on a daily basis in order to avoid excessive basis risk resulting from these imperfect correlations.	• In terms of exchange rate risks, the majority of sales and purchases are denominated in US dollars. Exposure to other currencies is hedged and financing raised in currencies other than the USD is immediately swapped into dollars. • Concerning interest rate risks, our policy is to borrow short-term working capital at floating rates, with any rate changes passed through to our customers, and to fix rates for medium- and long-term financing via the swaps market. • Freight costs are hedged by our Shipping and Chartering Desk via Forward Freight Agreements (FFAs) and bunker costs. *For our view of the market environment and how we are responding, please see CEO report (p6).*
FINANCE AND LIQUIDITY	• Trafigura relies on a deep pool of financing from banks for working capital to support its business, consisting of three pillars: trade finance, securitisation and unsecured committed revolving credit facilities. *See CFO statement (p10 & p42).* • For longer-term capital needs we raise funds from time to time on public bond markets or through private placements with investment institutions. We follow a strict policy of matching the maturity of our assets and liabilities, with longer-term assets supported by longer-term borrowings.	• We take a conservative approach to managing our funding liquidity, with more than one-third of committed facilities unutilised at all times under normal market conditions, and immediately available cash of around USD500 million always on hand. Our transactional financing base allows the underlying assets to be 100 percent marked-to-market value, matching liquidity needs for any related margin calls. *See CFO statement (p17-19) for a fuller account of our funding model.*
COMPLIANCE AND ETHICS	• Trafigura's Compliance Department oversees Group activities, in partnership with front-office functions, to ensure that we operate with integrity and according to best practice, and that our controls are relevant, rigorous and robust. It focuses on promoting a sound compliance culture across the organisation, in which everyone recognises their personal responsibility for meeting our compliance objectives. The team adopts a risk-based approach, allocating energy and resources to the issues that matter most to our core business and our stakeholders.	• The Department's activities include counter party due diligence (KYC); anti-money-laundering; sanctions and trade restrictions; anti-bribery and corruption; gifts, hospitality and entertainment; political contributions; protection of whistle-blowers; financial compliance and market conduct. *See 2015 Responsibility Report (p50-53).*
ECONOMIC AND FINANCIAL SANCTIONS	• The Group takes its compliance obligations with regard to international sanctions extremely seriously. Ensuring this position is respected in all our business activities, and that we fulfil the undertakings on sanctions that we give as part of our credit facilities, is a key focus for the trading desks with support from the Compliance and Finance departments.	*See 2015 Responsibility Report (p50-53)*

COMPLIANCE RISKS

Compliance Committee and Head of Compliance

Trafigura's Global Head of Compliance oversees the implementation and further development of our Code of Business Conduct, reporting to the COO and to the Trafigura Compliance Committee. The Compliance Department focuses on commercial, financial and regulatory compliance, incorporating KYC, anti-money laundering, trade sanctions and anti-bribery and corruption. The Compliance Committee is chaired by Trafigura's CEO and meets at least twice a year.

RISKS PERTAINING TO HEALTH, SAFETY, ENVIRONMENT AND COMMUNITIES

HSEC Steering Group and Corporate Affairs

This committee is chaired by a member of the Supervisory Committee and the Head of Corporate Affairs and includes Trafigura's CEO and senior representatives from across the Group. It is mandated by the Board to promote best practice, oversee the management of HSEC risks and ensure that Trafigura's HSEC Policy and HSEC Business Principles are implemented consistently across the organisation.

CONTROL RISKS

Internal Controls Team

The Internal Controls team supports management across the Group in annually assessing risks and controls for the governance, trading, IT and support processes. Results of these activities are reported to the Board of Directors accompanied by action plans to strengthen controls and further mitigate risks where required. Internal Controls manage these annual framework cycle activities and external auditors validate the existence of the Trafigura Internal Control System every year. Additionally the team performs site reviews to assess how local management manages risk and to identify opportunities for improvement, and advises on process design for new IT applications.

KEY RISK	MITIGATION AND ACTIONS	
COUNTERPARTY, COUNTRY AND CREDIT RISK	• On counterparty and credit risk, Trafigura uses internal credit limits established by the Credit department. • Trafigura lays off political risk in relation to countries below a certain risk rating as gauged by Dun & Bradstreet, by purchasing political risk insurance. • Credit limits reflect Trafigura's own appetite for risk and are based on a credit analysis of the client as well as the size of the relevant transaction when compared to Trafigura's balance sheet.	• In light of lower commodity prices in 2015, we paid particular attention to screening our portfolio of pre-payment agreements with producers for credit risk. • Exposures in excess of a credit limit are covered through the insurance or bank markets. • The Group prides itself on having had an extremely low incidence of credit losses throughout its history.
DIGITAL INFRASTRUCTURE/ CYBER-SECURITY	• The company takes IT security extremely seriously and is investing significant sums in state-of-the-art systems to protect the integrity of its IT architecture and processes against the threat of fraud or other potential damage from cyber-attack.	
LEGAL, TAXATION AND REGULATION • Changes in taxation arrangements in various territories. • Collateral effects of changes in financial regulatory framework.	• Trafigura is increasingly focused on maintaining legal, taxation and regulatory risks, given the multiple jurisdictions in which it operates and its global scope. Trafigura adheres to applicable local and international tax law in the countries where it operates, including legislation on transfer pricing. We are following the unfolding discussions on Base Erosion and Profit Shifting (BEPS) within the Organisation for Economic Co-operation and Development, and will adapt our reporting to respond as and when this produces more concrete recommendations.	• We are also following closely the discussions about potential new forms of regulation that may be imposed on commodities trading firms, for example under the European Union's MiFid 2 legislation. We have made representations to the appropriate authorities about the risks and unnecessary costs of introducing position limits in commodity derivatives markets and of imposing regulatory capital requirements on commodity trading firms..
HSEC • Process safety failures at industrial assets resulting in human injuries or fatalities and/or damage to assets. • Environmental spills from shipping, transportation, storage or processing activities. • Issues with communities affected by Group activities.	• Our HSEC Policy commits the Group to conduct business in a way that protects the environment and promotes safety and health of employees, those involved in our operations and the communities where we work, to act with integrity and transparency and to comply with all relevant HSEC domestic and international legislation and regulations. Our HSEC Business Principles describe the standards we apply and the principles we uphold across all divisions and companies in the Trafigura Group. • The HSEC Steering Group requires all divisions and units to maintain a material risk register describing the key issues they need to manage and mitigate.	• All HSEC incidents are recorded and categorised for severity on Safeguard, the Group's incident reporting system. Incidents registered as level 4 or 5, involving significant spills or single or multiple fatalities, as well as high-potential near misses are investigated and the results and remedial actions are presented to the Steering Group. • The Group is also focused on working with the communities where it operates to mitigate and minimise negative impacts. We are developing a structured approach to receive, acknowledge, investigate, respond to and remediate grievances from affected stakeholders in a timely and respectful manner. *See Trafigura's 2015 Responsibility Report for further information on these activities. www.trafigura.com/responsibility*

FUNDING MODEL

HOW TRAFIGURA 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 and successfully in all market conditions. Its scalability 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 and a programme of longer-term, corporate facilities to finance our asset acquisition and other corporate requirements. 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 126 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 maturities greater than 10 years. 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 one 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 one 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:** Cash flows arising from hedging activity and freight costs.
- **Transactional line:** Cash flows arising from the physical transaction and its financing by the LC issuing bank.
- **Securitisation line:** Cash flows between Trafigura and its separately capitalised special purpose vehicle (SPV).
- ↑ Cash inflow
- ↓ Cash outflow
- ↕ Market-contingent cash flow

TRANSACTION COMPONENT	DAY 1: TRADE AGREEMENT	DAYS 2 – 40: PRICING PERIOD
	Brent contract = $50 Dubai contract = $49	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 @50 -$2m (initial margin)	↕ Mark-to-market daily (variation margin)
HEDGE SALES LEG WITH DUBAI FUTURES	↓ Sell 1,000 Dubai futures @49 -$2m (initial margin)	↕ Mark-to-market daily (variation margin)
FREIGHT COST		
PHYSICAL SALES LEG		
NET CASH FLOW	Initial margin: -$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, this starts with a bank issuing an LC on behalf of the buyer in favour of the seller. 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 secured loan is repaid by the cash flow from the on-sale of the commodity from Trafigura to the end-buyer, with a receivable created once the sale has been agreed. This receivable is either repaid when the counterparty pays Trafigura according to the credit terms of the transaction or from the securitisation programme if the receivable is sold into the programme.

2. SECURITISATION PROGRAMME

Trafigura manages a securitisation programme through a separately capitalised 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. Most trades are financed on a trade-by-trade basis with bilateral trade finance loans, but Trafigura can fund eligible receivables once an invoice has been issued by selling them to the SPV. Securitising our receivables accelerates the rotation of existing credit lines, since 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 adhering to our policy of matching assets with liabilities. 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 and whose investment decisions are not driven 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.

Likewise, the absence of a rating means that Trafigura's business and investment decisions are not taken on the basis of maintaining a particular rating level, something which becomes particularly important at times of high-market volatility.

DAYS 41 – 45: LOADING	DAYS 46 – 100: TRANSPORTATION	DAYS 101 – 105: DELIVERY
Average Brent contract = $52 Average Dubai contract = $50		Trafigura issues invoice to refinery. Invoice is securitised with SPV as beneficiary
Buy 1m bbls @ Brent-$1 Counterparty draws on LC -$51m		Sell 1m bbls @ Dubai +$4 (transaction value = $54m)
Drawdown amount moves onto balance sheet as secured loan: +$51m	Loan marked-to-market (physical excess/deficit)	Securitisation programme refinances loan -$51m (principal) -$85,000 (1% interest) for 60 days
Sell 1,000 Brent futures @52 +$2m (initial margin) (realised p/l = +$2m)		
Buy 1,000 Dubai futures @50 +$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 +$54m on 30 days payment terms
• Return of initial margin: +$4m • Realised profit on futures: +$1m • Transportation costs: -$3.5m Total: +$1.5m		• Proceeds from physical sale: +$54m • Repayment of loan principal: -$51m • Payment of loan interest: -$85,000 Total: +$2.92m

NET RESULT

$415,000 PROFIT

BOARD OF DIRECTORS AND COMMITTEES

Trafigura is exclusively owned by its management and active employees, who are therefore focused on the long-term success of the business, promoting management depth and stability, and encouraging prudent risk management. This section summarises the Group's governance structure, following the completion of a corporate reorganisation at the end of the 2015 fiscal year.

Until 30 September 2015, the Group's reference parent company was Trafigura Beheer B.V., a company incorporated under the laws of the Netherlands. As of that date, Trafigura Group Pte. Ltd. (TGPL), incorporated in Singapore, assumed the role of reference parent company for the Group. This means that all Group activities and assets globally are now consolidated under TGPL, and accordingly starting with this Annual Report, all Group corporate reporting will be undertaken via TGPL.

The change has no impact on Trafigura's commercial operations, global office network, financial arrangements or tax position. It is simply a move to streamline the corporate structure and identity of the Group.

BOARD OF DIRECTORS

This corporate reorganisation has also entailed a change in the Group's governance arrangements. This is because Singapore law requires locally registered companies to maintain a unitary Board structure. In consequence, with effect from 30 September 2015, Trafigura has established a single Board of Directors to exercise oversight of the Group.

This encompasses the roles previously occupied by Trafigura's two-tier Board structure comprised of the Supervisory Board and the Board of Directors prior to the Group reorganisation, and comprises both executive and non-executive members. Members of the new Board of Directors are listed on the opposite page. Formal meetings of the Board of Directors take place a minimum of four times a year.

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

In practice, those Directors with executive responsibilities are in constant touch with each other, and are actively involved in a range of management steering committees, as outlined here. Management of the Group is characterised by short reporting lines, flat structures, clear delineation and segregation of responsibilities, and personal accountability.

Employee remuneration at all levels is linked to Group performance as well as individual contribution. As shareholders, senior traders and front- and back-office personnel have a personal stake in the business and are more invested in its long-term success.

SUPERVISORY COMMITTEE

The Supervisory Committee comprises the non-executive members of the Board of Directors. It supervises the Group's overall performance including reviews of strategy, governance, compliance and risk management. It meets every two months, and makes regular inspection visits to Trafigura offices and operating locations. In addition, the Supervisory Committee appoints members to the Remuneration Committee.

MANAGEMENT STEERING COMMITTEES

Underneath the Board of Directors, a number of management steering committees coordinate the day-to-day management of Trafigura. These include segment-specific steering committees for Oil and Petroleum Products Trading, and Metals and Minerals Trading as well as the following:

- Finance Committee
- Accounting Steering Committee
- IT Steering Committee
- Market Risk Management Committee
- Compliance Committee
- HSEC Committee

BOARD OF DIRECTORS

JEREMY WEIR
CHIEF EXECUTIVE OFFICER

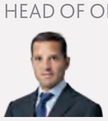
Jeremy Weir was appointed CEO of Trafigura in March 2014, after a career spanning nearly three decades in commodity and commodity derivative markets. An Australian national, he joined the Trafigura Group in 2001 as head of metals derivatives, structured products and risk management. Immediately prior 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. Jeremy holds a BSc (Hons), Geology Major from the University of Melbourne.

MIKE WAINWRIGHT
CHIEF OPERATING OFFICER

Mike Wainwright was appointed Chief Operating 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.

JOSÉ LAROCCA
HEAD OF OIL TRADING



José 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, José 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).

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. Mariano is a Brazilian national and holds a Bachelor's degree in Business.

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. Mark holds a degree in Computer Science and Accounting from the University of Manchester.

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 enhances Trafigura's ability to continue its expansion in sub-Saharan Africa and further afield. Chris was educated in South Africa and holds a BSc (Hons) in Geology and an MBA from the University of Cape Town Graduate School of Business.

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, with a PhD in economics from Cambridge University, he has previously worked for The World Bank and other international agencies.

PIERRE LORINET

Pierre Lorinet was Chief Financial Officer of Trafigura from 2007 until 2015. Following his departure from the role of CFO in September 2015, Pierre joined the Board Directors of Trafigura Group Pte. Ltd. and was nominated on to the Board of Directors of Puma Energy.

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 Master's degree in Business from ESCP Europe in Paris and an MSc in Finance from Lancaster University.

SIPKO SCHAT ■

Sipko Schat will join the Board of Directors in January 2016.

A Dutch citizen, Sipko worked in the Rabobank Group for over 25 years, where he was a member of the Executive Board of Rabobank Nederland. He was also responsible for the Wholesale Clients division of Rabobank International and managed the Wholesale Management Team.

Sipko is a Non-Executive Director of various companies including an independent member of the Supervisory Board and Chairman of the Risk Committee for Rothschild & Co (formerly Paris Orléans); Chairman of the Supervisory Board of Vion N.V., an international food company; and a senior independent Director of OCI N.V., a global producer of natural gas-based fertilizers and industrial chemicals.

Sipko holds a Master of Laws degree from the University of Groningen, the Netherlands.

KEY

■ **SUPERVISORY COMMITTEE**

LETTER FROM THE SUPERVISORY BOARD

CHANGE IN CONSOLIDATED REPORTING ENTITY

The end of the 2015 fiscal year saw the introduction of Trafigura Group Pte. Ltd. as the new consolidated reporting entity for the Trafigura Group, together with a structural change in the Group's governance arrangements involving adoption of a unitary Board structure in line with the governance framework in Singapore. Refer to page 18 for a further discussion of the impact of this change.

SUPERVISORY BOARD OVERSIGHT IN FY 2015 AND CHANGES

Prior to this governance change, the Supervisory Board of Trafigura Beheer B.V. ('the Supervisory Board') was the key supervisory body through FY 2015. Certain members of the Supervisory Board have now joined the new unitary Board of Directors of Trafigura Group Pte. Ltd. Within the Board of Directors of Trafigura Group Pte. Ltd., on 23 October 2015 a Supervisory Committee has been established which will continue to hold meetings and make inspection visits in addition to the full Board meetings. Its members are identified on the preceding page.

