



Interim Results Presentation

6 months ended 30 June 2005



Mick Davis

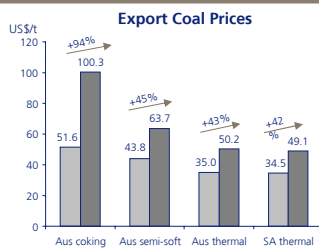
Chief Executive

Agenda

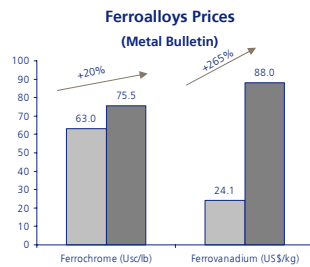
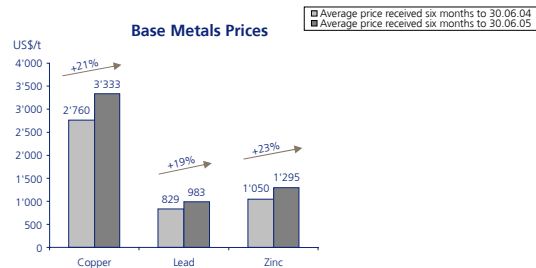


- Operational Performance
- Internal Growth
- Financial Results
- Conclusion

Financial Results



- Group revenue up 28% to \$3,770 million
- Attributable profit up 80% to \$764 million
- Prices largest driver of profit at \$771 million



Efficiency Gains



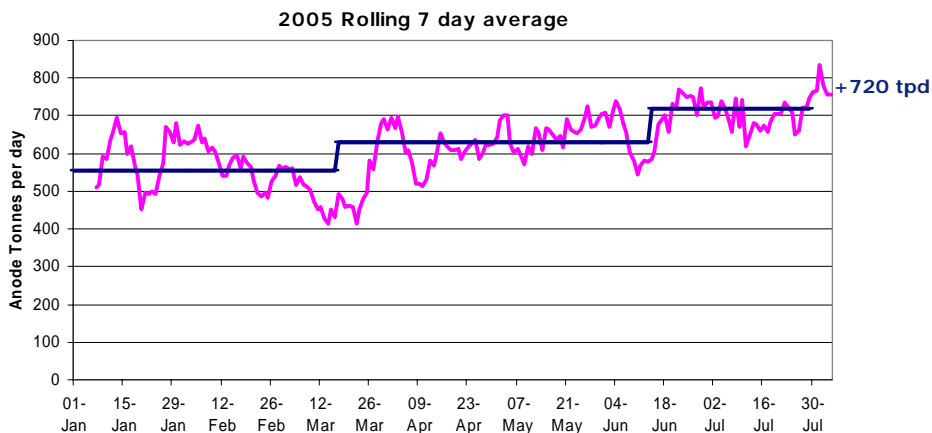
- Businesses continue to achieve real cost savings despite significant cost pressures
- Efficiency programmes reduced unit costs in real terms by over \$5 million
- Xstrata Zinc: \$19m gain particularly from savings at Mount Isa zinc, which will be greater in H2
- Xstrata Coal: \$12m gain despite negative impact of \$12m demurrage at Dalrymple Bay (but demurrage at Newcastle down from \$1.58 - \$0.71/t)
- Xstrata Alloys: cost cutting benefits reduced by increased reductant costs and impact of higher cost Boshhoek operation

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Copper Smelter Anode Production



+10% tonnes/day average increase, equivalent to annualised rate +260kt anode



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Growth



- Shareholder value delivered through growth (EBITDA up 581% in 3 years)
- Expansion in scale and diversity of portfolio has delivered greater options for future growth
- Value creation remains the key driver
- Significant internal pipeline of brown- and greenfield growth – no imperative for acquisition
- Enlarged portfolio and enhanced cash performance provide greater flexibility and capacity for acquisitions and projects

