Zug, 1 February 2011

PRODUCTION REPORT FOR THE 12 MONTHS ENDED 31 DECEMBER 2010

Highlights:

- Record annual production of coking coal, semi-soft coking coal, mined nickel and refined nickel
- Year-on-year increases in mined copper, lead in concentrate and ferrochrome production
- The new Nickel Rim South mine in Sudbury commenced full mine operation in April and reached nameplate capacity of 1.25 million tonnes ore per annum in October, six months ahead of schedule
- In South Africa, the Goedgevonden open cut thermal coal mine was successfully commissioned during the year and is ramping up to full capacity of 7 million tonnes per annum in 2011
- During the first half of 2010, Xstrata Coal commissioned the 4 million tonnes per annum, underground Blakefield South mine in Australia
- Xstrata Copper completed construction of a magnetite plant at Ernest Henry mine, part of the operation's AUD589 million ($542 million) transformation into a major underground copper-gold mine
- During the year, increased mineral resource estimates were published for Xstrata Copper's Frieda River project (Papua New Guinea), Las Bambas (Peru), Antapaccay (Peru), El Pachón (Argentina), Lomas Bayas (Chile), Collahuasi (Chile) and West Wall (Chile)

Xstrata Alloys

Ferrochrome production increased by 48% year on year in response to a recovery in market conditions and improved demand, following the suspension of up to 80% of operation capacity in 2009. The average operating capacity utilisation rate rose to 74% in 2010 compared to 50% in 2009, as the full impact of restarting previously suspended furnaces was offset by scheduled maintenance during the high electricity tariff winter months.

Ferrochrome producers achieved a 46% increase in the average European benchmark ferrochrome price in 2010 compared to 2009, but margins remained under pressure due to the continued strengthening of the South African rand against the US dollar. Lower stainless demand in the second half of 2010, resulted in a decrease of 5¢ per pound in the European benchmark ferrochrome price for the first quarter of 2011 to $1.25 per pound, closing the gap between the contractual and spot prices that existed throughout 2010.

Xstrata's integrated vanadium operation, Rhovan, achieved record production during the year. Ferrovanadium volumes increased by 89% and vanadium pentoxide production was 90% higher than in 2009 when production was suspended due to an extended maintenance programme.

PGM volumes were 11% lower than in 2009 as a result of mining of lower grade areas at Eland in accordance with the mine plan and due to delays in obtaining the Section 102 mining right, partially offset by improved concentrator recovery. The development of Eland's western decline shaft, the Kukama Shaft, is progressing with initial production from the first mining level expected in the first quarter of 2011. Development of the eastern decline, the Nyala Shaft, commenced during April 2010 and production from the first mining level is scheduled for second quarter 2011. Production from underground operations will deliver 250,000 tonnes per month by the end of 2013 and reach steady state capacity of 500,000 tonnes per month during the last quarter of 2015; with production of platinum reaching 300,000 platinum ounces per annum.

Ferrochrome

	Year ended 31.12.10	Year ended 31.12.09
Attributable* saleable production (kt)	**1,165**	786
Indicative average published price (c/lb) (Metal Bulletin)	**124.3**	85.0

* Reflects Xstrata's 79.5% share of the Xstrata-Merafe Chrome Venture

Vanadium

	Year ended 31.12.10	Year ended 31.12.09
Consolidated* saleable production		
Ferrovanadium (k kg)	**4,311**	2,284
Vanadium pentoxide (k lb)	**21,874**	11,492
Indicative average published price ferrovanadium ($/kg V) (Metal Bulletin)	**30.1**	25.0
Indicative average published price vanadium pentoxide ($/lb) (Metal Bulletin)	**6.9**	6.0

* Consolidated 100%

Platinum

	Year ended 31.12.10	Year ended 31.12.09
Consolidated** saleable production (oz)		
Platinum	**117,659**	132,969
Palladium	**59,584**	67,435
Rhodium	**19,602**	21,182
Average (London Platinum and Palladium Market) Platinum price ($/oz)	**1,611**	1,205
Average (London Platinum and Palladium Market) Palladium price ($/oz)	**527**	264
Average (Johnson Matthey) Rhodium price ($/oz)	**2,406**	1,559

** Consolidated 100% of Eland and 50% of Mototolo

Xstrata Coal

Xstrata Coal's total consolidated production in 2010 was 79.9 million tonnes, down 4.8 million tonnes or 6% on the previous year.