Some further changes are under way:

- We are pleased to report that Sipko Schat will join the Board and the Supervisory Committee in January 2016. Sipko brings extensive experience in international financing from his work in the Rabobank Group over more than 25 years.
- Eric de Turckheim and Lord Thomas Strathclyde gave notice of their intention to stand down from the Supervisory Board at the end of December 2015.

Eric has made a huge contribution to the Supervisory Board of the Trafigura Group bringing a wealth of experience from his years as co-founder and CFO of the company and from a lifetime involvement in commodities trading. We are extremely grateful to Eric for all the support and leadership he has given to the Trafigura Group since its foundation in 1993.

Thomas's political career and experience in financial businesses has enabled him to add a new and valuable perspective to the role of the Supervisory Board and our governance framework. We would like to thank him for his input and support.

SUPERVISORY BOARD ACTIVITIES DURING THE YEAR

This year the Supervisory Board focused its attention on the key Trafigura hub offices in Singapore, Geneva, Amsterdam, Shanghai, Johannesburg, Mumbai, Houston and Stamford and significant capital expenditure projects in Brazil and Colombia. The Supervisory Board also visited Angola.

These visits were structured around:

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

We also met on a regular basis with members of the Internal Control, Legal, Compliance, Tax, Accounting and Reporting, Finance and Corporate Affairs functions to discuss existing and emerging risks faced by the Group.

The Remuneration Committee met in November 2015. 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 inception.

All members of the Supervisory Board have jointly executed the responsibilities of the Audit Committee which met with the external auditors, Ernst & Young Accountants LLP, on two occasions to discuss audit planning, internal controls observations, the outcome of the audit of the financial statements and reporting by the auditor, and its function and interaction with the external auditors.

LOOKING FORWARD

The next year will be one of significant change but Claude Dauphin prepared the ground for the handover for this new era of Trafigura. He was instrumental in establishing the Supervisory Board in 2009 as one of foundation stones for our governance framework and has been an enthusiastic advocate of our programme of work over the last several years. There will be many challenges and opportunities but as long as we all remain faithful to the core principles which Claude instilled in us, Trafigura will come through these challenges as it has for the last twenty years.

We would like to congratulate all Trafigura employees for another very successful year of growth and for the spirit of teamwork and careful risk management that makes this performance possible.

SUPERVISORY BOARD, TRAFIGURA BEHEER B.V.

Eric de Turckheim
Andrew Vickerman
Christopher Cox
Lord Thomas Strathclyde

Amsterdam, 14 December 2015.

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FINANCIAL STATEMENTS

INDEPENDENT AUDITOR'S REPORT

To: the Shareholders, the Supervisory Committee and the Board of Directors of Trafigura Group Pte. Ltd.

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying consolidated financial statements for the year ended 30 September 2015 of Trafigura Group Pte. Ltd., Singapore, which comprise the consolidated statement of financial position as at 30 September 2015, the consolidated statements of income, other comprehensive income, changes in equity and cash flows for the year then ended and notes comprising a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for the preparation and fair presentation of the consolidated financial statements and for the preparation of the report of the Board of Directors, both in accordance with International Financial Reporting Standards as issued by the IASB. Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 Group Pte. Ltd. as at 30 September 2015, its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as issued by the IASB.

Rotterdam, 14 December 2015
Ernst & Young Accountants LLP
Signed by A.A. Heij

A. CONSOLIDATED STATEMENT OF INCOME

	Note	2015 USD'M	2014 USD'M
Revenue	8	**97,236.5**	126,189.2
Cost of sales		**(94,636.1)**	(124,153.9)
Gross profit	5	**2,600.4**	2,035.3
Other income/(expenses)	9	**(198.4)**	488.1
General and administrative expenses	10	**(994.8)**	(995.8)
Results from operating activities		**1,407.2**	1,527.6
Finance income		**228.5**	233.8
Finance expense		**(479.0)**	(596.5)
Net financing costs		**(250.5)**	(362.7)
Share of profit/(loss) of equity-accounted investees	14	**87.8**	86.2
Profit before tax		**1,244.5**	1,251.1
Income tax expense	11	**(141.1)**	(215.5)
Profit for the year		**1,103.4**	1,035.6
Profit attributable to			
Owners of the Company		**1,235.9**	995.3
Non-controlling interests	23	**(132.5)**	40.3
Profit for the year		**1,103.4**	1,035.6

See accompanying notes

B. CONSOLIDATED STATEMENT OF OTHER COMPREHENSIVE INCOME

	Note	2015 USD'M	2014 USD'M
Profit for the year		**1,103.4**	1,035.6
Other comprehensive income			
Items that are or may be reclassified to profit or loss:			
Prior period tax adjustments	11	**–**	(14.8)
Gain/(loss) on cash flow hedges	22	**(69.9)**	48.1
Tax on comprehensive income	11	**5.2**	(4.2)
Exchange loss on translation of foreign operations		**(83.0)**	(43.5)
Share of other comprehensive income from associates (exchange loss on translation of foreign operations)		**(240.6)**	(62.3)
Items that will not be reclassified to profit or loss:			
Net change in fair value of financial assets at fair value through OCI	17	**(91.9)**	(6.7)
Other comprehensive income for the year net of tax		**(480.2)**	(83.4)
Total comprehensive income for the year		**623.2**	952.2
Total comprehensive income attributable to			
Owners of the Company		**766.9**	912.0
Non-controlling interests		**(143.7)**	40.2
Total comprehensive income for the year		**623.2**	952.2

See accompanying notes

C. CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Note	**30 September 2015**	30 September 2014	1 October 2013
		USD'M	USD'M	USD'M
Assets				
Property, plant and equipment	12	**2,400.3**	3,008.3	2,683.2
Intangible assets	13	**245.8**	533.1	499.8
Equity-accounted investees	14	**3,167.5**	2,562.5	2,132.2
Prepayments	15	**1,067.2**	387.3	1,662.3
Loans receivable	16	**440.1**	333.3	391.0
Other investments	17	**809.2**	742.3	207.0
Derivatives	28	**57.0**	127.4	40.5
Deferred tax assets	11	**169.9**	160.3	156.4
Total non-current assets		**8,357.0**	7,854.5	7,772.4
Inventories	18	**7,614.4**	7,812.0	7,462.6
Trade and other receivables	19	**13,902.3**	16,376.8	15,797.9
Derivatives	28	**3,326.2**	1,660.3	3,593.2
Prepayments	15	**2,110.8**	2,025.1	881.5
Income tax receivable	11	**106.5**	87.6	80.6
Deposits	21	**46.9**	454.7	522.9
Cash and cash equivalents	21	**3,534.2**	3,670.1	3,176.6
Total current assets		**30,641.3**	32,086.6	31,515.3
Non-current assets classified as held for sale	12	**88.4**	–	–
Total assets		**39,086.7**	39,941.1	39,287.7
Equity				
Share capital	22	**1,503.7**	3,215.5	3,215.5
Capital securities	22	**640.6**	–	–
Reserves	22	**(505.9)**	(27.6)	40.9
Retained earnings	22	**3,962.5**	2,826.8	2,250.2
Equity attributable to the owners of the Company		**5,600.9**	6,014.7	5,506.6
Non-controlling interests	23	**56.7**	301.5	264.0
Total group equity		**5,657.6**	6,316.2	5,770.6
Liabilities				
Loans and borrowings	24	**7,289.7**	6,867.4	6,265.7
Deferred revenue		**–**	0.9	6.9
Derivatives	28	**173.3**	168.1	290.9
Provisions	25	**83.9**	23.9	36.2
Deferred tax liabilities	11	**253.1**	331.8	137.2
Total non-current liabilities		**7,800.0**	7,392.1	6,736.9
Current tax liabilities	11	**270.5**	303.0	116.5
Loans and borrowings	24	**14,668.2**	14,834.3	12,638.5
Trade and other payables	26	**9,486.3**	9,766.5	10,387.6
Derivatives	28	**1,204.1**	1,329.0	3,637.6
Total current liabilities		**25,629.1**	26,232.8	26,780.2
Total group equity and liabilities		**39,086.7**	39,941.1	39,287.7

See accompanying notes

D. CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

		Equity attributable to the owners of the Company										
USD'000	Note	Share capital	Capital contribution reserve	Currency translation reserve	Revaluation reserve	Cash flow hedge reserve	Capital Securities	Retained earnings	Profit for the year	Total	Non-controlling interests	Total Group equity
Balance at 1 October 2014		3,215,535	64,053	(109,921)	(17,494)	35,738	–	1,831,467	995,294	6,014,672	301,465	6,316,137
Profit for the year		–	–	–	–	–	–	–	1,235,891	1,235,891	(132,494)	1,103,397
Other comprehensive income		–	–	(313,559)	(91,937)	(63,503)	–	–	–	(468,999)	(11,203)	(480,202)
Total comprehensive income for the year		–	–	(313,559)	(91,937)	(63,503)	–	–	1,235,891	766,892	(143,697)	623,195
Profit appropriation		–	–	–	–	–	–	995,294	(995,294)	–	–	–
Shares issued	22	30,000	–	–	–	–	–	–	–	30,000	–	30,000
Share redemption	22	(1,741,808)	–	–	–	–	–	–	–	(1,741,808)	–	(1,741,808)
Dividend paid		–	–	–	–	–	–	(138,968)	–	(138,968)	–	(138,968)
Transfer due to realisation of FVOCI instruments		–	–	–	52,117	–	–	(52,117)	–	–	–	–
Share based payments		–	–	–	–	–	–	51,129	–	51,129	–	51,129
Subsidiary dividend distribution		–	–	–	–	–	–	–	–	–	(101,184)	(101,184)
Capital securities transferred from parent company	22	–	–	–	–	–	640,617	–	–	640,617	–	640,617
Acquisition of subsidiaries from parent company	22	–	(64,053)	–	–	–	–	(23,685)	–	(87,738)	27	(87,711)
Dilution gain from capital contribution in equity-accounted investees	14	–	–	–	–	–	–	67,715	–	67,715	–	67,715
Reclassification		–	–	2,652	–	–	–	(2,652)	–	–	–	–
Share of other changes in equity of associates		–	–	–	–	–	–	(968)	–	(968)	–	(968)
Other		–	–	–	–	–	–	(637)	–	(637)	123	(514)
Balance at 30 September 2015		**1,503,727**	**–**	**(420,828)**	**(57,314)**	**(27,765)**	**640,617**	**2,726,578**	**1,235,891**	**5,600,906**	**56,734**	**5,657,640**

See accompanying notes

	Equity attributable to the owners of the Company										
USD'000	Share capital	Capital contribution reserve	Currency translation reserve	Revaluation reserve	Cash flow hedge reserve	Capital Securities	Retained earnings	Profit for the year	Total	Non-controlling interests	Total group equity
Balance at 1 October 2013	3,215,535	52,049	(4,109)	1,160	(8,194)	–	2,250,181	–	5,506,622	263,969	5,770,591
Profit for the year	–	–	–	–	–	–		995,294	995,294	40,342	1,035,636
Other comprehensive income	–	–	(105,812)	(6,663)	43,932	–	(14,800)	–	(83,343)	–	(83,343)
Total comprehensive income for the year	–	–	(105,812)	(6,663)	43,932	–	(14,800)	995,294	911,951	40,342	952,293
Shares issued	–	12,004	–	–	–	–	–	–	12,004	–	12,004
Share-based payments	–	–	–	–	–	–	41,556	–	41,556	157	41,713
Dividend paid	–	–	–	–	–	–	(456,485)	–	(456,485)	–	(456,485)
Transfer due to realisation of FVOCI instruments	–	–	–	(11,991)	–	–	11,991	–	–	–	–
Share of other changes in equity-accounted-investees	–	–	–	–	–	–	(976)	–	(976)	–	(976)
Acquisition of non-controlling interest in subsidiary	–	–	–	–	–	–	–	–	–	1,472	1,472
Deconsolidation of subsidiary	–	–	–	–	–	–	–	–	–	(2,024)	(2,024)
Subsidiary dividend distribution	–	–	–	–	–	–	–	–	–	(2,451)	(2,451)
Balance at 30 September 2014	**3,215,535**	**64,053**	**(109,921)**	**(17,494)**	**35,738**	**–**	**1,831,467**	**995,294**	**6,014,672**	**301,465**	**6,316,137**

See accompanying notes

E. CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2015 USD'M	2014 USD'M
Cash flows from operating activities			
Profit before tax		**1,244.5**	1,251.1
Adjustments for:			
Depreciation	10	**167.9**	191.4
Amortisation of intangible assets	10	**51.8**	44.1
Provisions	25	**72.4**	10.1
Gain on fair value through profit and loss instruments	19	**(34.8)**	(113.2)
Impairment losses on financial fixed assets	19	**14.0**	6.6
Impairment losses on non-financial fixed assets	9	**407.3**	168.2
Impairment losses on equity-accounted investees	19	**47.9**	3.9
Net finance costs		**250.5**	362.7
Share of profit of equity-accounted investees	14	**(87.8)**	(86.2)
Gain on sale of non-financial fixed assets	9	**(11.3)**	0.4
Gain on sale of equity-accounted investees	9	**(0.4)**	–
Gain on sale of other investments	9	**–**	(3.1)
Gain on divestments of subsidiaries	9	**(287.3)**	(587.0)
Equity-settled share-based payment transactions	29	**51.1**	41.6
Operating cash flow before working capital changes		**1,885.8**	1,290.6
Changes in:			
Inventories		**188.5**	(357.8)
Trade and other receivables and derivatives		**1,616.5**	2,293.0
Prepayments		**5.2**	(1,188.3)
Trade and other payables and derivatives		**(1,507.0)**	(3,088.5)
Cash generated from/(used in) operating activities		**2,189.0**	(1,051.0)
Interest paid		**(570.2)**	(596.5)
Interest received		**232.4**	233.8
Dividends received		**25.8**	0.5
Tax (paid)/received		**(160.3)**	(29.2)
Net cash from/(used in) operating activities		**1,716.7**	(1,442.4)
Cash flows from investing activities			
Acquisition of property, plant and equipment	12	**(985.1)**	(1,350.5)
Proceeds from sale of property, plant and equipment	12	**138.4**	52.1
Acquisition of intangible assets	13	**(131.7)**	(118.1)
Proceeds from sale of intangible assets		**0.3**	–
Acquisition of equity-accounted investees	14	**(193.3)**	(249.7)
Disposal of equity-accounted investees		**10.3**	50.9
Acquisition of loans receivable and prepayments	15/16	**(804.5)**	(845.0)
Disposals of loans receivable and prepayments	15/16	**26.0**	568.5
Acquisition of other investments	17	**(282.4)**	(473.0)
Disposal of other investments	17	**32.3**	6.6
Acquisition of subsidiaries, net of cash acquired	6	**–**	(4.8)
Disposal of subsidiaries, net of cash disposed of	7	**(8.0)**	872.1
Net cash from/(used in) investing activities		**(2,197.7)**	(1,490.9)
Cash flows from financing activities			
Payment in relation to the share redemption by the direct parent company	22	**(775.5)**	(885.3)
Proceeds from long-term loans and borrowings	24	**628.7**	1,723.0
Payment of finance lease liabilities	24	**(12.1)**	(16.8)
Increase of short-term bank financing	24	**606.2**	2,606.2
Dividend non-controlling interest	23	**(102.2)**	(0.3)
Net cash from/(used in) financing activities		**345.1**	3,426.8
Net increase/(decrease) in cash and cash equivalents		**(135.9)**	493.5
Cash and cash equivalents at 1 October	21	**3,670.1**	3,176.6
Cash and cash equivalents at 30 September (note 21)		**3,534.2**	3,670.1

See accompanying notes

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The principal business activities of Trafigura Group Pte. Ltd. (the Company) and together with 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 Singapore and its principal business office is at 10 Collyer Quay, Ocean Financial Centre, #29-00, Singapore, 049315.