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Internal Growth: Alloys



- Lion Project
 - 63% growth in capacity from 1.6 mtpa to 2.6 mtpa
 - 360,000 tpa Phase I on budget (ZAR 1.67 bn) and time; first FeCr in H2 2006
 - Operating costs 20-25% lower than industry average
- Mototolo (50:50 JV with Anglo Platinum)
 - \$200m capex: Xstrata share \$100m
 - Annual production: 132,000 oz platinum; 82,000 oz palladium
 - Initial production: Q4 2006; full production in H2 2007
 - Low-cost, high return project

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Internal Growth: Coal



		Project	Mtpa	First coal
Thermal AUS	Brownfield	Bulga, Ulan and Liddell	5	2006/2007
		Rolleston Phase 2	4	
	Greenfield	Rolleston Phase 1	8	2005 2007
		Glendell	2.5	
		Togara North	2	
		Ulan West	4	
		Ravensworth West	1.4	2006
	Total		26.9	
Thermal SA	Brownfield	5 Seam	2	2007
	Greenfield	Goedgevonden	7	
		Total	9	
	Thermal total		35.9	
Coking AUS	Brownfield	Oaky Creek	1.2	2006
		Cook	1.3	
	Greenfield	Wollombi	1.5	2006
		Coking total	4	

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Internal Growth: Copper



- Alumbreira
 - 2004 – ore reserves extended by 20% (extending life to 2015)
 - 2005 – further 10% extension (40 million tonnes)
 - Concentrator expansion (\$15.5m) to increase mill throughput by 8% to 40 mtpa
- Las Bambas
 - 75% of 2005 drilling programme completed
 - Confidence confirmed with further update at year end
- Tampakan
 - Option to acquire 62.5%
 - Mineral resource inventory totalling 900 million tonnes @ 0.7% Cu
 - Pre-feasibility underway – to conclude in H2 2006
- Roseby
 - Potential for significant Cu concentrate supply for Mount Isa

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Internal Growth: Zinc



- Additional 2.3 mtpa from Black Star open-cut from February 2005
- Ore production up 18.5% to 1.3 mtpa at George Fisher
- Zinc concentrate production at Mount Isa expected to increase by 126,000 tonnes (34%) in 2005
- Work underway to assess further growth in zinc lead production at Mount Isa
- Ore reserves at George Fisher increased by 67% to 39m tonnes
- Switch to open-cut operations at MRM retains future Albion options

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Trevor Reid

Chief Financial Officer

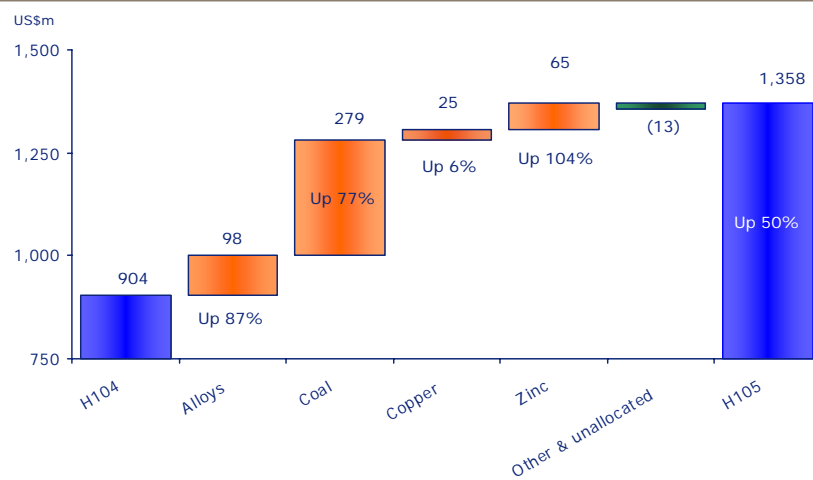
Key Financial Results



US\$m	H105	H104	%
Revenue	3,766	2,936	28
EBITDA (operating)	1,358	904	50
Operating profit	1,079	619	74
EBIT	1,064	616	73
Net interest expense (operating)	(31)	(56)	45%
Recycled net foreign exchange gains	52	67	(22)%
Borrowing costs written-off	(17)	(35)	51%
Income tax expense	(208)	(59)	(253)%
Attributable profit (operating)	764	425	80
Attributable profit	797	461	73
EPS (US\$) (operating)	1.23	0.68	81
EPS (US\$)	1.28	0.74	73