Australian coking coal volumes increased by 20% or 1.3 million tonnes as a result of a full year of production from Oaky No. 1 and high productivity from Oaky North. This was partially offset by lower production at the Tahmoor mine in New South Wales due to the now resolved industrial action in the second half of the year.

Australian thermal coal production for 2010, including semi-soft, was 2.9 million tonnes or 6% below 2009 production, primarily due to the planned closure of the United underground colliery in New South Wales and the impact of severe weather during the first quarter and in December on the Queensland open-cut operations, resulting in the loss of 3.1 million tonnes in 2010 (Xstrata Coal share).

During the year, South African production was 3 million tonnes or 15% lower than in 2009 as a result of the planned closure of the Southstock Opencut mine in late 2009, unusually high rainfall in the Witbank region and reduced volumes during the ramp up phase of the new Impunzi opencast. Lower production volumes were partially offset by the ramp up of Goedgevonden, which is on schedule to reach full capacity of 7 million tonnes per annum of thermal coal in 2011.

Thermal coal production from the Cerrejón joint venture in Colombia was in line with 2009 production, despite the extreme wet weather conditions experienced in the second half of 2010. Production from Prodeco, divested in March 2010, has been excluded from reported production.

(million tonnes)	**Year ended 31.12.10**	Year ended 31.12.09
Total consolidated production	**79.9**	84.7
Total thermal coal	**65.6**	72.1
Australian thermal	**37.8**	41.1
South African thermal**	**17.7**	20.8
Americas thermal*	**10.1**	10.2
Total coking coal (Australia)	**7.7**	6.4
Total semi-soft coking (Australia)	**6.6**	6.2
Average received export FOB coal price ($/t)		
Australian thermal	**85.7**	80.3
South African thermal	**74.4**	68.1
Americas thermal	**72. 6**	73.5
Australian coking	**204.3**	145.0
Australian semi-soft coking	**137.3**	122.5

* Excludes Prodeco

** Mpumalanga is included in 2010 production reporting. For financial reporting Mpumalanga will be excluded from Xstrata Coal's ex-mine results as it is classified as an Asset Held for Sale

DTJV is included in 2009 production reporting. For financial reporting DTJV will be excluded from Xstrata Coal's ex-mine results to 1 July 2009 due to the DTJV re-structuring

Xstrata Copper

Xstrata Copper's total mined copper production increased to 913,500 tonnes in 2010 compared to 907,000 tonnes the previous year, despite challenging operating conditions at some of its South American operations. Improved grades and higher mining rates increased volumes at Kidd underground mine by 21% to 52,600 tonnes and more than doubled copper in concentrate production at Ernest Henry to 74,600 tonnes.

At Collahuasi, Xstrata Copper's share of production decreased by 6% to 221,800 tonnes compared to the record production levels achieved in 2009, mainly due to an illegal contractor stoppage for nine days in May, a 33-day strike in November during collective bargaining negotiations with unionised employees and lower grades. These were partly offset by significantly improved concentrator plant throughput over the prior year as a result of operational improvements and bottleneck eliminations. Xstrata Copper's share of copper in concentrate production at Antamina decreased by 5% to 101,700 tonnes due to lower mill head grade which was partially offset by a 9% increase in mill throughput. Copper in concentrate production at Tintaya reduced by 17% compared to 2009 due to reduced grades and recoveries through the year and localised pit wall instability in the third quarter.

Total gold production increased by 4% in 2010 to 524,800 ounces due to a strong recovery in gold production at Ernest Henry that was partially offset by lower grades and recoveries at Alumbrera and Tintaya.

Total combined custom and mined copper cathode production declined by 2% to 715,500 tonnes in 2010 primarily due to the decision to reduce custom processing through the permanent closure of the Kidd metallurgical operations in May. This was partially offset by record cathode production at the Townsville refinery in Australia due to increased supply of anode from Altonorte.