The immediate and ultimate holding companies of the Company are Trafigura Beheer B.V. and Farringford N.V., respectively. Trafigura Beheer B.V. is incorporated in the Netherlands and Farringford N.V. is incorporated in Curacao.

The consolidated financial statements for the year ended 30 September 2015 were authorised for issue by the Board of Directors on 14 December 2015.

2. BASIS OF PREPARATION

The Company's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB).

The consolidated financial statements have been prepared under the historical cost convention except for inventories, derivatives and certain other financial instruments that have been measured at fair value. The consolidated financial statements have been prepared on a going concern basis.

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. IFRS 1 FIRST-TIME ADOPTION OF IFRS

The Company historically prepared its financial statements in accordance with Singapore Financial Reporting Standards (SFRS). The Company applied the FRS 110 exemption from preparing consolidated financial statements as its immediate parent, Trafigura Beheer B.V. (TBBV), prepared consolidated financial statements that were available for public use.

For the year ended 30 September 2015, the Company has elected to present its consolidated financial statements for the Group in accordance with IFRS as issued by the IASB.

The presented consolidated financial statements of the Company are a result of a major reorganisation involving Trafigura Beheer B.V. (which, together with its subsidiaries referred to as TBBV Group). Whereas in previous years the operational activities were reported at the level of the TBBV Group, as of 2015 management has decided to report at the level of the Company. As part of this reorganisation all of the entities with operational activities and economic instruments (including finance agreements) have been transferred to entities included in the consolidation perimeter of the Company. All significant entities included in the consolidation of TBBV Group for the year ended 30 September 2014 are now included in the consolidation of the Company for the year ended 30 September 2015.

From an economic point of view the Company, together with its subsidiaries, is defacto the same group as the TBBV Group was. The financial statements of the TBBV Group have been reported from 2013 onwards in accordance with IFRS as endorsed by the EU. The differences between EU-endorsed IFRS and IFRS do not have a material impact on the consolidated financial statements except for the early adoption of IFRS 9 as described below. The reported financial statements of the TBBV Group give the users access to the financial information prepared on a comparable basis for several years. For the financial information of the Group before 2014 we refer readers to the published financial statements of TBBV Group for those years. To fulfil the requirements of IFRS 1-21 we added a third statement of the financial position.

As permitted by IFRS 1 'First-time adoption of International Financial Reporting Standards' for a subsidiary adopting IFRS at a later date than its parent, the Company has measured its assets and liabilities reflected in these consolidated accounts at the carrying amounts included in the TBBV Group's consolidated financial statements, based on TBBV's date of transition to IFRS and subject to consolidation adjustments.

As the Company has never prepared consolidated financial statements before, the required reconciliations between total equity and total comprehensive income under the Company's previous GAAP and IFRS, are not applicable. However the differences between the previously reported equity in the Company's standalone statutory financial statements in equity can be summarised as follows.

The Shareholder's equity (before non-controlling interest) as per 1 October 2013 amounted to USD5,507 million. As reported in the standalone statutory financial statements of the Company, prepared under Singapore Financial Reporting Standards and applying the consolidation exemption, the total Shareholders equity of the Company amounted to USD3,215 million. The difference of USD2,292 million can be explained by the difference in valuation of the investments in subsidiaries and the pooling method application of subsidiaries transferred from the parent company. Under Singapore Financial Reporting Standards and applying the consolidation exemption, these are valued at cost minus impairment. Under IFRS the subsidiaries are consolidated. For the years ended 30 September 2014 and 30 September 2015 similar differences are present caused by the same factors.

The Company, together with its subsidiaries, is from an economic point of view defacto the same group as TBBV Group used to be. The Shareholders' equity (before non-controlling interest) as per 1 October 2013 of the TBBV Group amounted USD5,040 million (30 September 2014: USD5,256 million). The Shareholders' equity of the Company (before non-controlling interest) as per 1 October 2013 amounted USD5,507 million (30 September 2014: USD6,015 million). The difference of USD467 million (2014: USD759 million) can be explained by the net equity value of the parent company TBBV (negative USD494 million; 2014 negative USD777 million) and the net equity value of the investments of the entities which are not part of TGPL Group (USD27 million; 2014 USD18 million). No reconciliation for 30 September 2015 has been provided considering the adoption of IFRS 9 by the Company.

Besides the implementation of IFRS, the Company has chosen to early adopt IFRS 9. The impact of this early adoption has been applied to the 2014 comparative figures (as IFRS 9 has been applied as from 1 October 2013). As such, the Company has not applied any transition exceptions or exemptions permissible under IFRS 9, except for the continuation of hedge accounting. The application of IFRS 9 has had no effect on the net equity of the Company as at 1 October 2013 and 30 September 2014.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

4. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements have been prepared in compliance with IFRS. The company has consistently applied the accounting policies used in the preparation of its opening IFRS statement of financial position and throughout all periods presented, as if these policies had always been in effect.

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 equity investment 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 controls 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 profit or loss except when measured at fair value through OCI. 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. 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.

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 certain non-derivative financial assets, at fair value at each balance sheet date. Also, fair values of financial instruments measured at amortised cost are disclosed in note 28i.

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 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 operation.

f. Financial instruments

The financial assets are classified in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those to be measured at amortised cost.

The classification depends on the Group's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt investments when and only when its business model for managing those assets changes. Reclassification takes place at the first day of the financial year following the financial year in which the business model changes.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss as incurred.

Purchases or sales of financial assets that require delivery of assets within a time frame 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.

Subsequent measurement of debt instruments depends on the Groups business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

(i) Amortised cost

The Group classifies its financial assets as at amortised cost only if both of the following criteria are met:

- The asset is held within a business model with the objective of collecting the contractual cash flows, and
- The contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal outstanding.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Financial assets at amortised cost include loans receivable, trade and other receivables, and other financial assets that are held with the objective of collecting contractual cash flows. After initial measurement at fair value, the financial assets are 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.

(ii) Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income. Movements in the carrying amount are taken through other comprehensive income, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method.

(iii) Financial assets at fair value through profit or loss

The Group classifies the following financial assets at fair value through profit or loss:

- Debt investments that do not qualify for measurement at amortised cost;
- Debt investments that do not qualify for measurement at fair value through other comprehensive income; and
- Debt investments that have been designated at fair value through profit or loss.

Financial assets at fair value through profit or loss include financial assets held for trading, debt securities and financial assets designated upon initial recognition at fair value through profit or loss. 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 profit or loss. 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.

The Group enters into prepayment agreements where purchases of commodities are prepaid. When the prepayment agreement can be settled in cash or another financial asset, it is classified at amortised cost in line with IFRS 9. When settlement of the prepayment agreement solely occurs by having the commodities physically delivered, these agreements are not classified as financial instruments as they do not meet the definition of a financial asset. Interest received on prepayment agreements is presented in finance income in the statement of profit or loss.

The Group invested in listed equity securities and unlisted equity investments. The Group subsequently measures all equity investments at fair value. The Group classifies the following financial assets at fair value through profit or loss:

- Equity investments that are held for trading; and
- Equity investments for which the entity has not elected to recognise fair value gains and losses through other comprehensive income.

Where Group management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments continue to be recognised in profit or loss as other income when the Groups' right to receive payments is established. There are no impairment requirements for equity investments measured at fair value through other comprehensive income. Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/(losses) in the statement of profit or loss as applicable.

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.

Non-derivative financial liabilities

The Group measures non-derivative financial liabilities at amortised cost. The non-derivative financial liabilities are recognised initially at fair value less any directly attributable transaction costs. Subsequent to initial recognition, the 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.

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 Group 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. The Group elects to apply fair value hedge accounting to hedge certain risk components of non-financial hedged items. When applicable, the Group designates derivative hedging instruments as fair value hedges in relationship to the hedged item. The hedged item may be individual risk components which are separately identifiable and reliably measurable. The designated hedge derivatives are accounted for at fair value through profit and loss and reflected on the balance sheet as either a recognised asset or liability or an unrecognised firm commitment. Each of the identified risk components of the hedged item will be revalued at each period with its corresponding benchmark accounted for at fair value and recognised through profit and loss and reflected on the balance sheet as either a recognised asset or liability or an unrecognised firm commitment. The Group documents at the inception of the hedging transaction the economic relationship between hedging instruments and hedged items including whether the hedging instrument is expected to offset changes in cash flows of hedged items.

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 profit or loss. A change in the fair value of derivatives designated as a cash flow hedge is initially recognised as a cash flow hedge reserve in OCI. The deferred amount is then released to the statement of profit or loss in the same periods during which the hedged transaction affects the statement of profit or loss.

When a hedging instrument expires, or is sold or terminated, or when a hedge no longer meets the criteria for hedge accounting, any cumulative deferred gain or loss and deferred costs of hedging in equity at that time remains in equity and are reclassified to profit or loss when the forecast transaction affects in profit or loss.

If the hedge ratio for risk management purposes is no longer optimal but the risk management objective remains unchanged and the hedge continues to qualify for hedge accounting, the hedge relationship will be rebalanced by adjusting either the volume of the hedging instrument or the volume of the hedged item so that the hedge ratio aligns with the ratio used for risk management purposes. Any hedge ineffectiveness is calculated and accounted for at the time of the hedge relationship rebalancing.

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 noncurrent portions).

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 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 directly in connection with the borrowing of funds.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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.

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 4o. 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 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.

k. 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.

l. 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 or group of 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.

(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)'.

m. 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.

n. 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.

o. Impairment of financial instruments

Non-derivative financial assets

The Group assesses the expected credit losses associated with its debt instruments and trade receivables carried at amortised cost and fair value through other comprehensive income. The impairment provisions for financial assets disclosed in notes 16 and 17 are based on assumptions about risk of default and expected loss rates. The company uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Trade receivables

The Group applies the simplified approach to providing for expected credit losses, which permits the use of the lifetime expected loss provision for all trade receivables. In calculating the expected credit loss rates for trade receivables, the company considers historical loss rates for each category of counterparties, and adjusts for forward-looking macro-economic data. Refer to note 19 for the loss provision on trade receivables.

Loans receivable

Over the term of the loans, the Group manages its credit risk by appropriately providing for expected credit losses on a timely basis. In calculating the expected credit loss rates, the Group considers historical loss rates for each category of counterparties, and adjusts for forward-looking macro-economic data. The Group classifies its loans receivable in three categories that reflect their credit risk as follows:

Category	Group definition of category	Basis for recognition of expected credit loss provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows	12 month expected losses. Where the expected lifetime of an asset is less than 12 months, expected losses are measured at its expected lifetime.
Non-performing	Interest and/or principal repayments are past due and credit risk level shows a significant increase	Lifetime expected losses
Write-off	Based on observable data the interest and/or principal will not be collected	Asset is written off through profit or loss to extent of expected loss

The Group recognises expected credit losses when a payment is received past its due date, even though it is received in full. Refer to note 16 for the loss provision on loans receivable.

Write-off

The Group also 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.

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 while taking into consideration the expected credit losses associated to the instrument. The Group recognises in profit or loss, as an impairment gain, the amount of expected credit losses reversal that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised under the expected credit loss model.

p. 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.

q. 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 the immediate holding company 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.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

r. Provisions

The Group recognises provisions for liabilities and onerous contracts that have been incurred as of the balance sheet date and can be reliably 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.

(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 a 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.

s. 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.

t. 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.

u. 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 inventories, all derivatives and forward contracts.

v. 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.

w. Finance income and finance expense

Interest income and interest expense are recognised on a time-proportion basis using the effective interest method.

x. 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 Singaporean 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 Singapore.

(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.

y. 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.

z. 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.

aa. 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 the Company'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 28. 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 unit of production (UOP). 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 12 and note 13.

(iii) Impairments
Investments in associates and other investments, loans 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 12, note 13, note 14 and note 16.

(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 25.

(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 25.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

(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 11.

(vii) Determination of control of subsidiaries and joint arrangements

Judgement is required to determine whether the Company 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 the 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 the Company 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 share of assets and liabilities. Refer to note 7.

5. 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.
- 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.
- All other segments 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:

2015	Oil and Petroleum USD'M	Metals and Minerals USD'M	All other segments USD'M	Total USD'M
Revenue from external customers	65,262.7	31,973.8	–	97,236.5
Gross profit	**1,680.3**	**920.1**		**2,600.4**
Other income/(expenses)				(198.4)
General and administrative expenses				(994.8)
Finance income				228.5
Finance expense				(479.0)
Share of profit/(loss) of equity-accounted investees				87.8
Income tax expense				(141.1)
Profit for the year				**1,103.4**

2015	Oil and Petroleum USD'M	Metals and Minerals USD'M	All other segments USD'M	Total USD'M
Segment assets				
Equity-accounted investees	2,091.8	1,074.5	1.2	3,167.5
Other assets	20,610.9	11,831.1	3,477.2	35,919.2
Total segment assets	**22,702.7**	**12,905.6**	**3,478.4**	**39,086.7**
Segment liabilities				
Total segment liabilities	**(17,720.4)**	**(7,894.1)**	**(7,814.6)**	**(33,429.1)**
Other segment information				
Capital expenditure	152.7	851.2	219.5	1,223.4
Depreciation and amortisation	40.5	114.3	64.9	219.7
Impairment of non-financial assets	–	407.3	–	407.3
Impairment of financial assets	–	14.0	–	14.0
Impairment of equity-accounted investees	2.0	45.9	–	47.9

2014	Oil and Petroleum USD'M	Metals and Minerals USD'M	All other segments USD'M	Total USD'M
Revenue from external customers	94,010.1	32,179.1	–	126,189.2
Gross profit	**1,120.8**	**914.5**	**–**	**2,035.3**
Other income/(expenses)				488.1
General and administrative expenses				(995.8)
Finance income				233.8
Finance expense				(596.5)
Share of profit/(loss) of equity-accounted investees				86.2
Income tax expense				(215.5)
Profit for the year				**1,035.6**

2014	Oil and Petroleum USD'M	Metals and Minerals USD'M	All other segments USD'M	Total USD'M
Segment assets				
Equity-accounted investees	2,221.8	339.5	1.2	2,562.5
Other segment assets	18,888.6	13,870.4	4,619.6	37,378.6
Total segment assets	**21,110.4**	**14,209.9**	**4,620.8**	**39,941.1**
Segment liabilities				
Total segment liabilities	**14,532.8**	**9,447.3**	**9,644.8**	**33,624.9**
Other segment information				
Capital expenditure	497.9	827.2	196.9	1,522.0
Depreciation and amortisation	56.7	109.6	69.3	235.6
Impairment of non-financial assets	12.0	156.2	–	168.2
Impairment of financial assets	–	6.6	–	6.6
Impairment of equity-accounted investees	–	3.9	–	3.9

Geographical information

The following table sets out information about the geographical location of the Group's revenue from external customers:

2015	Oil and Petroleum USD'M	Metals and Minerals USD'M	Total USD'M
Revenue from external customers			
Europe	16,523.7	6,790.4	23,314.1
Asia	8,271.2	20,337.7	28,608.9
North America	10,651.1	2,762.4	13,413.5
Latin America	11,372.0	1,375.8	12,747.8
Africa	13,820.3	609.9	14,430.2
Australia	1,269.1	–	1,269.1
Middle East	3,355.3	97.6	3,452.9
Total revenue from external customers	**65,262.7**	**31,973.8**	**97,236.5**

2014	Oil and Petroleum USD'M	Metals and Minerals USD'M	Total USD'M
Revenue from external customers			
Europe	24,246.4	4,781.4	29,027.8
Asia	12,589.1	23,333.7	35,922.8
North America	11,008.4	2,862.1	13,870.5
Latin America	14,246.8	527.0	14,773.8
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**	**32,179.1**	**126,189.2**

6. ACQUISITIONS OF SUBSIDIARY AND NON-CONTROLLING INTERESTS

There were no significant transactions during the year to acquire subsidiaries or non-controlling interests.

