



NEWS RELEASE

Zug, 8 February 2010

Xstrata plc announces preliminary results for the year ended 31 December 2010.

Key Financial Results

\$m	Year ended 31.12.10	Year ended 31.12.09	% Change
Revenue	30,499	22,732	34
Operating EBITDA*	10,386	6,788	53
Operating profit*	7,654	4,369	75
EBIT*	7,669	4,313	78
Attributable profit*	5,152	2,773	86
Attributable profit	4,688	661	609
Earnings per share (basic)*	\$1.77	\$1.05	69
Earnings per share (basic)	\$1.61	\$0.25	544
Dividends per share	25¢	8¢	212
Net debt to net debt plus equity	15%	26%	(42)
Net assets	42,021	34,919	20
Net assets per share**	\$14.34	\$12.04	19
* Excludes exceptional items			
** Excluding own shares			

Highlights

- Operating profit up 75% to \$7.7 billion as restructuring activities undertaken during 2009 positioned Xstrata to benefit from a more favourable operating environment
- Strong operational performance with record annual production volumes for coking coal, semi-soft coking coal and mined and refined nickel
- Record real cost savings of \$541 million (3.4% of the cost base) achieved, the ninth consecutive year of cost reductions
- Strong cash generation of just under \$10 billion
- Gearing reduced to 15% from 26% and net debt by 38% to \$7.6 billion, despite total capital expenditure of \$6.1 billion during the year
- Final dividend of 20 cents per share proposed for payment in May 2011; reflecting a return to pre-

financial crisis levels* and confidence in the medium term outlook

- Three major new mines successfully commissioned: Nickel Rim South, Goedgevonden and Blakefield South, 20 major expansions and new mines currently in construction, including 10 projects approved during 2010

*on a rights-adjusted basis

Mick Davis, Xstrata plc Chief Executive, commented:

"A strong operational performance in 2010 contributed to an exciting year for Xstrata. We made substantial progress in bringing a number of our organic growth projects into production and advanced the development of both late and early stage opportunities in our pipeline.

"The opportunities seized during the difficult market conditions of 2009 to restructure higher cost businesses, improve productivity and strengthen the balance sheet, together with ongoing initiatives to improve the quality and value of our underlying business, positioned Xstrata to benefit from a more favourable operating environment in 2010.

"Year on year cost savings have become a hallmark of our operational performance and a key indicator of the steady improvement in the competitiveness and value of our operations. Consistent annual cost savings at each reporting period since our IPO nine years ago have transformed the cost competitiveness of our commodity businesses, each of which is now positioned in the lower half of its respective industry cost curve.

"Xstrata is now in the midst of a fundamental transformation of our portfolio through the development of our organic growth pipeline. The scale and number of projects being developed by our teams today represent a step change in our growth strategy and will transform Xstrata's volumes and unit costs profoundly. Our growth plans will see us progressively deliver substantial additional volumes of key commodities into fundamentally constrained commodity markets.

"Looking ahead, leading indicators suggest that the US economy continues to find a reasonably solid track for recovery. In the Eurozone, January data for the manufacturing and services industries reveal the fastest pace of expansion in nine months. Developing economies and China in particular appear set to continue to achieve wholly respectable high single digit growth rates in 2011, albeit below 2010 levels due to the impacts of inflation and the proactive actions by governments to contain economic growth to within manageable levels.

"The next stage of our transformation is now well underway, to exploit the various options embedded within our portfolio to create value through organic growth."

Ends

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