	Year ended 31.12.10	Year ended 31.12.09
Argentina – Alumbrera*		
Material mined (t)	84,145,883	88,199,734
Ore mined (t)	25,022,982	29,303,980
Copper head grade (%)	0.45	0.46
Gold head grade (g/t)	0.46	0.49
Ore treated (t)	37,427,766	37,533,923
Concentrate produced (t)	546,806	550,943
Copper in concentrate (t)	140,318	143,084
Gold in concentrate (oz)	360,310	366,368
Gold in doré (oz)	44,933	55,628
Total gold (oz)	405,243	421,996
Australia - Ernest Henry		
Material mined (t)	32,067,774	24,784,595
Ore mined (t)	15,285,508	2,673,307
Copper head grade (%)	0.69	0.75
Gold head grade (g/t)	0.34	0.38
Ore treated (t)	9,838,428	8,020,446
Concentrate produced (t)	261,164	127,708
Copper in concentrate (t)	74,595	35,562
Gold in concentrate (oz)	91,259	45,227
Australia - Mount Isa		
Ore mined (t)	6,100,701	5,980,268
Copper head grade (%)	2.81	2.95
Ore treated (t)	6,092,414	6,028,600
Concentrate produced from ore (t)	627,749	627,117
Copper in concentrate from ore (t)	157,696	161,947
Anode copper (t)	214,685	214,350
Refined copper (t)	287,001	277,320

	Year ended 31.12.10	Year ended 31.12.09
Canada - Kidd		
Ore mined (t)	2,428,042	2,273,366
Copper head grade (%)	2.28	2.02
Ore treated (t)	2,429,104	2,386,920
Copper concentrate produced (t)	188,254	160,714
Copper in concentrate (t)	52,568	43,620
Copper cathode (t)	37,973	54,060
Zinc concentrate produced (t) †	160,980	202,255
Zinc in concentrate (t)†	86,084	108,090
Canada – Horne		
Concentrate treated (t)	781,277	694,900
Anode copper (t)	194,277	163,700
Canada - CCR Refinery		
Refined copper (t)	276,310	278,196
Chile – Collahuasi**		
Material mined (t)	90,203,582	74,870,120
Ore mined (t)	36,986,387	31,327,040
Copper head grade (%)	1.09	1.21
Ore milled (t)	21,612,749	19,953,234
Concentrate produced (t)	787,290	808,689
Copper in concentrate (t)	204,691	216,800
Copper cathode (t)	17,088	18,977
Chile - Lomas Bayas		
Material mined (t)	56,638,851	54,374,956
ROM leach (t)	34,908,666	37,644,524
ROM copper grade (%)	0.26	0.28
Heap leach (t)	14,235,315	13,353,301
Heap leach copper grade (%)	0.39	0.41
Copper cathode (t)	71,795	73,043
Chile – Altonorte		
Concentrate treated (t)	983,584	915,049
Anode copper (t)	277,944	268,014
Peru - Antamina Copper***		
Material mined (t)	40,513,384	38,305,341
Ore mined (t)	11,828,274	12,816,021
Copper head grade (%)	1.00	1.16
Ore treated (t)	12,321,017	11,331,118
Copper concentrate produced (t)	346,883	369,045
Copper in concentrate (t)	101,741	106,671
Peru – Tintaya		
Material mined (t)	85,480,993	82,314,762
Ore mined (t)	4,898,028	8,914,259
Ore milled (t)	7,297,655	6,991,682
Copper grade in ore milled (%)	1.14	1.39
Gold grade in ore milled (g/t)	0.20	0.25
Concentrate produced (t)	229,475	264,971
Copper in concentrate (t)	67,645	81,739
Gold in concentrate (oz)	28,289	35,745
Copper cathode (t)	25,332	25,454
Total mined copper production (t) (contained metal)	913,469	906,898
Total mined gold production (oz) (contained metal)	524,791	502,967
Total copper cathode (from own and third party material) (t)	715,499	727,050
Average LME copper price (US$/t)	7,536	5,150
Average LBM gold price (US$/oz)	1,225	973

* 100% consolidated figures
** Xstrata Copper's pro-rata share of Collahuasi (44%)
*** Xstrata Copper's pro-rata share of Antamina (33.75%)

Xstrata Nickel

In 2010, Xstrata Nickel achieved record production volumes at its mines, the Sudbury smelter and the Nikkelverk refinery. Despite the closure of the end-of-life Sudbury operations in 2009, total mined nickel production increased by 6% to 60,670 tonnes in 2010 as a result of the ramp up of Nickel Rim South, the restart of the Fraser mine, improved grade in the second half from Raglan and improved volumes from Xstrata Nickel Australasia (XNA) following the commencement of production at Sinclair mine in September.

Mined nickel production from the Sudbury operations increased by 69% to 15,472 tonnes of nickel in concentrate compared to 2009 as Nickel Rim South, commissioned in April 2010, ramped up to reach its nameplate capacity in the second half of the year, a full six months ahead of schedule. The Fraser mine was restarted during the period to take advantage of favourable market conditions. As a result, nickel in concentrate production from the Strathcona mill increased by 47% to 16,813 tonnes.