7. DECONSOLIDATION OF SUBSIDIARIES

a. 2015

(i) Minas de Aguas Teñidas (MATSA)

On 29 June 2015 the Company entered into an agreement with Mubadala Development Company (Mubadala) to create a 50/50 joint-venture company to invest in the base metals mining sector, including copper and zinc. As part of this agreement, the Company has sold 50 percent of its share in Minas de Aguas Teñidas (MATSA) for a consideration of USD674 million. Mubadala's ownership became effective owner as of 30 September 2015, although the legal closing process was not completed until 13 October 2015.

This divestment resulted in a loss of control and deconsolidation of MATSA per 30 September 2015. As of this date the investment is accounted for as an equity investment. Gains recognised in other income in relation to the divestment amount to USD289.9 million.

The impact of MATSA on the Group's consolidated statement of income and cash flow is as follows:

	2015 USD'M	2014 USD'M
Revenue (mainly intercompany)	**218.4**	206.0
Gross profit	**166.0**	125.2
Operating profit	**74.2**	32.2
Profit for the year	**57.0**	8.0

	2015 USD'M	2014 USD'M
Net cash flows from operating activities	**73.3**	64.5
Net cash flows used in investing activities	**(202.4)**	(268.5)
Net cash flows from financing activities	**122.5**	208.7
Net cash flows for the year	**(6.6)**	4.7

The effect of the divestment and deconsolidation of MATSA on the Group's consolidated statement of financial position and statement of income is as follows:

	2015 USD'M
Non-current assets	1,240.6
Current assets	162.7
Non-current liabilities	(217.9)
Current liabilities	(133.0)
Net assets and liabilities	**1,052.4**
Consideration for 50% loan	251.8
Consideration for 50% equity sale	422.2
Total Consideration	**674.0**
Retained investment in MATSA at carrying value	274.4
Retained investment in MATSA remeasured at fair value	422.2
Gain on remeasurement of retained interest at fair value	**147.8**
Net gain on sale of 50% stake	142.1
Total gain on divestment and remeasurement of retained interest	**289.9**

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

b. 2014

(ii) 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 percent 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 percent interest in Trafigura Terminals LLC to Buckeye Texas Partners LLC in exchange for a 20 percent 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, terminalling, dockage, wharfage, and fractionation services, classified as operational leases. The sales price and subsequent lease contracts were measured at fair value individually.

Subsequent to Federal Trade Commission approval, Trafigura and Buckeye Partners, L.P. closed the contribution and commercial agreements on 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 a final after-tax gain of USD313.9 million on completion of the transaction related to the exchange of its 80 percent membership interest in Trafigura Terminals LLC for cash consideration and the revaluation of its 20 percent interest in the newly formed Buckeye Texas Partners LLC. The pre-tax gain is included in other income.

(iii) Trafigura Investment Sarl

During financial year 2014, Trafigura restructured its USD1.5 billion five-year 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 financial statements was insignificant.

The Company 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 2015 amounted to USD300 million (2014: USD300 million). The expiry of this guarantee is September 2018.

8. REVENUE

	2015 USD'M	2014 USD'M
Sales of goods	**96,896.3**	125,783.9
Rendering of services	**340.2**	405.3
Total	**97,236.5**	126,189.2

9. OTHER INCOME/(EXPENSE)

	2015 USD'M	2014 USD'M
Release/(additions) to provisions	**(72.4)**	(10.1)
Gain/(loss) on disposal of tangible and intangible fixed assets	**11.3**	(0.4)
Gain/(loss) from disposal of other investments	**–**	3.1
Gain/(loss) on sale of equity-accounted investees	**0.4**	–
Gain/(loss) on divestment of subsidiaries	**139.5**	486.4
Gain/(loss) on fair value through profit and loss instrument	**34.8**	113.2
Impairments of financial assets	**(14.0)**	(6.6)
Impairments of non-financial assets	**(407.3)**	(168.2)
Impairments of equity-accounted investees	**(47.9)**	(3.9)
Dividend income	**0.5**	1.6
Gain/loss on foreign exchange	**10.6**	(16.7)
Revaluation gain	**147.8**	100.6
Other	**(1.7)**	(10.9)
Total	**(198.4)**	488.1

In 2015, Trafigura reduced its stake in Minas de Aguas Teñidas (MATSA) as described in note 7. The gain of USD142.1 million from divestments of the 50 percent interest is included as a gain on divestment of subsidiaries. The gain of USD147,8 million from remeasuring the retained interest at fair value is recorded as a revaluation gain.

Gain on fair value through profit and loss instruments includes revaluation of financial debt instruments FPOR11 of USD78.5 million (2014 USD89.8 million). This investment is described in note 17. In 2014, Trafigura reduced its stake in Trafigura Terminals LLC as described in note 7. 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. Further, in 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.

For details on the impairments of non-financial assets, refer to notes 12 and 13.

Impairment of equity-accounted investees mainly consist of impairment of USD34.5 million for Nyrstar N.V.

For the additions to provisions we refer to note 25.

10. GENERAL AND ADMINISTRATIVE EXPENSES

	2015 USD'M	2014 USD'M
Depreciation and amortisation	**219.7**	235.6
Staff costs	**504.3**	528.9
General and other	**270.8**	231.3
Total	**994.8**	995.8

The total fees in respect to the procedures applied to the Group by Ernst & Young Accountants LLP, the Netherlands (EY), the external auditor, and other member firms of EY including their tax services and advisory groups, amounted to USD6.6 million in 2015 (2014: USD7.5 million), which included USD0.1 million (2014: USD0.1 million) for assurance-related services, USD1.0 million (2014: USD1.5 million) for tax advisory and compliance services, and USD nil (2014: USD0.1 million) for transaction support services.

The financial statements audit fees include the aggregate fees in each of 2015 and 2014 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 29, employee benefits, for a breakdown of the staff costs.

11. TAX

a. Tax expense

Income tax expense recognised in the statement of income consists of the following:

	2015 USD'M	2014 USD'M
Current income tax expense	**184.4**	223.7
Adjustments in relation to current income tax of previous year	**(1.2)**	(20.7)
Deferred tax expense/(income)	**(47.6)**	10.0
Withholding tax in the current year	**5.5**	2.5
Total	**141.1**	215.5

b. Tax recognised in other comprehensive income

The tax credit/(charge) relating to components of other comprehensive income and equity is as follows:

	2015 USD'M	2014 USD'M
Tax expense/(income) on cash flow hedges	**(5.2)**	4.2
Prior period tax adjustments	**–**	14.8
Total	**(5.2)**	19.0

c. Reconciliation of effective tax rate

The Group's effective tax rate differs from the statutory income tax rate of the Singapore which was 17 percent in 2015 (2014: 17 percent).

The reconciliation between tax expense and the result of accounting profit multiplied by the Company's statutory income tax rate for the years ended 30 September 2015 and 2014 is as follows:

	2015 USD'M	2015 %	2014 USD'M	2014 %
Profit before tax	**1,244.5**		1,251.1	
Less: share of net profit/(loss) in associates	**87.8**		86.2	
Profit before tax net of share net profit/loss associates	**1,156.7**		1,164.9	
Income tax expense at expected statutory blended tax rate	**205.5**	**17.8%**	173.4	14.9%
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	**58.3**		51.5	
Income exempt or subject to specific tax holidays	**(160.7)**		(31.0)	
Non-deductible expenses	**33.7**		39.8	
Adjustments in relation to income tax of previous years	**(1.2)**		(20.7)	
Withholding tax	**5.5**		2.5	
	141.1		215.5	
Effective tax rate		**11.3%**		17.2%

d. Deferred tax assets and liabilities

	2015 USD'M	2014 USD'M
Property, plant and equipment and other assets	**(161.1)**	(302.8)
Derivatives	**13.7**	18.2
Losses	**152.9**	114.2
Other temporary differences	**(88.7)**	(1.1)
Deferred tax liability, net	**(83.2)**	(171.5)

	2015 USD'M	2014 USD'M
Reflected in the consolidated balance sheet as follows:		
Deferred tax assets	**169.9**	160.3
Deferred tax liabilities	**(253.1)**	(331.8)
Deferred tax liability, net	**(83.2)**	(171.5)

	2015 USD'M	2014 USD'M
Opening balance as at 1 October	**(171.5)**	(154.9)
Tax expense/(income) during the period recognised in profit or loss	**47.6**	(10.0)
Other comprehensive income	**5.2**	(19.0)
Deferred taxes deconsolidated business combinations	**107.1**	–
Foreign currency differences and other	**(71.6)**	12.4
Closing balance as at 30 September	**(83.2)**	(171.5)

The unrecognised tax losses expire within five years (2015: USD3.3 million; 2014: USD29.7 million), more than five years (2015: USD14.0 million; 2014: USD41.3 million) or do not expire (2015: USD32.4 million; 2014: USD13.8 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 USD49.7 million (2014: USD84.8 million).

e. Tax uncertainties

Trafigura operates 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)*

12. 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 2014	955.9	591.6	443.8	387.5	1,247.5	3,626.3
Additions	148.7	39.5	66.6	2.4	839.8	1,097.0
Reclassifications	421.2	(3.1)	254.6	(152.7)	(855.7)	(335.6)
Effect of movements in exchange rates	(22.3)	(2.9)	(3.1)	–	(5.2)	(33.5)
Disposals	(10.7)	(11.8)	(113.9)	–	(12.2)	(148.6)
Divestments of subsidiaries	(687.1)	(151.1)	–	(237.2)	(33.7)	(1,109.2)
Balance at 30 September 2015	**805.7**	**462.2**	**648.0**	**–**	**1,180.5**	**3,096.4**
Depreciation and impairment losses						
Balance at 1 October 2014	216.1	165.5	59.6	–	176.8	618.0
Depreciation for the year	65.0	33.2	22.1	–	47.5	167.8
Impairment losses	18.8	105.4	–	219.5	33.5	377.2
Reclassification	(9.8)	1.8	14.4	(219.5)	(32.8)	(245.9)
Effect of movements in exchange rates	(1.0)	(2.4)	(0.1)	–	(0.9)	(4.4)
Disposals	(6.2)	(6.1)	(7.8)	–	(1.6)	(21.7)
Divestments of subsidiaries	(111.0)	(50.3)	–	–	(33.7)	(195.0)
Balance at 30 September 2015	**171.9**	**247.1**	**88.2**	**–**	**188.8**	**696.1**
Net book value at 30 September 2015	**633.8**	**215.1**	**559.8**	**–**	**991.7**	**2,400.3**

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	851.5	339.0	454.1	382.3	1,055.1	3,082.0
Additions	153.4	101.0	106.2	4.6	1,031.0	1,396.2
Reclassifications	52.7	372.3	(33.9)	0.6	(415.4)	(23.7)
Effect of movements in exchange rates	(29.8)	–	–	–	(0.7)	(30.5)
Impairment	(0.2)	(4.4)	–	–	(17.6)	(22.2)
Disposals	(23.0)	(17.5)	(82.6)	–	(23.6)	(146.7)
Divestments of subsidiaries	(48.7)	(198.8)	–	–	(381.3)	(628.8)
Balance at 30 September 2014	**955.9**	**591.6**	**443.8**	**387.5**	**1,247.5**	**3,626.3**
Depreciation and impairment losses						
Balance at 1 October 2013	152.7	74.0	43.2	–	129.1	399.0
Depreciation for the year	60.9	42.2	33.1	–	55.2	191.4
Impairment losses	8.2	78.5	–	–	10.5	97.2
Reclassifications	1.8	(7.8)	–	–	(10.2)	(16.2)
Disposals	(5.9)	(7.3)	(16.7)	–	(6.7)	(36.6)
Divestments of subsidiaries	(1.6)	(14.1)	–	–	(1.1)	(16.8)
Balance at 30 September 2014	**216.1**	**165.5**	**59.6**	**–**	**176.8**	**618.0**
Net book value at 30 September 2014	**739.8**	**426.1**	**384.2**	**387.5**	**1,070.7**	**3,008.3**

Machinery and equipment mainly consists of specialised industrial equipment.

Included in the Other fixed assets category is assets under construction, which relates to assets not yet in use. Total balance at 30 September 2015 amounted to USD886.3 million (2014: USD667.3 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 2015 was USD48.8 million (2014: USD68.4 million).

Certain items of property, plant and equipment are pledged as collateral for an amount of USD662.5 million (2014: USD359.5 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 financial year ended 30 September 2015, the Company has capitalised borrowing cost of a total amount of USD86.6 million under other fixed assets (2014: USD nil) related to the multimodal logistics and infrastructure project along the Magdalena river in Colombia. These borrowing costs are based upon a capitalisation rate of 8 percent of the eligible assets.

During the regular assessment in determining an indication of asset impairment or whether a previously recorded impairment may no longer be required, continued low coal prices and forecasts resulted in impairment charges of USD100 million related to Impala Terminals Burnside LLC. This impairment charge was in addition to the impairment charge of USD90 million recorded in relation to the Burnside Terminal in FY2014 related to Impala Terminals Burnside LLC. Losses associated with each of these impairments were recognised through other income and expense. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which the company has defined as the higher of value in use and fair value less cost of disposal. The CGU as defined for the impairment assessment includes all terminal operations at the Burnside Terminal including the storing and handling of bulk product. The recoverable amount of the property, plant, and equipment were measured based on value in use, determined by discounted cash flow techniques using Level 3, where possible, market forecasts and assumptions discounted using operation-specific discount rates. Discount rates used in determining the value in use were 7.4 percent (2014: 7.4 percent). The recoverable amount of the CGU was determined to be USD200 million. 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 sensitivity analyses on this valuation shows that an increase/decrease of the discount rate with 0.5 percent has an impact on the valuation of USD12 million. A change in the terminalling rate of 5 percent has an effect of USD10 million on the valuation.

In respect of the iron-ore investment in AEMR SA, Angola, the Group has recorded an impairment of USD223.6 million. The net result of the impairment on result attributable to owners of the Company is USD67.1 million after taking into account non-controlling interests. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which the company has defined as the fair value less costs of disposal. The recoverable amount was determined to be USD88.4 million which equals the remaining carrying value and is based upon a Level 3 fair value measurement. The fair value is based upon the expected sales price of the equipment and negotiations with Angolan Government on infrastructure items. The remaining carrying value is presented as held for sale in the consolidated statement of financial position. The impairment is due to continued prolonged decrease in the general commodity price environment, negotiations with the Angolan government, a reassessment of investment priorities as a result and thus continued delays in further development of the project which is currently on complete standby. Management made these judgements based on their best estimate and information available.