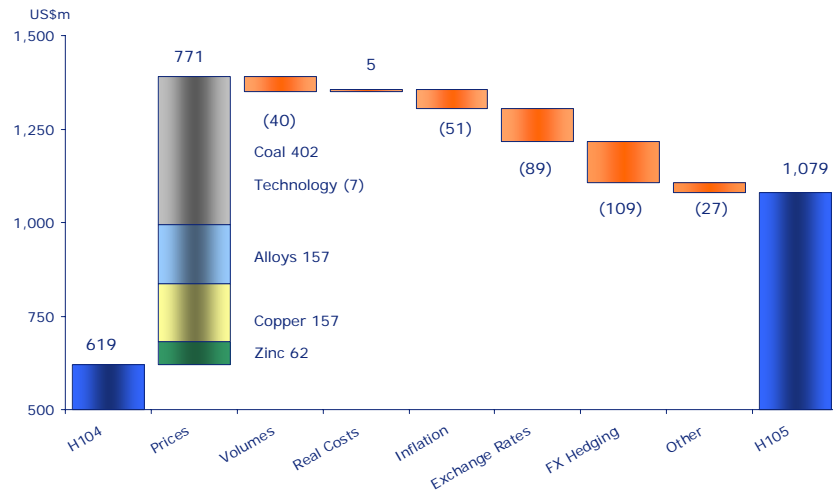
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EBITDA (operating) variance (Continuing operations)



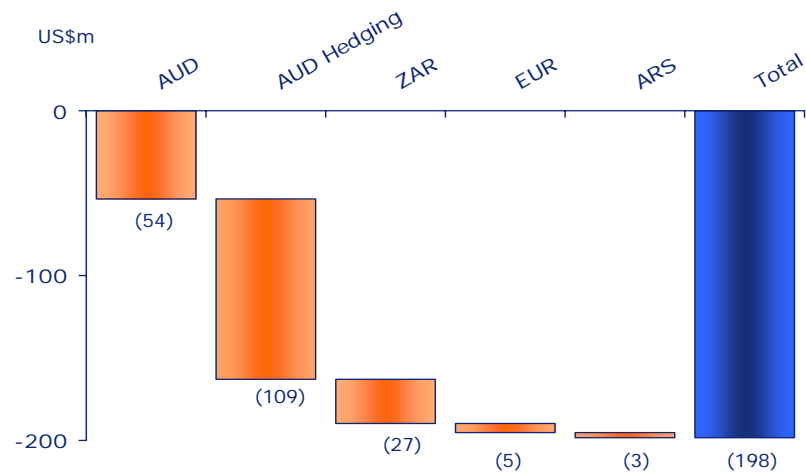
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Operating Profit Variance (Continuing operations)



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Operating Profit Currency Impacts H105 vs H104 – exchange rates on costs



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Operating Cash Flow



US\$m	H105	H104	%
Net cash inflow from operations	1,136	796	44%
Net interest paid	(33)	(57)	(42)%
Taxation	(255)	(12)	-
Cash flow before capital expenditure	848	727	17%
Sustaining capital expenditure	(153)	(100)	53%
Disposal of fixed assets	5	12	(58)%
Free cash flow	700	639	10%
Expansionary capital expenditure	(152)	(48)	217%
Cash flow after capital expenditure	548	591	(7)%

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Capital Expenditure (Continuing operations)



US\$m	Sustaining H105	Expansionary H105	Total H105	Sustaining H104	Expansionary H104	Total H104
Alloys	11	49	60	2	15	17
Coal	70	128	198	63	23	86
Copper	38	11	49	24	4	28
Zinc	32	10	42	22	6	28
Technology & Unallocated	2	-	2	2	-	2
Total	153	198	351	113	48	161

