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**Group financial results announcement for the three months ended 31 March 2017**

11 May 2017, Hong Kong

**Setting the Foundation for the Future**



- Paul Brough appointed Chairman of the Group, with the Board being re-aligned and Richard Elman moving to a non-executive Board role as Founder and Chairman Emeritus
- Core franchise strong with positive contributions from underlying physical flows
- Substantial progress on cost savings now evident with 45% quarter-to-quarter decline in SAO expenses
- Profitability impacted by challenging operating environment, exacerbated by the dislocation in coal markets
- Management continues to focus on key initiatives of improving profitability, reducing costs and maintaining a solid balance sheet

Headcount has been reduced and various corporate functions have been further rationalized. The Group's significant progress in carrying out the cost reduction initiatives is evidenced by a close to 45% decline in Selling, Administrative and Operating ("SAO") expenses to US\$91 million in Q1 2017. Management continues to be focused on increasing efficiencies and re-aligning the cost structure.

The Group's underlying physical franchise remains strong and the portfolio of core businesses that we have built over the years are contributing positively. However, the operating environment was very challenging for the Group during the first three months of 2017. The dislocation in coal markets, and the very thin trading liquidity witnessed in the respective hedging instruments, was detrimental to the short term – 12 week - outturn. Additionally, higher oil prices in the period absorbed working capital and also hurt profitability as we continued to preserve liquidity.

The 17% year-on-year decline in total Group tonnage for the three month period ended 31 March 2017 was largely due to the roll-off of a significant long term iron ore contract as it came to the end of its term. The downturn was also reflective of a reduced absolute capacity to maintain oil liquids flows in the higher price environment. However, coal volumes increased quarter-to-quarter and oil prices have subsequently subsided post quarter end.

In the quarter, we added to our liquidity with a US\$1 billion revolving borrowing base facility, to support the businesses of Noble Clean Fuels Limited and which allows for the drawdown of loans as well as the issuance of trade finance instruments. In March, the Group accessed the capital markets for a US\$750 million 5 year bond. The proceeds were used for refinancing.

The more nimble focused platforms that we envisage underpinning our business in the future have started to take shape and management is focused on ensuring that the cost structure, balance sheet and liquidity is re-aligned to generate sustained returns.

Reflective of the emerging, smaller, nimbler Noble, the Board has also been re-aligned and Paul Brough, who has been a tremendous asset to the Board in recent times, and who is a former senior partner of KPMG in Hong Kong, has agreed to step into the role as Chairman of the Group. Richard Elman will be taking on a non-executive Board role as Founder and Chairman Emeritus. Jamie O'Donnell will return to the Board as an Independent Non-Executive Director. He has been involved with the Group in various roles throughout the Company's history, and brings a global perspective allied with a deep knowledge of Asia, the Group and the industry. Iain Bruce, Irene Lee and Richard Margolis, for whose service we are very grateful, will be stepping down from the Board.

Finally, the Board representatives from China Investment Corporation are rotating with Benjamin Bao and Winston Ma joining. Benjamin is a Managing Director at CIC Capital Corporation ("CIC Capital") and oversees investment projects in infrastructure, energy, oil and gas, and related investment funds. He is a Non-Executive Director of Heathrow Airport Holdings Limited. Winston is a Managing Director of CIC Capital. He has had leadership roles in long-term investments in North America, Europe and Asia, involving financial services, technology (TMT), energy and natural resources. These appointments are effective immediately.

The Group's priorities continue to be to focus on the core franchise businesses, maintaining the strong customer and supplier relationships, and continuing to implement the cost savings initiatives to reset the cost base, underpinned by the disciplined management of the balance sheet and liquidity profile.

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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. Noble 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 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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