13. INTANGIBLE ASSETS

USD'M	Goodwill	Licences	Mineral rights	Other intangible assets	Total
Cost					
Balance at 1 October 2014	2.2	14.1	420.5	276.4	713.2
Acquisitions through business combinations	–	–	–	1.0	1.0
Additions	5.9	41.0	–	79.5	126.4
Reclassifications	–	2.3	(56.6)	(41.0)	(95.3)
Effect of movements in exchange rates	–	(12.4)	–	(1.5)	(13.9)
Disposals	–	(4.5)	–	–	(4.5)
Divestments of subsidiaries	–	–	(363.9)	(8.3)	(372.2)
Balance at 30 September 2015	**8.1**	**40.5**	**–**	**306.1**	**354.7**
Amortisation and impairment losses					
Balance at 1 October 2014	2.2	3.1	84.5	90.3	180.1
Amortisation for the year	–	0.2	5.8	46.0	52.0
Impairment losses	–	1.2	20.0	1.5	22.7
Reclassification	–	0.5	(60.9)	(22.8)	(83.2)
Disposals	–	(3.1)	–	–	(3.1)
Divestments of subsidiaries	–	–	(49.4)	(10.2)	(59.6)
Balance at 30 September 2015	**2.2**	**1.9**	**–**	**104.8**	**108.9**
Net book value at 30 September 2015	**5.9**	**38.6**	**–**	**201.3**	**245.8**

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

USD'M	Goodwill	Licences	Mineral rights	Other intangible assets	Total
Cost					
Balance at 1 October 2013	7.4	5.6	410.8	159.0	582.8
Acquisitions through business combinations	0.3	–	–	6.3	6.6
Additions	–	8.5	9.7	107.8	126.0
Reclassifications	(3.2)	–	–	4.6	1.4
Effect of movements in exchange rates	(0.2)	–	–	(0.4)	(0.6)
Disposals	–	–	–	(0.9)	(0.9)
Divestments of subsidiaries	(2.1)	–	–	–	(2.1)
Balance at 30 September 2014	**2.2**	**14.1**	**420.5**	**276.4**	**713.2**
Amortisation and impairment losses					
Balance at 1 October 2014	–	3.1	30.2	49.9	83.2
Amortisation for the year	–	–	13.4	30.7	44.1
Impairment losses recognised in the income	5.4	–	40.9	2.7	49.0
Effect of movements in exchange rates	(3.2)	–	–	0.3	(2.9)
Reclassification	–	–	–	7.0	7.0
Disposals	–	–	–	(0.3)	(0.3)
Balance at 30 September 2014	**2.2**	**3.1**	**84.5**	**90.3**	**180.1**
Net book value at 30 September 2014	**–**	**11.0**	**336.0**	**186.1**	**533.1**

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; and
- Other intangible assets are amortised evenly over their estimated useful economic life. Other intangibles mainly consist of software, 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.

In respect of the iron-ore investment in AEMR SA, Angola the Group has accounted an impairment in full of USD20 million in relation to mining licences/mineral rights in the Central Africa Region. The net result of the impairment on the result attributable to owners of the Company is USD6 million after taking into account non-controlling interests. Impairment exists when the carrying value of an asset exceeds its recoverable amount, which the company has defined as the fair value less cost of disposal. The impairment is due to continued prolonged decrease in the general commodity price environment, negotiations with the Angolan government, a reassessment of investment priorities as a result and thus continued delays in further development of the project which is currently on complete standby. Management made these judgements based on their best estimate and information available.

In FY2014, during the regular assessment of whether there was 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 licences/mineral rights in the Central Africa Region.

14. EQUITY-ACCOUNTED INVESTEES

The Group's share of profit in its equity-accounted investees for the year was a gain of USD87.8 million (2014: USD86.2 million).

In 2015, the Group received dividends of USD25.8 million from its investments in equity-accounted investees (2014: USD0.5 million).

During 2015, Trafigura gained significant influence on its investment in Nyrstar N.V., a listed company on the Brussels Stock Exchange. As a result the investment has been reclassified from other investment to equity-accounted investee for an amount of USD173 million.

Due to an additional investment in EMED Mining Public Ltd, a listed company on the AIM market of the London Stock Exchange, the Company gained significant influence. As a result the investment has been reclassified from other investment to equity-accounted investment for an amount of USD22.8 million.

As a result of an additional capital contribution in Porte Sudeste of USD60 million the Company recognised a dilution gain of USD67.7 million which has been accounted for in equity.

Due to the sale of 50 percent of Minas de Aguas Teñidas, S.A.U (MATSA) as per 30 September 2015, our remaining share of 50 percent has been accounted for as an equity-accounted investee. The company recognised a profit on the sale of USD289.9 million. See note 7.

Name	Place of incorporation/ registration	Activities	Percentage of equity attributable to the Group 2015	Percentage of equity attributable to the Group 2014
Buckeye Texas Partners LLC	United States	Terminalling	20.0%	20.0%
Cadillac Ventures Inc.	Canada	Mining	16.3%	24.4%
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%
Porto Sudeste do Brasil S.A.	Brazil	Port services	47.3%	32.5%
PT Servo Meda Sejahtera	Indonesia	Coal trading	40.0%	30.0%
Puma Energy Holdings Pte. Ltd.	Singapore	Mid- and downstream oil activities	48.6%	48.8%
Transportadora Callao S.A.	Peru	Transportation	30.0%	30.0%
EMED Mining Public Ltd.	Cyprus	Mining	22.0%	18.0%
Nyrstar N.V.	Belgium	Mining, Metal processing	23.7%	8.4%
Minas de Aguas Teñidas, S.A.U (MATSA)	Spain	Mining	50.0%	100.0%

Name	Segment	2015 USD'M	2014 USD'M
Oil and Petroleum:			
Puma Energy Holdings Pte. Ltd.	Oil and Petroleum	**1,819.7**	1,986.7
Buckeye Texas Partners LLC	Oil and Petroleum	**260.9**	208.5
Napoil Limited	Oil and Petroleum	**8.7**	8.7
Osmunda Limited	Oil and Petroleum	**1.4**	16.9
Others	Oil and Petroleum	**1.1**	1.0
	Total	**2,091.8**	**2,221.8**
Metals and Minerals:			
Minas de Aguas Teñidas, S.A.U (MATSA)	Metals and Minerals	**422.2**	–
Porto Sudeste do Brasil S.A.	Metals and Minerals	**377.5**	199.9
Nyrstar N.V.*	Metals and Minerals	**165.3**	–
EMED Mining Public Ltd.*	Metals and Minerals	**55.8**	–
PT Servo Meda Sejahtera	Metals and Minerals	**23.3**	30.0
Empresa Minera del Caribe S.A.	Metals and Minerals	**16.8**	16.8
Transportadora Callao S.A.	Metals and Minerals	**10.5**	7.0
Cadillac Ventures Inc.	Metals and Minerals	**–**	4.9
Others	Metals and Minerals	**3.1**	80.9
	Total	**1,074.5**	**339.5**
All other segments:			
Others	All other segments	**1.2**	1.2
	Total	**1.2**	**1.2**
Total		**3,167.5**	**2,562.5**

*** Listed investments. Fair value as at 30 September 2015 based upon Level 1 valuation:**

Nyrstar N.V.	181.8
EMED Mining Public Ltd.	42.3

Summary financial information for equity-accounted investees represents the aggregate amounts presented in their respective financial reporting. Individually significant associate Puma Energy Holdings Pte. Ltd. is shown separate from the other associates.

As of 30 September 2015 the Company had a commitment for an equity capital contribution of USD275 million in Puma Energy Holdings Pte. Ltd. This commitment has been fulfilled in October 2015.

Puma Energy Holdings Pte. Ltd.

	2015 USD'M	2014 USD'M
Non-current assets	**4,645.4**	4,348.6
Current assets	**2,069.6**	2,180.0
Non-current liabilities	**2,545.6**	2,328.5
Current liabilities	**2,634.0**	2,320.6
Revenue	**9,233.1**	13,204.9
Profit/(loss) for the year	**187.5**	175.7
Dividends paid	**17.0**	–
Other comprehensive income	**(484.2)**	(111.1)

Other associates

	2015 USD'M	2014 USD'M
Assets	**18,634.1**	6,528.0
Liabilities	**13,143.2**	4,857.0
Revenue	**12,207.2**	6,769.6
Profit/(loss) for the year	**(110.8)**	(9.2)

15. PREPAYMENTS

Under the prepayments category we account for the prepayments of commodity deliveries. The contractually outstanding prepayments amount decreases in size with each cargo that is delivered, until maturity. Once the contractually agreed total cargo has been fully delivered, the prepayment agreement falls away leaving no remaining contractual obligations on Trafigura or the supplier. As the economic benefit of the prepayments is the receipt of goods rather than the right to receive cash or another financial asset, the prepayments are not classified as a financial asset under IFRS. The Company monitors the commodity prices in relation to the prepayment contracts and manages the credit risk together with its financial assets as described in note 28. The prepayments are split in non-current prepayments (due > 1 year) and current prepayments (due < 1 year).

A portion of the long-term prepayments, as well as short-term prepayments, is on a limited recourse basis.

16. LOANS RECEIVABLE

	2015 USD'M	2014 USD'M
Loans to associates and related parties	**251.8**	–
Other non-current loans receivable	**188.3**	333.3
Total	**440.1**	**333.3**

Loans to associates and related parties consist of a shareholder loan receivable from Minas de Aguas Teñidas (MATSA). This loan is held to collect contractual cash flows and generate a fixed income for the Group. Under IFRS 9 this loan is recognised at amortised cost as is described in the accounting policies. As the credit risk of this loan is low and the loan is performing, the impairment provision recognised during the period was limited to 12 months expected losses. In determining the impairment provision the Group assessed the probability of default and the loss given default of its counterparties. Per 30 September 2015 an insignificant amount of expected credit losses has been recorded.

Other non-current loans receivables include various loans which are granted to counterparties which we trade with. Considering the diversity of these loans, Trafigura decided to assess the Expected Credit Loss (ECL) of these loans on an individual level using the practical expedient of IFRS 9. To further assess the potential impairment risk for Trafigura, management created an overview of the potential ECL based on different scenarios of probability of default (PD) and loss given default (LGD). Based upon the individual analyses of these loans and the limited sensitivity of the PD and LGD, we concluded that no material expected losses should be accounted for on these loans.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

The Group also assessed whether the present value of the outstanding amounts assuming on time receipt, is significantly higher than the present value of the receivables that are past due. This difference was concluded to be insignificant.

17. OTHER INVESTMENTS

	2015 USD'M	2014 USD'M
Listed equity securities – Fair value through OCI	**145.3**	235.0
Listed debt securities – Fair value through profit or loss	**528.3**	428.1
Unlisted equity investments – Fair value through profit and loss	**71.2**	79.2
Unlisted equity investments – Fair value through OCI	**64.4**	–
Total	**809.2**	742.3

The Group's long-term investments consist of listed equity securities, listed debt securities and unlisted equity securities. The listed equity securities have no fixed maturity or coupon rate. The fair values of listed equity investments are based on quoted market prices while the fair value of the unlisted equity securities is determined based on a Level 3 valuation as prepared by management.

The listed debt securities consist of a financial instrument related to the investment in Porto Sudeste do Brasil SA which is accounted for under equity-accounted investees in note 14. These instruments are held to collect cash flows. Since the payments on these debt instruments are dependent on the port's throughput, they are classified as fair value through profit or loss. Since the free float of these listed debt instruments is extremely thin and in the absence of normal market activity, it has been concluded that no active market exists and therefore the fair value should be determined based on a Level 3 valuation.

The holders of the instrument will be directly dependent on the business risk of Porto Sudeste. Therefore the fair value of this instrument is based upon a discounted cash flow calculation based upon the business plan of Porte Sudeste. Revenues are calculated over a period up to 2064 were from 2022 onwards the throughput volumes are held constant. In this calculation management used a discount rate of 12.6 percent. For the limited liquidity of the port asset a discount for lack of marketability of 38 percent has been taken into account based on a put option model and volatilities of comparable companies. The sensitivity analyses on this valuation shows that an increase/decrease of the discount rate with 0.5 percent has an impact on our valuation of USD27 million. A change in the discount of lack of marketability of 5 percent has an effect of USD42 million on the valuation.

Throughout the financial year, no dividend has been recognised related to the equity securities held at 30 September 2015. The net change in fair value in equity securities measured at fair value through OCI recorded in other comprehensive income was USD91.9 million negative. A cumulative loss of USD52.1 million was transferred within equity from OCI to retained earnings due to disposals and reclassification of items to equity-accounted investees (2014: gain of USD12.0 million reclassified).

18. INVENTORIES

Carrying amount	2015 USD'M	2014 USD'M
Storage inventories	**4,961.4**	4,779.8
Floating inventories	**2,633.8**	3,012.0
Supplies	**19.2**	20.2
Total	**7,614.4**	7,812.0

As at 30 September 2015 (and 30 September 2014) all of the inventory has either been presold 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.

19. TRADE AND OTHER RECEIVABLES

	2015 USD'M	2014 USD'M
Trade debtors	**5,787.4**	7,165.7
Provision for bad and doubtful debts	**(43.5)**	(27.6)
Accrued turnover	**4,554.2**	6,012.3
Broker balances	**380.9**	236.4
Other debtors	**851.3**	342.0
Loans to third parties	**694.1**	635.7
Loans to related parties	**284.4**	255.5
Other taxes	**193.7**	286.9
Prepaid expenses	**165.4**	256.2
Related parties	**1,034.4**	1,213.7
Total	**13,902.3**	16,376.8

All financial instruments included in trade and other receivables are held to collect the contractual cash flows. Furthermore, the cash flows that the Group receives on these instruments are solely payments of principal and interest.

Of the USD5,787.4 million trade debtors, USD1,038.8 million (2014: USD1,506.5 million) had been sold on a non-recourse basis under the securitisation programme. Refer to note 20. As at 30 September 2015, 14.6 percent (2014: 18.6 percent) of receivables were between 1-60 days overdue, and 11.9 percent (2014: 7.7 percent) 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.

Trafigura assessed expected credit losses based on a historical analysis on defaults and recovery rates. This analysis is based on a 15-year period, between 2000 and 2015. From this assessment it becomes evident that credit losses over the past 15 years on trade receivables were limited. Trafigura manages to limit credit losses by renegotiating contracts in the case of a default. From the above analysis, Trafigura concludes that it has demonstrated that there is no significant expected credit risk arising from its trade receivable portfolio and therefore no expected credit loss as at 30 September 2015 has been taken into account (30 September 2014: USD nil).

The provision for doubtful debtors at 30 September 2015 amounts to USD43.5 million (2014: USD27.6 million). The primary character of this provision is that it is in line to resolve demurrage claims and commercial disputes with our clients.

Accrued turnover represent receivable balances for sales which have not yet been invoiced. They have similar risks and characteristics as trade debtors. Trade debtors and accrued turnover have similar cash flow characteristics and are therefore considered to be a homogeneous group of financial assets.

20. 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 2015, the maximum available amount of external funding of the programme was USD2,133 million (2014: USD2,753 million). The utilised funding of the programme as at 30 September 2015 was USD1,258 million (2014: USD1,809 million).

The available external funding of the securitisation programme consists of:

	Interest rate	Maturity	2015 USD'M	2014 USD'M
AAA MTN	Libor + 0.95%	2017 – October	**279.0**	400.0
BBB MTN	Libor + 2.25%	2017 – October	**21.0**	30.0
AAA VFN	See note below	Various throughout the year	**1,644.3**	2,083.5
BBB VFN	See note below	Various throughout the year	**123.4**	156.4
Senior subordinated debt	Libor + 4.25%	2017 – March	**65.7**	82.8
Total			**2,133.4**	2,752.7

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 six 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.

21. 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 USD34.0 million (2014: USD41.6 million) of cash at bank is restricted and can be collected when fixed asset construction invoices are presented to the banks.

	2015 USD'M	2014 USD'M
Cash at bank and in hand	**3,116.1**	2,680.3
Short-term deposits	**418.1**	989.8
Total	**3,534.2**	3,670.1

As at 30 September 2015, the Group had USD7.8 billion (2014 USD6.8 billion) of committed revolving credit facilities of which USD3.2 billion (2014: USD2.5 billion) remained unutilised. The Group had USD1.8 billion (2014: USD1.6 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 USD4.9 billion (2014: USD4.1 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.

22. CAPITAL AND RESERVES

a. Share capital

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction. The ordinary shares have no par value.

On 4 February 2015, the Company reduced its issued and paid up share capital by USD442 million from USD3,216 million to USD2,774 million without cancelling any of the ordinary shares. This reduction in share capital related to the settlement of a payable of the parent company to a subsidiary of the Company.

On 11 February 2015 the Company issued 30,000,000 new ordinary shares for a total of USD30 million to the immediate parent company which increased its capital by USD30 million to USD2,804 million. This share issue related to the transfer of a subsidiary from the immediate parent company.

