

Embargoed until 17.05 Singapore Time Tuesday, 14 August 2018

**Group financial results announcement for the six months ended 30 June 2018**

14 August 2018



- Improving profitability on the back of stronger global commodity markets
- Operating income from supply chains at US\$91 million for the first six months of 2018, when adjusted for non-cash reserves
- Continued reduction in selling, administrative & operating expenses, in line with cost reduction strategy
- Key focus on completing the final phase of the proposed restructuring
- Special General Meeting of shareholders to be convened on 27 August 2018 to review the restructuring

Over the first six months of 2018, and to date, the Group's primary focus has been to agree and implement the proposed restructuring pursuant to the Restructuring Support Agreement (the "RSA") signed between, among others, the Company and the Consenting Creditors (as defined in the RSA) on 14 March 2018. To date, the proposed restructuring has received support from several of the Company's stakeholders in line with the Board's objective to conclude a consensual restructuring of the Group's debt:

- over 86% of Existing Senior Creditors have acceded to the RSA; and
- Noble Holdings Limited (the Company's largest shareholder, holding 17.9% of the shares of the Company), Goldilocks Investment Company Limited (holding 8.1% of the shares of the Company) and a consortium including Value Partners Limited and Pinpoint Asset Management Ltd (collectively holding approximately 4.4% of the shares of the Company) have signed irrevocable undertakings to support the RSA – which combined comprise over 30% of the Company's issued share capital.

A circular to shareholders in relation to the restructuring has been published and a Special General Meeting will be convened on 27 August 2018 for shareholders to review, and if deemed appropriate, approve the restructuring.

Strength in global commodity prices over the first six months of 2018, resulted in improving operating income from supply chains, led by the Group's Metals, Minerals and Ores segment. In particular, the Group's Jamalco joint venture delivered a strong performance during the period with the impact of the higher alumina price environment reflected in the 2Q 2018 results. Metals, Minerals and Ores segment results in the first half of 2018 also benefitted from higher year-on-year profitability from the Group's Special Ores and Alloys business and steady volumes from the Base Metals business. The Group's Energy Coal and Metallurgical Coal and Coke businesses continued to execute on their contracted flows and generated positive realisation in the first six months of 2018.

Operating income from supply chains for the first six months of 2018 was approximately US\$91 million, when adjusted for contract-specific performance reserves taken against certain net fair value gains on commodity contracts and derivative financial instruments which were taken during 1Q 2018.

However, performance continued to be impacted by the ongoing constraints on liquidity and availability of competitive trade finance to support operations. The Group's results in the first half of 2018 were also impacted by restructuring expenses associated with implementing the proposed restructuring and finance costs on existing senior debt.

Underlying selling, administrative & operating ("SAO") expenses were lower year-on-year in the first six months of 2018, in line with expectations and the Group's cost reduction strategy. Further reductions in SAO expenses are expected with projected steady state annual SAO expenses of approximately US\$100 million targeted to be achieved on a run rate basis by the end of 3Q 2018.

The Group continues to focus on completing the final phase of the proposed restructuring with a view to providing the Group with a sustainable capital structure and a strong foundation from which to deliver long-term value for all its stakeholders. The Group will make further announcements in relation to the progress and implementation of the proposed restructuring in due course.

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### **About Noble Group**

Noble Group (SGX: CGP) manages a portfolio of global supply chains covering a range of industrial and energy products. The Company facilitates the marketing, processing, financing and transportation of essential raw materials. Sourcing bulk commodities from low cost regions such as South America, South Africa, Australia and Indonesia, the Company and broader Group supplies high growth demand markets, particularly in Asia and the Middle East. For more information please visit [www.thisisnoble.com](http://www.thisisnoble.com).

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