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Net Debt



US\$m	30.06.05	31.12.04
Cash	264	460
External borrowings:		
- Alumbreira shareholder loan	(81)	(81)
- Bank overdrafts & loans	(463)	(710)
- Capital market notes	(298)	(367)
- Convertible bonds	(559)	(600)
- Other	(2)	(2)
Total external borrowings	(1,403)	(1,760)
Arrangement fees	12	13
Finance leases	(222)	(185)
Net debt	(1,349)	(1,472)
Net debt to equity %	18.6%	20.1%

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Dividend



- Dividend proposed of 9 US cents per share, 12.5% increase from the 2004 interim dividend
- Record date 23 September 2005
- Payment date 14 October 2005

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Conclusion



- Focus on value creation through growth and efficiencies intact
- Exceptional period of commodity strength – but prices will revert to long run marginal cost of production
- Outlook remains positive for several years – new projects constricted by
 - Lack of exploration properties
 - Rail/port restrictions
 - Reduced availability of new equipment
 - Tightness for competitive power
 - Impact of cost inflation
- Xstrata well positioned to develop existing potential and to capture additional optionality to create further value

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Appendices

Basis of Financial Information



- Financial information is presented on a statutory basis under International Financial Reporting Standards (IFRS)
- Financial instruments standards adopted 1 January 2005 with UK GAAP applied to the 2004 comparatives

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Adoption of IFRS



- Significantly higher net deferred tax liabilities mainly from mineral reserves and resources
- Foreign currency gains and losses on repayment of inter-company loans recycled through the income statement
- Options issued under the LTIP now charged to the Income Statement over the vesting period
- Goodwill no longer amortised
- Dividends proposed no longer accrued at balance date
- Defined benefit pension plan net surplus and deficits recognised in full on the balance sheet
- Open hedging contracts recognised & equity component of convertible bond reclassified to equity from 1 January 2005

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Revenue (Continuing operations)



US\$m	H105	H104	%
Alloys	638.9	427.1	50%
Coking Australia	256.5	130.5	97%
Thermal Australia	1,007.0	814.6	24%
Thermal South Africa	381.9	244.0	57%
Coal	1,645.4	1,189.1	38%
Australia	459.5	379.7	21%
South America	318.7	342.7	(7)%
Copper	778.2	722.4	8%
Zinc	671.8	569.2	18%
Technology	31.4	28.6	10%
Total	3,765.7	2,936.4	28%

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EBITDA (operating) (Continuing operations)



US\$m	H105	H104	%
Alloys	210.6	112.8	87%
Coking Australia	113.2	36.2	213%
Thermal Australia	401.8	266.7	51%
Thermal South Africa	127.5	60.7	110%
Coal	642.5	363.6	77%
Australia	219.5	145.8	51%
South America	189.8	238.7	(20)%
Copper	409.3	384.5	6%
Zinc	128.7	63.0	104%
Technology	4.5	13.6	(67)%
Unallocated	(37.6)	(33.8)	(11)%
Total	1,358.0	903.7	50%

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Operating Profit (Continuing operations)



US\$m	H105	H104	%
Alloys	195.6	100.1	95%
Coking Australia	97.4	21.2	359%
Thermal Australia	326.6	189.5	72%
Thermal South Africa	91.0	24.6	270%
Coal	515.0	235.3	119%
Australia	170.4	103.6	64%
South America	138.9	175.7	(21)%
Copper	309.3	279.3	11%
Zinc	95.8	27.2	252%
Technology	2.8	11.7	(76)%
Unallocated	(39.5)	(34.6)	14%
Total	1,079.0	619.0	74%

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Alloys – Chrome



US\$m	H105	H104	%
Revenue	447.9	363.0	23%
EBITDA (operating)	116.4	89.9	29%
Operating profit	104.2	80.3	30%
Margin %	23.3	22.1	5%
Return on capital employed %	26.9	32.7	(18)%
- Sustaining	8.4	1.9	342%
- Expansionary	46.0	11.8	290%
Capital expenditure	54.4	13.7	297%
Attributable saleable production (kt)	591.8	588.7	1%
Indicative average price (USc/lb)*	75.5	63.0	20%