Raglan achieved record production levels with 1.32 million tonnes of ore treated, although production of nickel in concentrate decreased by 4% due to slightly lower planned head grades. XNA produced 16,961 tonnes of nickel in concentrate in 2010, up 2% from the prior year and a new record for the operation.

The Sudbury smelter reached an annual production record of 73,667 tonnes of nickel in matte in 2010, a 12% increase over the previous year, due to increased feed volumes, following the decision to send all of XNA's mined production to Sudbury to utilise available capacity fully. Production of copper in matte increased by 21% driven by rich copper feed from the poly-metallic Nickel Rim South and the restart of the Fraser mine. Cobalt in matte production increased by 6% due to higher volumes of cobalt-rich feeds.

Nickel production from the Nikkelverk refinery was a record 92,185 tonnes in 2010, up 4% over the previous year and above its increased annualised capacity rate of 92,000 tonnes, as a result of Xstrata Nickel's higher production volumes and maximum throughput at the Sudbury smelter.

The Falcondo ferronickel operation in the Dominican Republic remained on care and maintenance for the period. In October 2010, Falcondo announced its planned 50% capacity, low-capital restart using procured electricity, which will enable the business to operate with reduced costs beginning in the first quarter of 2011.

	Year ended 31.12.10	Year ended 31.12.09
North America – Sudbury Operations – Mine/Mill		
Ore mined (t)	**1,216,205**	715,629
Nickel head grade (%)	**1.40**	1.31
Copper head grade (%)	**2.81**	2.08
Ore treated (t)	**1,472,459**	1,099,817
Nickel in concentrate from own mines (t)	**15,472**	9,151
Nickel in concentrate from third parties (t)	**1,341**	2,258
Copper in concentrate from own mines and third parties (t)	**36,074**	21,361
Cobalt in concentrate from own mines and third parties (t)	**341**	277
North America – Sudbury Operations – Smelter		
Nickel in matte from own mines (t)	**59,706**	51,659
Nickel in matte from third parties (t)	**13,961**	14,230
Copper in matte from own mines and third parties (t)	**22,427**	18,560
Cobalt in matte from own mines and third parties (t)	**2,634**	2,476
North America – Montcalm		
Ore mined (t)	-	208,681
Nickel head grade (%)	-	1.02
Copper head grade (%)	-	0.61
Ore treated (t)	-	226,399
Nickel in concentrate (t)	-	1,961
Copper in concentrate (t)	-	1,179
Cobalt in concentrate (t)	-	73
North America – Raglan		
Ore mined (t)	**1,279,778**	1,465,788
Nickel head grade (%)	**2.45**	2.56
Copper head grade (%)	**0.68**	0.68
Ore treated (t)	**1,318,497**	1,310,657
Nickel in concentrate (t)	**28,237**	29,262
Copper in concentrate (t)	**7,134**	7,188
Cobalt in concentrate (t)	**567**	586
Australia – XNA		
Ore mined (t)	**531,880**	567,469
Nickel head grade (%)	**3.81**	3.51
Ore treated (t)	**532,144**	648,481
Nickel in concentrate (t)	**16,961**	16,678
Copper in concentrate (t)	**687**	928
Cobalt in concentrate (t)	**245**	459
Europe – Nikkelverk		
Nickel metal (t)	**92,185**	88,577
Copper metal (t)	**36,183**	33,881
Cobalt metal (t)	**3,208**	3,510
Total mined nickel production (t) (contained metal)	**60,670**	57,052
Total mined copper production (t) (contained metal)	**42,697**	25,428
Total mined cobalt production (t) (contained metal)	**1,094**	1,326
Total refined nickel production (t) (payable metal)	**92,185**	88,577
Average LME nickel cash price ($/t)	**21,809**	14,712
Average LME copper cash price ($/t)	**7,536**	5,150
Average Metal Bulletin cobalt low grade price ($/lb)	**17.91**	15.17

Xstrata Zinc

Zinc in concentrate production remained at a similar level to the previous year. Expansions and productivity improvements increased zinc in concentrate production by 10% at Mount Isa and McArthur River mines and by 3% at Perseverance mine. This was offset by lower production volumes at Brunswick mine due to the change in its mining plan to extend its life into early 2013, and a planned reduction in zinc volumes at Antamina as the mine plan moved into a lower grade zinc region.