On 30 September 2015, the Company bought back 5,010,001 shares which reduced its share capital by USD1,300 million and led to a total of 25,000,000 outstanding shares and capital of USD1,504 million as at 30 September 2015. The main purpose of this share redemption was to rationalise the intercompany account position between the Company and the immediate parent company and thereby synchronise the Company's equity position with the equity position of its immediate parent company.

The payment in relation to share redemption in the amount of USD775.5 million presented under cash flows from financing activities in the consolidated statement of cash flows, represents the share redemption by the immediate parent company which has been financed by the Company.

b. Capital contribution reserve

The capital contribution reserve relates to share capital and share premium of investments in subsidiaries contributed by the parent company to the Company. The contributions of these subsidiaries qualified as transactions under common control and have been accounted for under the pooling method of accounting. Under the pooling method of accounting the subsidiaries contributed have been consolidated in the Company's financial statements as if they were included in the Company's group structure as at the opening balance sheet of 1 October 2013. At the date of actual contribution by the parent company to the Company, any amount paid in excess of the carrying value of the subsidiary at the date of transfer has been recorded as a reduction in retained earnings (USD23.7 million in 2015).

c. Capital Securities

As part of the financing of the Company and its subsidiaries, the Company has taken over two capital securities instruments from its immediate parent Trafigura Beheer B.V. at the carrying value of USD640.6 million with a par value of SGD200 million and USD500 million. This substitution of issuer and subsequent transfer is in accordance with the trust deed of the SGD200 million and USD500 million capital securities.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

The SGD200 million capital security was originally issued in February 2014. The distribution on the capital security is 7.5 percent and is listed on the Singapore Stock Exchange. The capital security 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 not less than 30 and not more than 60 days' notice to the holders.

The USD500 million capital security was originally issued on 19 April 2013. The distribution on the capital security is 7.625 percent per annum and it is listed on the Singapore Stock Exchange. The capital security 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 not less than 30 and not more than 60 days' notice to the holders.

The 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.

According to the trust deed obligations of the Substitute under the Securities and the Coupons shall be unconditionally and irrevocably guaranteed by Trafigura Group Pte. Ltd.

d. Currency translation reserve

The currency 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.

e. Revaluation reserve

The revaluation reserve comprises the fair value measurements movements of the equity investments which are accounted for at fair value through other comprehensive income. On realisation of these gains or losses, for example the sale of an equity instrument, the cumulative amounts of this reserve are transferred to retained earnings. Included in the revaluation reserve is a loss of USD57.3 million (2014: USD17.5 million) related to the mark-to-market valuation of equity investments.

f. Cash flow hedge reserve

Included in the cash flow hedge reserve is a loss of USD27.8 million (2014: USD35.8 million gain) related to the effective portion of the changes in fair value of cash flow hedges, net of tax.

g. Retained earnings

Retained earnings comprise the share-based payment reserves.

h. Dividends

The value of the dividends declared on the ordinary shares amounts to USD139.0 million representing USD4.63 per share.

23. 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 percent equity interest (2014: 50 percent). 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:

	2015 USD'M	2014 USD'M
Revenue	**3,876.2**	5,335.2
Cost of sales	**(3,725.2)**	(5,189.6)
General and administrative expenses	**(33.0)**	(60.4)
Other income/expense	**(244.3)**	4.3
Net financing income/expense	**(3.6)**	11.6
Profit/(loss) before tax	**(129.9)**	**101.1**
Income tax expense	**(7.1)**	(0.3)
Profit/(loss) for the period	**(137.0)**	**100.8**
Attributable to non-controlling interest	**(124.0)**	40.5

During 2015, DTS Holdings Pte. Ltd. paid a dividend of USD200 million.

Summarised statement of financial position as at 30 September:

	2015 USD'M	2014 USD'M
Total non-current assets	**267.6**	512.9
Total current assets	**1,524.5**	1,793.0
Total non-current liabilities	**(9.1)**	(12.7)
Total current liabilities	**(1,534.6)**	(1,707.8)
Total equity	**248.4**	585.4
Attributable to		
Non-controlling interests	65.8	289.9
Owners of the Company	182.6	295.5

24. 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 28.

Carrying value of loans and borrowings	2015 USD'M	2014 USD'M
Non-current		
Revolving credit facilities	**4,160.0**	3,982.5
Private placements	**331.0**	145.0
Eurobond	**1,296.6**	772.8
Loans due to the immediate parent company	**–**	1,182.3
Other loans	**1,469.5**	739.3
Finance leases	**32.6**	45.5
Total non-current	**7,289.7**	6,867.4
Current		
Revolving credit facilities	**215.0**	–
Private placements	**44.0**	–
Loans due to the immediate parent company	**–**	712.4
Other loans	**335.4**	613.0
Finance leases	**16.2**	22.9
Short-term bank borrowings	**14,057.6**	13,486.0
Total current	**14, 668.2**	14,834.3
Total	**21,957.9**	21,701.7

a. Terms and debt repayment schedule

Terms and conditions of outstanding loans were as follows:

	Principal	Interest	Maturity	Floating/fixed rate debt	0-1 year USD'M	1-5 years USD'M	> 5 years USD'M	**Total USD'M**
Revolving credit facilities								
USD	3,430.0	Libor + 0.95%	2018 – March	Floating	–	3,200.0	–	**3,200.0**
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	435.0	Libor + 1.30%	2017 – October	Floating	–	435.0	–	**435.0**
USD	90.0	Libor + 2.35%	2018 – October	Floating	–	90.0	–	**90.0**
					215.0	4,160.0	–	**4,375.0**
Private placements								
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**
					44.0	175.5	155.5	**375.0**
Eurobonds								
EUR	606.7	5.25%	2018 – November	Fixed	–	681.9	–	**681.9**
EUR	550.0	5.00%	2020 – April	Fixed	–	614.7	–	**614.7**
					–	1,296.6	–	**1,296.6**
Other loans								
USD	279.0	Libor + 0.95%	2017 – October	Floating	–	279.0	–	**279.0**
USD	21.0	Libor + 2.25%	2017 – October	Floating	–	21.0	–	**21.0**
USD	150.0	Libor + 2.65%	2020 – September	Floating	–	126.5	–	**126.5**
USD	200.0	Libor + 3.15%	2022 – March	Floating	–	–	168.7	**168.7**
USD	65.8	Libor + 4.25%	2017 – March	Floating	65.8	–	–	**65.8**
JPY	25,500.0	Libor + 1.5%	2017 – March	Floating	–	212.7	–	**212.7**
USD	200.0	6.33%	2036 – July	Fixed	–	18.3	181.7	**200.0**
EUR	150.0	Euribor + 0.9%	2016 – January	Floating	168.2	–	–	**168.2**
EUR	200.0	5.50%	2020 – July	Fixed	–	223.5	–	**223.5**
USD	30.0	Libor + 3.25%,	2018 – Mar	Floating	–	30.0	–	**30.0**
USD	60.0	Libor + 1.6%,	2016 – Mar	Floating	53.4	–	–	**53.4**
USD	26.8	Libor + 3.25%	2020 – December	Floating	3.4	13.4	0.8	**17.6**
USD	53.6	Libor + 2.85%	2021 – July	Floating	6.7	26.0	7.5	**40.2**
USD	64.8	Libor + 2.80%	2022 – December	Floating	8.1	32.4	18.2	**58.7**
MXN	415.7	Libor + 5.70%	2023 – June	Floating	2.7	14.9	8.1	**25.7**
USD	39.6	Libor + 2.95%	2019 – October	Floating	3.5	24.7	–	**28.2**
		Various loans with balances outstanding <USD'M15			23.8	55.5	6.3	**85.6**
					335.6	1,077.9	391.3	**1,804.8**
Finance leases					16.2	32.6	–	**48.8**
Total					**610.8**	**6,742.6**	**546.8**	**7,900.2**

For long-term assets pledged under loans and borrowings agreements, refer to note 12 (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 2015, existing finance lease commitments are recorded at the remaining present value using the interest rate applied at commencement of the lease.

25. PROVISIONS

The carrying amount of provisions made is as follows:

Carrying amount of provisions	**2015 USD'M**	2014 USD'M
Opening balance 1 October	**23.9**	32.0
Additions	**74.5**	2.4
Amount charged against provisions	**(0.8)**	(9.2)
Unwinding of discount	**3.9**	0.2
Remeasurements and other movements	**(1.1)**	(1.5)
Divestments of subsidiaries	**(16.5)**	–
Closing balance 30 September	**83.9**	23.9
Non-current portion	**9.8**	23.1
Current portion	**74.1**	0.8
Closing balance 30 September	**83.9**	23.9

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Provisions consist of Decommissioning, rehabilitation and restoration USD10 million (2014: USD22.3 million), Litigation, disputes USD45.5 million (2014: USD nil), Onerous contracts USD20 million (2014: USD nil) and Others USD8.4 million (2014: USD1.6 million).

Provisions for decommissioning, rehabilitation and restoration 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. Provisions for litigation and disputes at 30 September 2015, relate to two situations connected with the Company's trading and storage activities in China. Further information is presented in note 27. Under the Onerous contracts the wind-up of some long-term lease contracts are accounted for as well as onerous capital expenditure commitments. The expected outflow of resources is mainly expected to happen within one year.

26. TRADE AND OTHER PAYABLES

	2015 USD'M	2014 USD'M
Trade creditors	**2,368.1**	3,675.8
Accrued costs of sales and expenses	**6,593.6**	5,781.7
Broker balances	**520.8**	303.0
Related parties	**3.8**	6.0
Total	**9,486.3**	9,766.5

The Group's exposure to currency and liquidity risk related to trade and other payables is disclosed in note 28.

27. CONTINGENCIES AND COMMITMENTS

The following contingent liabilities exist in respect of trade financing:

	2015 USD'M	2014 USD'M
Letters of credit	**3,840.7**	7,128.9
Letters of indemnity	**–**	137.8
Guarantees	**151.8**	119.0
Total	**3,992.5**	7,385.7

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 a limited number of collateral management agreements in place, regarding metal stored at these locations. The position remains that 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 remains premature to speculate on Impala's likely net total 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 has a potential financial exposure resulting from certain oil trading and risk management activities of its counterparty's representative. These activities are the subject of ongoing actions, claims and disputes against the Company. The underlying circumstances regarding these actions, claims and disputes are complex and opaque and consequently how these disputes and actions will be resolved is uncertain.

Guarantees include guarantees to trading partners in the normal course of the business. In addition the Company has given a financial guarantee as described in note 7.

The Company had outstanding commitments at the end of 30 September 2015, and 30 September 2014 as follows:

	2015 USD'M	2014 USD'M
Storage rental	**2,759.0**	3,085.7
Time charters	**1,176.8**	401.4
Office rent	**156.1**	190.9
	4,091.9	3,678.0
Assets under construction	**671.0**	657.7
Total	**4,762.9**	4,335.7

Non-cancellable operating lease rentals are payable as follows:

	2015 USD'M	2014 USD'M
Less than one year	**1,210.2**	627.4
Later than one year and less than five years	**2,302.6**	2,119.2
Later than five years	**579.1**	931.4
Total	**4,091.9**	3,678.0

Amount under Assets under construction includes an amount of USD421.5 million as commitments for vessels under construction.

28. 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 Board of Directors. The CRO has primary responsibility for assessing and monitoring Trafigura's market risks. The CRO's team liaises directly with the trading teams to analyse new opportunities and ensures 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 Board of Directors and the Chief Risk Officer is responsible for applying Trafigura's risk management capabilities towards improving the overall performance of the Group. In 2015, 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 percent confidence level. Trafigura uses 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 2015, Trafigura's one-day market risk VaR was USD6.0 million (2014: USD4.7 million). Average market risk VaR (1 day 95 percent) during the fiscal year was USD9.3 million compared to USD10.3 million in the previous fiscal year. Trafigura's Board of Directors has set a target of maintaining VaR (1 day 95 percent) below 1 percent 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.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

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.

The Group has amounts and guarantees outstanding related to countries that are impacted by sanctions currently imposed by the US and EU. The Group analysed the sanctions and exposures and concluded that these do not materially impact the Group's positions.

(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 6.0 percent (2014: 5.1 percent) of its revenues over the year ended 2015.

Refer to note 19 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 19 (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 Group Pte. Ltd. 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 Group 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 Group 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 Group 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 2015 (2014: USD300 million) that will expire in 2018.

The maturity analysis of the Groups financial liabilities based on the contractual terms is as follows:

	Total	0-1 years	1-5 years	> 5 years
	USD'M	USD'M	USD'M	USD'M
30 September 2015				
Financial liabilities				
Current and non-current loans and borrowings	**21,957.9**	14,668.2	6,742.8	546.9
Trade and other payables	**9,486.3**	9,486.3	–	–
Expected future interest payments	**950.7**	208.7	511.5	230.5
Derivative financial liabilities	**1,377.4**	1,204.1	171.7	1.6
Total financial liabilities	**33,772.3**	**25,567.3**	**7,426.0**	**779.0**

	Total	0-1 years	1-5 years	> 5 years
	USD'M	USD'M	USD'M	USD'M
30 September 2014				
Financial liabilities				
Current and non-current loans and borrowings	**21,701.7**	14,834.3	5,528.2	1,339.2
Trade and other payables	**9,766.5**	9,766.5	–	–
Expected future interest payments	**889.3**	236.2	399.5	253.6
Derivative financial liabilities	**1,497.1**	1,329.0	165.5	2.6
Total financial liabilities	**33,854.6**	26,166.0	6,093.2	1,595.4

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 2015, 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 2015 would decrease/increase by USD21.8 million (2014: USD19.0 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 and bonds occur as indicated in note 24 and 28d.

	Notionals		Fair values	
USD'M	2015	2014	2015	2014
Cross-currency swap	**1,670.2**	1,079.0	**(156.8)**	(44.1)
Cross-currency interest rate swap	**279.6**	–	**(70.3)**	–
Total	**1,949.8**	1,079.0	**(227.1)**	(44.1)

g. Fair value hedge accounting

In some instances, the Group elects to apply fair value hedge accounting to hedge certain risk components of non-financial hedged items. These non-financial hedged items are the tolling agreements which Trafigura has entered into for the processing of Eagle Ford crude oil into petroleum by-products. Ultimately, the derivative hedging instruments (splitter hedges) are aimed to hedge the spread between purchasing Eagle Ford crude oil and selling refined product. When applicable, the Group designates derivative hedging instruments as fair value hedges in relationship to the hedged item. The hedged item may be individual risk components which are separately identifiable and reliably measurable. The designated hedge derivatives are accounted for at fair value through profit and loss and reflected on the balance sheet as either a recognised asset or liability or an unrecognised firm commitment. Each of the identified risk components of the hedged item will be revalued at each period with its corresponding benchmark accounted for at fair value and recognised through profit and loss and reflected on the balance sheet as either a recognised asset or liability or an unrecognised firm commitment. Ineffectiveness will occur as a result of basis differences between the valuation of designated hedge instruments used and valuation of the designated risk component benchmarks considered to best represent the risk component.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Fair Value Hedge Instruments	Hedging Instruments USD'M
2015	
Derivative assets (current)	72.3
Derivative assets (non-current)	95.9
Derivative liabilities (current)	(7.8)
Derivative liabilities (non-current)	(8.8)
Total derivative carrying value	**151.6**
Change in fair value of hedging instruments as basis for hedge ineffectiveness	**165.5**

Fair Value Hedged Items	Hedged Items USD'M
2015	
Accrued Liabilities	(168.3)
Carrying value of hedged item	**(168.3)**
Change in fair value of hedging instruments as basis for hedge ineffectiveness	**165.5**
Hedge ineffectiveness (recognised in the statement of income)	**(2.8)**

h. 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.