*Indicative published prices: Metal Bulletin

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Alloys – Vanadium



US\$m	H105	H104	%
Revenue	191.0	64.1	198%
EBITDA (operating)	94.2	22.9	311%
Operating profit	91.4	19.8	362%
Margin %	47.8	30.9	55%
Return on capital employed %	119.8	34.9	243%
-Sustaining	2.4	0.5	380%
-Expansionary	2.9	3.2	(9)%
Capital expenditure	5.3	3.7	43%
Attributable saleable production (kt)			
- Vanadium Pentoxide (k lbs)	10,016	10,529	(5)%
- Ferrovandium (k kg)	2,551	2,691	(5)%
Indicative published average prices (US\$/lb)*			
- Vanadium Pentoxide (US\$/lb)	20.6	5.3	289%
- Ferrovandium (US\$/kg)	88.0	24.1	265%

*Published prices: Metal Bulletin

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Coal



US\$m	H105	H104	%
- Coking Australia	256.5	130.5	97%
- Thermal Australia	950.7	770.7	23%
- Thermal South Africa	349.4	244.0	43%
Revenue (own production)	1,556.6	1,145.2	36%
- Coking Australia	113.2	36.2	213%
- Thermal Australia	401.8	266.7	51%
- Thermal South Africa	127.5	60.7	110%
EBITDA (operating)	642.5	363.6	77%
- Coking Australia	97.4	21.2	359%
- Thermal Australia	326.6	189.5	72%
- Thermal South Africa	91.0	24.6	270%
Operating profit	515.0	235.3	119%
Margin %	33.1	20.5	61%
Return on capital employed %	22.2	11.4	95%

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Coal



US\$m	H105	H104	%
- Sustaining	70.6	63.3	12%
- Expansionary	128.0	22.7	464%
Capital expenditure	198.6	86.0	131%
Consolidated production (tonnes, millions)	29.6	28.9	2%
- Coking Australia export	2.5	2.2	14%
- Semi-soft Australia export	2.5	4.1	(39)%
- Thermal Australia export	14.2	12.6	13%
- Thermal South Africa export	6.3	6.4	(2)%
- Domestic	5.3	3.9	36%
Consolidated sales (tonnes, millions)	30.8	29.2	5%
Average FOB export prices:			
- Queensland coking (US\$/t)	100.3	51.6	94%
- NSW semi-soft coking (US\$/t)	63.7	43.8	45%
- Australian thermal (US\$/t)	50.2	35.0	43%
- South African thermal (US\$/t)	49.1	34.5	42%

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Copper



US\$m	H105	H104	%
- Australia	459.5	379.7	21%
- South America	318.7	342.7	(7)%
Revenue	778.2	722.4	8%
- Australia	219.5	145.8	51%
- South America	189.8	238.7	(20)%
EBITDA (operating)	409.3	384.5	6%
- Australia	170.4	103.6	64%
- South America	138.9	175.7	(21)%
Operating profit	309.3	279.3	11%
Margin %	39.7	38.7	3%
Return on capital employed %	29.2	27.7	5%
- Sustaining	38.2	23.7	61%
- Expansionary	10.8	4.6	135%
Capital expenditure	49.0	28.3	73%

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Copper



	H105	H104	%
Australia - Ernest Henry:			
Copper in concentrate (t)	65,258	54,244	20%
Gold in concentrate (oz)	83,130	68,198	22%
Australia – Mt Isa:			
Copper in concentrate from ore	76,895	80,517	(4)%
Anode copper (t)	108,728	116,263	(6)%
Refined copper (t)	105,672	117,633	(10)%
South America:			
Copper in concentrate (t)	86,818	80,688	8%
Gold in concentrate (oz)	234,734	273,667	(14)%
Gold in dore (oz)	22,594	25,013	(10)%
Average LME copper price (US\$/t)	3,333	2,760	21%
Average LME gold price (US\$/oz)	427	401	6%

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Zinc (Continuing operations)