Total refined zinc metal production of 766,000 tonnes was 7% lower than 2009 as a result of the permanent closure of the Kidd Creek zinc smelter in May 2010, partially offset by San Juan de Nieva smelter reaching full capacity during the year and achieving a small increase on 2009 volumes to produce 501,000 tonnes of zinc metal.

During 2010, lead in concentrate production was 3% higher than 2009 as a result of a 14% increase in volumes from the Mount Isa mines that more than offset the decrease in Brunswick production. Refined lead metal production remained at a similar level to the previous year.

	Year ended 31.12.10	Year ended 31.12.09
Australia – Mount Isa		
Ore mined (t)	**8,596,675**	7,321,971
Zinc head grade (%)	**5.6**	6.0
Lead head grade (%)	**2.7**	2.9
Silver head grade (g/t)	**53.1**	59.1
Ore treated (t)	**8,566,166**	7,424,153
Zinc in concentrate (t)	**355,024**	324,164
Lead in concentrate (t)	**143,666**	126,227
Lead in lead/silver bullion (t)	**140,059**	146,099
Lead in purchased concentrate smelted(t)	**10,773**	20,166
Silver in crude lead (k oz)	**6,775**	7,792
Silver in purchased concentrate smelted (k oz)	**1,611**	2,999
Australia – McArthur River		
Ore mined (t)	**2,231,032**	2,092,179
Zinc head grade (%)	**11.0**	10.3
Lead head grade (%)	**4.5**	4.5
Ore treated (t)	**2,246,713**	2,170,895
Zinc in concentrate (t)	**183,517**	166,467
Lead in concentrate (t)	**31,635**	37,093
Silver in concentrate (k oz)	**1,463**	1,465
Europe – San Juan de Nieva		
Zinc metal (t)	**501,119**	500,776
Europe – Nordenham		
Zinc metal (t)	**145,943**	146,634
Europe – Northfleet		
Mount Isa sourced lead (t)	**153,453**	157,865
Other lead (t)	**-**	-
Total lead (t)	**153,453**	157,865
Mount Isa refined silver (k oz)	**7,461**	8,758
Total silver (k oz)	**7,461**	8,758

	Year ended 31.12.10	Year ended 31.12.09
North America – Brunswick mine		
Ore mined (t)	**3,047,543**	3,322,565
Zinc head grade (%)	**8.0**	8.6
Lead head grade (%)	**3.1**	3.3
Silver head grade (g/t)	**98**	101
Ore treated (t)	**3,067,872**	3,321,219
Zinc in zinc concentrate (t)	**195,481**	232,709
Zinc in bulk concentrate (t)	**18,554**	19,707
Lead in bulk concentrate (t)	**12,651**	13,824
Lead in lead concentrate (t)	**47,664**	52,638
Lead in other feeds to smelter (t)	**30,056**	20,118
Total refined lead (t)	**85,282**	83,620
Silver in bulk concentrate (k oz)	**851**	959
Silver in lead concentrate (k oz)	**2,462**	2,716
Silver in other feeds to smelter (k oz)	**7,281**	6,026
Total silver in doré (k oz)	**13,066**	9,075
Copper in concentrate (t)	**8,200**	7,153
North America – CEZ refinery *		
Zinc metal (t)	**72,562**	65,105
North America – Perseverance		
Ore mined (t)	**1,090,643**	1,010,598
Zinc head grade (%)	**14.1**	14.4
Ore treated (t)	**1,062,224**	1,023,699
Zinc in concentrate (t)	**139,350**	135,708
Copper in concentrate (t)	**10,005**	8,607
North America – Kidd		
Zinc metal (t)	**46,243**	112,693
Peru - Antamina Zinc**		
Ore mined (t)	**11,828,274**	12,816,021
Zinc head grade (%)	**2.6**	3.0
Ore treated (t)	**12,321,017**	11,331,118
Zinc in concentrate (t)	**130,326**	154,000
Total zinc in concentrate production (t)	**1,022,252**	1,032,755
Total zinc metal production (t)	**765,867**	825,208
Total lead in concentrate production (t)	**235,616**	229,782
Total lead metal production (t)	**238,735**	241,485
Average LME zinc price(US$/t)	**2,159**	1,659
Average LME lead price (US$/t)	**2,148**	1,726

* Xstrata Zinc's pro-rata share of CEZ production (25%)
** Xstrata Zinc's pro-rata share of Antamina production (33.75%)

Ends

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Notes to editors

About Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc with additional exposure to gold, cobalt, lead and silver. The Xstrata Group also comprises a growing platinum group metals business, iron ore projects, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 20 countries.