The Company's immediate parent, Trafigura Beheer B.V., is exclusively owned by its employees. This shareholding arrangement leads to an alignment of the long-term interests of the Company 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 Company'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 Company monitors capital using an adjusted debt to equity ratio, which is adjusted total debt divided by the Company's equity. For this purpose, the adjusted debt metric represents the Company's total long and short-term debt less cash, deposits, readily marketable inventories, debt related to the Company's securitisation programme and the non-recourse portion of loans to third parties.

The Company's long term average target adjusted debt to equity ratio is 1.0x. The Company's adjusted net debt to equity ratio at the end of the reporting period was as follows:

	2015 USD'M	2014 USD'M
Non-current loans and borrowings	**7,289.7**	6,867.4
Current loans and borrowings	**14,668.2**	14,834.3
Total debt	**21,957.9**	21,701.7
Adjustments		
Cash and cash equivalents	**3,534.2**	3,670.1
Deposits	**46.9**	454.7
Inventories	**7,614.4**	7,812.0
Securitisation debt	**1,258.3**	1,809.4
Non-recourse debt	**658.0**	–
Adjusted total debt	**8,846.1**	7,955.5
Group equity	**5,657.6**	6,316.2
Adjusted debt to Group equity ratio at 30 September	**1.56**	1.26

As at 30 September 2015, the ratio of adjusted net debt to Group equity stood at 1.56x. The increase of the ratio at year-end compared to 30 September 2014 is not so much due to the increase in adjusted debt, but more to the level of Group equity. Following our strict impairment policy, we have taken USD407 million in impairments to non-financial assets this year which has impacted the level of shareholders' equity and of minority interests. In addition, non-cash other comprehensive income effect (mainly relating to change in foreign exchange rates) negatively impacted equity by USD480 million as of 30 September 2015.

The nature of the ratio means it fluctuates between quarters, but Trafigura's long-term commitment is to maintain a disciplined approach to leverage with the aim of ensuring 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 in the medium term.

i. Fair value

(i) Fair values versus carrying amounts

The fair values of inventories, financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

2015	Carrying value USD'M	Fair value USD'M
Assets		
Listed equity securities – Fair value through OCI	145.3	145.3
Listed debt securities – Fair value through profit or loss	528.3	528.3
Unlisted equity investments – Fair value through profit and loss	71.2	71.2
Unlisted equity investments – Fair value through OCI	64.4	64.4
Loans receivable and advances	440.1	(*)
Inventories	7,614.4	7,614.4
Trade and other receivables	13,902.3	(*)
Derivatives	3,383.2	3,383.2
Deposits	46.9	(*)
Cash and cash equivalents	3,534.2	(*)
Total financial assets	**29,730.3**	**11,806.7**
Liabilities		
Loans and borrowings		
Floating rate borrowings	19,813.6	(*)
Fixed rate borrowings	2,095.2	1,842.9
Finance lease and purchase contract	48.8	(*)
Trade and other payables	9,486.3	(*)
Derivatives	1,377.3	1,377.3
Total financial liabilities	**32,821.3**	**3,220.3**

2014	Carrying value USD'M	Fair value USD'M
Assets		
Listed equity securities – Fair value through OCI	235.0	235.0
Listed debt securities – Fair value through profit or loss	428.1	428.1
Unlisted equity investments – Fair value through profit and loss	79.2	79.2
Unlisted equity investments – Fair value through OCI	333.3	(*)
Loans receivable	7,812.0	7,812.0
Trade and other receivables	16,376.8	(*)
Derivatives	1,787.7	1,787.7
Deposits	454.7	(*)
Cash and cash equivalents	3,670.1	(*)
Total financial assets	**31,176.8**	**10,342.0**
Liabilities		
Loans and borrowings		
Floating rate borrowings	20,031.8	(*)
Fixed rate borrowings	1,601.5	1,649.4
Finance lease and purchase contract	68.4	(*)
Trade and other payables	9,766.5	(*)
Derivatives	1,497.1	1,497.1
Total financial liabilities	**32,965.3**	**3,146.5**

(*)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 disclosed in note 7b (iii) was calculated based on Level 3 valuation inputs taking into account current illiquid market conditions; which include sanctions enacted by the US and EU.

Offsetting of financial assets and liabilities

In accordance with IAS 32 the Group reports financial assets and liabilities on a net basis in the consolidated statement of financial position only if there is a legally enforceable right to set off the recognised amounts and there is intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. The financial assets and liabilities subject to offsetting, enforceable master netting and similar agreements as at 30 September 2015 and 2014 were as follows:

	Amounts eligible for set off under netting agreements			Amounts not subject to netting agreements	Net amounts presented in the statement of financial position
	Gross amount	Amounts offset	Net amount		
2015	USD'M	USD'M	USD'M	USD'M	USD'M
Related parties	1,080.8	(46.2)	1,034.5	–	1,034.5
Broker balances	398.0	(102.4)	295.6	85.3	380.9
Derivative assets	22,701.9	(19,491.4)	3,210.5	172.7	3,383.2
Related parties	(50.1)	46.2	(3.8)	–	(3.8)
Broker balances	(563.7)	102.4	(461.3)	(59.6)	(520.8)
Derivative assets	(20,328.6)	19,491.4	(837.2)	(540.2)	(1,377.4)

	Amounts eligible for set off under netting agreements			Amounts not subject to netting agreements	Net amounts presented in the statement of financial position
	Gross amount	Amounts offset	Net amount		
2014	USD'M	USD'M	USD'M	USD'M	USD'M
Related parties	1,260.9	(2.5)	1,258.5	–	1,258.5
Broker balances	203.7	(46.6)	157.1	79.3	236.4
Derivative liabilities	13,497.6	(11,885.7)	1,611.9	175.8	1,787.7
Related parties	(8.5)	2.5	(6.0)	–	(6.0)
Broker balances	(225.4)	46.6	(178.8)	(124.2)	(303.0)
Derivative liabilities	(12,933.6)	11,885.7	(1,047.9)	(449.2)	(1,497.1)

For the financial assets and liabilities subject to enforceable master netting or similar arrangements above, each agreement between the Group and the counterparty allows for net settlement of the relevant financial assets and liabilities when both elect to settle on a net basis. In the absence of such an election, financial assets and liabilities may be settled on a gross basis, however, each party to the master netting or similar agreement will have the option to settle all such amounts on a net basis in the event of default of the other party.

(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 28b.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

Other financial assets and inventories	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2015				
Listed equity securities – Fair value through OCI	145.3	–	–	**145.3**
Listed debt securities – Fair value through profit or loss	–	–	528.3	**528.3**
Unlisted equity investments – Fair value through profit and loss	–	–	71.2	**71.2**
Unlisted equity investments – Fair value through OCI	–	–	64.4	**64.4**
Futures	1,311.6	–	–	**1,311.6**
OTC derivatives	–	1,365.7	–	**1,365.7**
Physical forwards	–	530.7	126.1	**656.8**
Other financial derivatives	–	49.0	–	**49.0**
Inventories	–	7,614.4		**7,614.4**
Total	**1,456.9**	**9,559.8**	**790.0**	**11,806.7**

Financial liabilities	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2015				
Futures	27.1	–	–	**27.1**
OTC derivatives	–	242.6	–	**242.6**
Physical forwards	–	552.5	283.8	**836.3**
Cross-currency swaps	–	156.8	–	**156.8**
Interest rate swaps	–	70.3	–	**70.3**
Other financial derivatives	–	44.4	–	**44.4**
Fixed rate borrowings	–	1,842.9	–	**1,842.9**
Total	**27.1**	**2,909.4**	**283.8**	**3,220.3**

Other financial assets and inventories	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2014				
Listed equity securities – Fair value through OCI	235.0	–	–	**235.0**
Listed debt securities – Fair value through profit or loss	428.1	–	–	**428.1**
Unlisted equity investments – Fair value through profit and loss	–	–	79.2	**79.2**
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	–	17.7	–	**17.7**
Inventories	–	7,812.0	–	**7,812.0**
Total	**1,165.1**	**8,921.9**	**255.0**	**10,342.0**

Financial liabilities	Level 1 USD'M	Level 2 USD'M	Level 3 USD'M	Total USD'M
30 September 2014				
Futures	108.4	–	–	**108.4**
OTC derivatives	–	397.7	–	**397.7**
Physical forwards	–	532.9	410.0	**942.9**
Cross-currency swaps	–	47.4	–	**47.4**
Interest rate swaps	–	–	–	**–**
Other financial derivatives	–	0.7	–	**0.7**
Fixed rate borrowings	–	1,649.4	–	**1,649.4**
Total	**108.4**	**2,628.0**	**410.0**	**3,146.5**

The overview of the fair value hierarchy and applied valuation methods can be specified as follows:

Listed equity securities – Fair value through OCI			**2015 USD'M**	2014 USD'M
	Level 1	Assets:	**145.3**	235.0
		Liabilities:	**–**	–
Valuation techniques and key inputs:	Quoted prices in an active market.			
Significant unobservable inputs:	None.			

Listed debt securities – Fair value through profit or loss			**2015 USD'M**	2014 USD'M
	Level 1	Assets:	**–**	428.1
		Liabilities:	**–**	–
Valuation techniques and key inputs:	Quoted prices in an active market.			
Significant unobservable inputs:	None.			

Futures			**2015 USD'M**	2014 USD'M
	Level 1	Assets:	**1,311.6**	502.0
		Liabilities:	**27.1**	108.4
Valuation techniques and key inputs:	Quoted prices in an active market.			
Significant unobservable inputs:	None.			

OTC derivatives			**2015 USD'M**	2014 USD'M
	Level 2	Assets:	**1,365.7**	629.7
		Liabilities:	**242.6**	397.7
Valuation techniques and key inputs:	Reference prices.			
Significant unobservable inputs:	Inputs include observable quoted prices sourced from traded reference prices or recent traded prices indices in an active market for identical assets or liabilities.			

Physical forwards			**2015 USD'M**	2014 USD'M
	Level 2	Assets:	**530.7**	459.5
		Liabilities:	**552.5**	532.9
Valuation techniques and key inputs:	Reference prices.			
Significant unobservable inputs:	Inputs include observable quoted prices sourced from traded reference prices or recent traded prices indices in an active market for identical assets or liabilities.			

Cross-currency swaps			**2015 USD'M**	2014 USD'M
	Level 2	Assets:	**–**	3.3
		Liabilities:	**156.8**	47.7
Valuation techniques and key inputs:	Reference prices.			
Significant unobservable inputs:	Inputs include observable quoted prices sourced from exchanges or recent traded prices indices in an active market for identical assets or liabilities.			

Interest rate swaps			**2015 USD'M**	2014 USD'M
	Level 2	Assets:	**–**	–
		Liabilities:	**70.3**	–
Valuation techniques and key inputs:	Discounted cash flow model.			
Significant unobservable inputs:	Inputs include observable quoted prices sourced from exchanges or traded reference indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations.			

Other financial derivatives			**2015 USD'M**	2014 USD'M
	Level 2	Assets:	**41.2**	17.7
		Liabilities:	**44.4**	0.7
Valuation techniques and key inputs:	Discounted cash flow model.			
Significant unobservable inputs:	Inputs include observable quoted prices sourced from exchanges or traded reference indices in an active market for identical assets or liabilities. Prices are adjusted by a discount rate which captures the time value of money and counterparty credit considerations.			

Inventories			2015 USD'M	2014 USD'M
	Level 2	Assets:	**7,614.4**	7,812.0
		Liabilities:	–	–
Valuation techniques and key inputs:	Quoted prices in an active market.			
Significant unobservable inputs:	Premium discount on quality and location.			

Fixed rate borrowings			2015 USD'M	2014 USD'M
	Level 2	Assets:	–	–
		Liabilities:	**1,842.9**	1,649.4
Valuation techniques and key inputs:	Discounted cash flow model.			
Significant unobservable inputs:	Cash flows discounted at current borrowing rates for similar instruments.			

Listed debt securities – Fair value through profit or loss			2015 USD'M	2014 USD'M
	Level 3	Assets:	**528.3**	–
		Liabilities:	–	–
Valuation techniques and key inputs:	Discounted cash flow model.			
Significant unobservable inputs:	• Forecast throughput • Discount rates using weighted average cost of capital			
Significant unobservable inputs:	• Market illiquidity • Operating cost and capital expenditures The resultant asset is a discounted cash flow of the underlying throughput. Increase/decrease of the forecasted throughput will result in an increase/decrease of the value of the asset. There are no reasonable changes in assumptions which will result in material change to the fair value of the asset.			

Unlisted equity investments – Fair value through profit and loss			2015 USD'M	2014 USD'M
	Level 3	Assets:	**71.2**	79.2
		Liabilities:	–	–
Valuation techniques and key inputs:	Quoted prices obtained from the asset managers of the funds.			
Significant unobservable inputs:	• Market illiquidity • Price of commodities			

Unlisted equity investments – Fair value through OCI			2015 USD'M	2014 USD'M
	Level 3	Assets:	**64.4**	–
		Liabilities:	–	–
Valuation techniques and key inputs:	Quoted prices obtained from the asset managers of the funds.			
Significant unobservable inputs:	• Market illiquidity • Price of commodities			

Physical forwards			2015 USD'M	2014 USD'M
	Level 3	Assets:	**126.1**	175.8
		Liabilities:	**283.8**	410.0
Valuation techniques and key inputs:	Discounted cash flow model.			
Significant unobservable inputs:	Prices are adjusted by differentials including: • Quality • Location An increase/decrease in one input resulting in an opposite movement in another input, resulting in no material change in the underlying value.			

During 2015 the fair value hierarchy of our investment in the listed debt securities related to our investment in Porto Sudeste do Brasil has been transferred from a Level 1 valuation to a Level 3 valuation. The main reason for this change is that since its issuance there has been very limited trading activity of these securities.

The trading volumes underpin the illiquidity of the market with daily trading volumes in percent of total shares of maximum 0.3 percent. The illiquidity of the market and limited availability of insight information to investors may lead to behavioural biases. Therefore management has decided to change the fair value hierarchy from Level 1 to level 3. For the Level 3 parameters of this valuation we refer to note 17.

The movements in the Level 3 hierarchy can be summarized as follows:

USD'M	Physical forwards	Equity/Debt securities	Total
1 October 2014	(234.2)	79.3	(154.9)
Total gain/(loss) recognised in income statement	(46.6)	34.8	(11.8)
Total gain/(loss) recognised in OCI	–	8.4	8.4
Invested	–	123.4	123.4
Disposals	–	(10.0)	(10.0)
Total realised	123.1	–	123.1
Transfer from Level 1	–	428.1	428.1
30 September 2015	(157.7)	664.0	506.3

There have been no transfers between fair value hierarchy levels in 2014. Materially all Level 3 physical forwards are settled in the next year.

29. EMPLOYEE BENEFITS

a. Equity participation plan

The immediate parent of the Company, Trafigura Beheer B.V., has an equity participation plan (EPP) which is open to employees of the Group. Shares issued to employees are preference shares of the immediate holding company, Trafigura Beheer B.V., 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 Articles of Association of Trafigura Beheer B.V. 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. Trafigura Beheer B.V. and the Company have neither 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 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 2015, 5,139 immediately vesting shares were granted to employees representing a value of USD13.8 million (2014: 2,949 shares representing a value of USD5.6 million) and 12,430 shares were granted with a vesting period of 1-5 years representing a value of USD33.5 million (2014: 18,267 shares representing a value of USD34.5 million).

Compensation in respect of share-based payments recognised in staff costs amounted to USD51.1 million in 2015 (2014: USD41.6 million).

Unrecognised staff costs in respect of rateably vesting shares expected to be recognised from 2016 to 2020, amount to USD44.9 million as at 30 September 2015 (2014: USD60.4 million).

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

b. Personnel expenses

	2015 USD'M	2014 USD'M
Salaries and bonuses	**408.1**	442.8
Social security costs	**26.9**	27.5
Pension costs	**18.2**	17.0
Share-based payments	**51.1**	41.6
Total	**504.3**	528.9

The average number of employees split geographically is depicted below:

2015	Oil and Petroleum FTE	Metals and Minerals FTE	All other segments FTE	Total FTE
North, Central and South America	197	2,043	192	**2,432**
Europe and Africa	205	1,313	330	**1,848**
Asia, Middle East and Australia	192	369	407	**968**
Total	**594**	**3,725**	**929**	**5,248**

2014	Oil and Petroleum FTE	Metals and Minerals FTE	All other segments FTE	Total FTE
North, Central and South America	196	1,934	167	**2,297**
Europe and Africa	364	1,344	392	**2,100**
Asia, Middle East and Australia	196	376	278	**850**
Total	**756**	**3,654**	**837**	**5,247**

30. RELATED PARTIES

In the normal course of business, the Company enters into various arm's length transactions with related parties including fixed price commitments to sell and to purchase commodities, forward sale and purchase contracts, agency agreements and management service agreements. Outstanding balances at period end are unsecured and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables.

All transactions between the Company and its subsidiaries are eliminated on consolidation along with any unrealised profits and losses between its subsidiaries, associates and joint ventures.

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 29). Compensation of key management personnel, including all members of the Board of Directors and Management Board, comprised of the following:

	2015 USD'M	2014 USD'M
Short-term employee benefits	**2.7**	3.0
Post-employment benefits	**0.3**	0.3
Share-based payments	**5.4**	5.5
Total	**8.4**	**8.8**

In addition, the members of the Supervisory Board received total remuneration of USD1.2 million (2014: USD1.4 million).

(ii) Key management personnel and director transactions

As at 30 September 2015, loans receivable from the members of the Board of Directors and Management Board total USD3.1 million (2014: USD3.0 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)	2015 USD'M	2014 USD'M
Trafigura Beheer B.V.	**202.8**	(1,632.6)
Puma Energy	**747.7**	626.0
PT Servo Meda Sejahtera	**147.0**	104.2
Farringford N.V.	**(60.4)**	16.7
Beheer Malta Ltd	**1.2**	(1.2)
Ecore B.V.	**28.9**	3.4
Buckeye Partners LLC	**0.1**	(3.7)
Minas de Aguas Teñidas, S.A.U (MATSA)	**498.7**	–
Other	**1.1**	2.1
Total	**1,567.2**	(885.1)

	2015 USD'M	2014 USD'M
Sales (mainly Puma Energy)	**5,798.3**	6,466.1
Purchases	**594.8**	747.8
Terminalling & dockage fees	**60.0**	–
Interest income	**127.4**	168.7
Interest expense	**54.2**	37.5

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 transactions entered with the related party:

Party	Nature of relationship	Nature of transaction
Farringford N.V.	Ultimate parent	Loans and cost recharges
Trafigura Beheer B.V.	Direct parent company	Loans and cost recharges
Beheer Malta Ltd.	Parent company	Buy back of treasury shares
Minas de Aguas Teñidas, S.A.U (MATSA)	Equity-accounted investee	Loan
Ecore B.V.	Cousin group	Cost recharges, trading and hedging
Puma Energy Holding	Equity-accounted investee	Financing and trading agreement
PT Servo Meda Sejahtera	Equity-accounted investee	Loan
Porto Sudeste do Brasil S.A.	Equity-accounted investee	Loans and cost recharges
Buckeye Partners LLC	Equity-accounted investee	Lease agreements

A list of consolidated subsidiaries and associates is included in note 32.

31. 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 14 Regulatory Deferral Accounts, effective 1 January 2016
- IFRS 15 Revenue from Contracts with Customers including amendments to IFRS 15, effective 1 January 2018
- Amendments to IAS 1 Presentation of Financial Statements – Disclosure Initiative, effective 1 January 2016
- Amendments to 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
- Amendments to IFRS 10 Consolidated Financial Statements and IFRS 12 Disclosure of Interests in other entities and IAS 28 Investments in Associates and Joint Ventures – Applying the Consolidation Exception, effective 1 January 2016
- Amendments to IFRS 11 Joint Arrangements – Accounting for Acquisitions of Interests in Joint Operations, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 38 Intangible Assets – Clarification of Acceptable Methods of Depreciation and Amortisation, effective 1 January 2016
- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Agriculture – Bearer Plants, effective 1 January 2016
- Amendments to IAS 27 Separate Financial Statements – Equity Method in Separate Financial Statements, effective 1 January 2016
- Annual Improvements to IFRSs 2012-2014 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 2015:

- IFRS 9 Financial Instruments, effective 1 January 2018 but early adopted
- Amendments to IAS 19 Employee Benefits – Defined Benefit Plans: Employee Contributions, effective 1 July 2014
- Amendments to IAS 32 Financial Instruments – Presentation: Offsetting Financial Assets and Financial Liabilities, effective 1 January 2014
- Amendments to IAS 36 Impairment of Assets – Recoverable Amount Disclosures for Non-financial Assets, effective 1 January 2014
- Amendments to 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 2010-2012 Cycle (Issued December 2013), effective 1 July 2014
- Annual Improvements to IFRSs 2011-2013 Cycle (Issued December 2013), effective 1 July 2014

IFRS 9 Financial Instruments

IFRS 9 Financial Instruments is the IASB's replacement of IAS 39 Financial Instruments: Recognition and Measurement. The Standard includes requirements for recognition and measurement, impairment, derecognition and general hedge accounting.

IFRS 9 divides all financial assets that are currently in the scope of IAS 39 into two classifications – those measured at amortised cost and those measured at fair value.

Where assets are measured at fair value, gains and losses are either recognised entirely in profit or loss (fair value through profit or loss, FVTPL), or recognised in other comprehensive income (fair value through other comprehensive income, FVTOCI).

IFRS 9 introduces a new expected loss impairment model which replaces IAS 39's incurred loss model. The expected loss model is applicable to debt instruments measured at amortised cost or FVTOCI, trade receivable and lease receivables. Loss allowances will be measured on a probability-weighted basis, discounted by the effective interest rate based on information regarding past events, current conditions and a reasonable and supportable forecast of future economic conditions that is reasonably available without undue cost and effort.

IFRS 9 is effective for financial years beginning on or after 1 January 2018, but has been early adopted by the Company.

IAS 32 Financial Instruments: Disclosure and Presentation

Amendments on presentation to clarify certain aspects because of diversity in application of the requirements on offsetting, focused on four main areas:

- The meaning of 'currently has a legally enforceable right of set-off'
- The application of simultaneous realisation and settlement
- The offsetting of collateral amounts
- The unit of account for applying the offsetting requirements.

IAS 36 Impairment of Assets

Amendments to IAS 36 Impairment of Assets to reduce the circumstances in which the recoverable amount of assets or cash-generating units is required to be disclosed, clarify the disclosures required, and to introduce an explicit requirement to disclose the discount rate used in determining impairment (or reversals) where recoverable amount (based on fair value less costs of disposal) is determined using a present value technique.

IAS 39 Financial Instruments: Recognition and Measurement

Amends IAS 39 to make it clear that there is no need to discontinue hedge accounting if a hedging derivative is novated, provided certain criteria are met. A novation indicates an event where the original parties to a derivative agree that one or more clearing counterparties replace their original counterparty to become the new counterparty to each of the parties. In order to apply the amendments and continue hedge accounting, novation to a central counterparty (CCP) must happen as a consequence of laws or regulations or the introduction of laws or regulations.

F. NOTES TO CONSOLIDATED FINANCIAL STATEMENTS *(CONTINUED)*

32. CONSOLIDATED SUBSIDIARIES AND ASSOCIATES

For entities where legal shareholding is less than 50 percent, the Group has consolidated based on the definition of control under IFRS. Certain entities with a percentage of effective economic interest below 50 percent are held through intermediate holding companies controlled by the Group.

Principal consolidated operating subsidiaries	Location	% Owned 2015	% Owned 2014
Angola Exploration Mining Resources S.A.	Angola	30.0%	30.0%
AngoRecycling Industry, Lda.	Angola	25.0%	25.0%
Boyaca Navigation Inc.	Panama	100.0%	100.0%
Catalina Huanca Sociedad Minera S.A.C.	Peru	100.0%	100.0%
DT Investments DMCC	United Arab Emirates	50.0%	50.0%
DT Trading Ltd.	Bahamas	50.5%	50.5%
DTS Commercial Pte. Ltd.	Singapore	50.0%	50.0%
DTS Refining Pte. Ltd	Singapore	50.0%	50.0%
Edenfield Procurement DMCC	United Arab Emirates	100.0%	100.0%
Empresa de Recolha de Residuos de Angola, Lda. (Errangol)	Angola	25.0%	25.0%
Fangchenggang Guo Tong Import and Export Co. Ltd	China	100.0%	100.0%
Galena Asset Management B.V.	Netherlands	100.0%	100.0%
Galena Asset Management Limited	United Kingdom	100.0%	100.0%
Galena Investments 2 Limited	Malta	100.0%	100.0%
Galena Investments 2 SARL	Luxembourg	100.0%	100.0%
Galena Investments Limited	Malta	100.0%	100.0%
Galena Investments S.à r.l.	Luxembourg	100.0%	100.0%
Genghis Holding Company Limited	Malta	100.0%	100.0%
Iberian Finance SARL	Luxembourg	100.0%	100.0%
Iberian Minerals Corp.	Switzerland	100.0%	100.0%
Iberian Minerals Financing S.A.	Luxembourg	100.0%	100.0%
IM Finance SARL	Luxembourg	100.0%	100.0%
Impala Holdings Limited	Malta	100.0%	100.0%
Impala Logistics (Shanghai) Company Limited	China	100.0%	100.0%
Impala Terminals Barrancabermeja S.A.	Colombia	100.0%	100.0%
Impala Terminals Barranquilla SAS	Colombia	100.0%	100.0%
Impala Terminals Burnside LLC	United States	100.0%	100.0%
Impala Terminals Colombia SAS	Colombia	100.0%	100.0%
Impala Terminals DRC SARL (Previously known as Impala Warehousing & Logistics SPRL)	Congo, The Democratic Republic of the	100.0%	100.0%
Impala Terminals Mexico, S.A. de C.V.	Mexico	100.0%	100.0%
Impala Terminals Middle East FZE (Previously known as Impala Middle East FZCO)	United Arab Emirates	62.5%	77.4%
Impala Terminals Peru S.A.C	Peru	100.0%	100.0%
Impala Terminals UK Limited	United Kingdom	100.0%	100.0%
Impala USA Inc	United States	100.0%	100.0%
ITH (Luxembourg) SARL	Luxembourg	100.0%	100.0%
ITH (Malta) Ltd	Malta	100.0%	100.0%
IWL (Luxembourg) SARL	Luxembourg	100.0%	100.0%
IWL Capital LLC	Marshall Islands	100.0%	100.0%
IWL Holding B.V.	Netherlands	100.0%	100.0%
IWL Holdings (Luxembourg) SARL	Luxembourg	100.0%	100.0%
IWL Investments (Luxembourg) SARL (Previously known as IWL Investments (Malta) Limited)	Luxembourg	100.0%	100.0%
IWL River Inc.	Panama	100.0%	100.0%
Luna Mining SARL	Congo, The Democratic Republic of the	100.0%	100.0%
Manatee Holding Company Limited	Malta	100.0%	100.0%
Meteor Ltd	Isle of Man	100.0%	100.0%
Ningbo Minghui Recycling Resources Co., Ltd	China	95.0%	95.0%
Petromining S.A.	Argentina	100.0%	100.0%
Puma Energy Holdings Malta Limited	Malta	100.0%	100.0%
Shanghai Trafigura Energy and Resource Trading Co., Ltd.	China	100.0%	100.0%
TAG ECO Recycling (UK) Limited	United Kingdom	100.0%	100.0%
Trafigura B.V.	Netherlands	100.0%	100.0%
Trafigura Canada General Partnership	Canada	100.0%	100.0%

Principal consolidated operating subsidiaries	Location	% Owned 2015	% Owned 2014
Trafigura Chile Limitada	Chile	100.0%	100.0%
Trafigura Corpus Christi Holdings LLC (Previously known as Trafigura Corpus Christi Holdings Inc.)	United States	100.0%	100.0%
Trafigura Derivatives Limited	United Kingdom	100.0%	100.0%
Trafigura DMCC	United Arab Emirates	100.0%	100.0%
Trafigura Eurasia LLC	Russian Federation	100.0%	100.0%
Trafigura Funding S.A.	Luxembourg	100.0%	100.0%
Trafigura Holdings Limited	Malta	100.0%	100.0%
Trafigura Holdings SARL	Luxembourg	100.0%	100.0%
Trafigura India Private Limited	India	100.0%	100.0%
Trafigura Investment (China) Co., Ltd	China	100.0%	100.0%
Trafigura Limited	United Kingdom	100.0%	100.0%
Trafigura Maritime Ventures Limited	Malta	100.0%	100.0%
Trafigura Marketing Inc.	United States	100.0%	100.0%
Trafigura Marketing Ltd.	Canada	100.0%	100.0%
Trafigura Mexico, S.A. de C.V.	Mexico	100.0%	100.0%
Trafigura Nat Gas Limited	Malta	100.0%	100.0%
Trafigura Overseas Projects Pte. Ltd	Singapore	100.0%	100.0%
Trafigura Peru S.A.C.	Peru	100.0%	100.0%
Trafigura Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura Services Pte. Ltd.	Singapore	100.0%	100.0%
Trafigura Services South Africa (Pty) Ltd	South Africa	100.0%	100.0%
Trafigura Trade Investments (Luxembourg) SARL	Luxembourg	100.0%	100.0%
Trafigura Trade Investments B.V.	Netherlands	100.0%	100.0%
Trafigura Trading LLC (Previously known as Trafigura AG)	United States	100.0%	100.0%
Trafigura Trading Yangshan Co., Ltd.	China	100.0%	100.0%
Trafigura Ventures Trading Ltd	Mauritius	100.0%	100.0%
Urion Holdings (Malta) Limited	Malta	100.0%	100.0%
Impala Middle East General Warehousing L.L.C. (Previously known as NEMS Middle East Warehousing and Logistics LLC)	United Arab Emirates	30.6%	30.6%
Leeuwin Holding Co. Ltd.	Bahamas	100.0%	100.0%
Trafigura Holding GmbH	Switzerland	100.0%	100.0%
Trafigura Trade Holdings B.V.	Netherlands	100.0%	100.0%

Equity-accounted investees carried at net equity value	Location	% owned 2015	% owned 2014
Buckeye Texas Partners LLC	United States	20.0%	20.0%
Cadillac Ventures Inc.	Canada	16.3%	24.4%
Empresa Minera del Caribe S.A.	Caribbean	36.6%	36.6%
Napoil Limited	Bermuda	49.0%	49.0%
Osmunda Limited	Isle of Man	33.0%	33.0%
Porto Sudeste do Brasil S.A.	Brazil	47.3%	32.5%
PT Servo Meda Sejahtera	Indonesia	40.0%	30.0%
Puma Energy Holdings Pte. Ltd.	Singapore	48.6%	48.8%
Transportadora Callao S.A.	Peru	30.0%	30.0%
EMED Mining Public Ltd.	Cyprus	22.0%	18.0%
Nyrstar N.V.	Belgium	23.7%	8.4%
Minas de Aguas Teñidas, S.A.U (MATSA)	Spain	50.0%	100.0%

33. BOARD OF DIRECTORS AND THE SUPERVISORY BOARD

THE BOARD OF DIRECTORS	
Christopher Cox	Mariano Marcondes Ferraz
Mark Irwin	Andrew Vickerman
José Larocca	Mike Wainwright
Pierre Lorinet	Jeremy Weir

Singapore, 14 December 2015.

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