US\$m	H105	H104	%
- Zinc Australia	101.4	84.5	20%
- Zinc Europe	454.6	376.0	21%
- Lead Australia	6.5	27.7	(77)%
- Lead Europe	109.3	81.0	35%
Revenue	671.8	569.2	18%
- Zinc Australia	34.1	11.3	202%
- Zinc Europe	76.5	42.1	82%
- Lead Australia	10.7	1.7	529%
- Lead Europe	7.4	7.9	(6)%
EBITDA (operating)	128.7	63.0	104%
- Zinc Australia	27.5	1.5	1,733%
- Zinc Europe	59.9	27.3	119%
- Lead Australia	3.2	(7.4)	143%
- Lead Europe	5.2	5.8	(10)%
Operating profit	95.8	27.2	252%

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Zinc (Continuing operations)



	H105	H104	%
European production:			
Zinc – Asturiana (kt)	248,437	244,208	2%
Zinc – Nordenham (kt)	74,116	77,910	(5)%
Lead – Northfleet (kt)	81,630	65,331	25%
Silver – Northfleet (m oz)	4,959	4,669	6%
Australian production:			
Zinc – Mt Isa (kt)	114,184	85,808	33%
Lead – Mt Isa (kt)	97,243	86,087	13%
Silver – Mt Isa (k oz)	8,517	7,898	8%
Zinc – McArthur River (kt)	56,527	59,043	(4)%
Lead – McArthur River (kt)	12,795	13,159	(3)%
Silver – McArthur River (k oz)	514	534	(4)%
Average LME zinc price US\$/t	1,295	1,050	23%
Average LME lead price US\$/t	983	829	19%
Average LME silver price US\$/oz	7.01	6.52	8%

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Balance Sheet Summary



	30.06.05	31.12.04
Intangible assets	1,382	1,524
Property, plant & equipment	7,788	8,128
Other non-current assets	470	397
Total non-current assets	9,640	10,049
Working capital	1,062	935
Net debt	(1,349)	(1,472)
Deferred tax liabilities	(1,255)	(1,358)
Other non-current liabilities	(527)	(530)
Income taxes payable	(189)	(239)
Other net current liabilities	(127)	(60)
Net assets	7,255	7,325

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Working Capital



US\$m	30.06.05	31.12.04
Inventories	852	826
Trade and other receivables	970	898
Trade and payables	(760)	(789)
Net working capital	1,062	935

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Average Commodity Prices



	Unit	Average price H105	Average price H104	% Change
Australian FOB export coking	\$/t	100.3	51.6	94%
Australian FOB export semi-soft coking	\$/t	63.7	43.8	45%
Australian FOB export thermal coal	\$/t	50.2	35.0	43%
South African export thermal coal	\$/t	49.1	34.5	42%
Copper	\$/t	3,333	2,760	21%
Lead	\$/t	983	829	19%
Zinc	\$/t	1,295	1,050	23%
Ferrochrome (Metal Bulletin)	c/lb	75.5	63.0	20%
Ferrovandium (Metal Bulletin)	\$/kg	88.0	24.1	265%

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Exchange Rates



	Average H105	Average H104	As at 30.06.05	As at 30.06.04
Australian dollar	0.77	0.74	0.76	0.70
Euro	1.28	1.23	1.21	1.22
South African rand	6.21	6.67	6.65	6.14

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Operating Profit Sensitivities



US\$m	Impact H205*	Indicative full year**
US1c/lb movement ferrochrome	5.0	12.1
US\$1/t movement Aus coking coal	0.3	5.3
US\$1/t movement Aus thermal coal	1.5	31.2
US\$1/t movement SA thermal coal	1.2	13.3
US1c/lb movement copper	6.1	10.5
US1c/lb movement zinc	5.0	10.1
US1c/lb movement lead	2.4	4.1
10% movement AUD	51.7	227.6
10% movement EUR	11.1	22.6
10% movement ZAR	61.8	120.6

* After impact of hedging, contracted and priced sales

** Assuming current volumes and no hedging, contracted or priced sales

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Shares in Issue ('000)

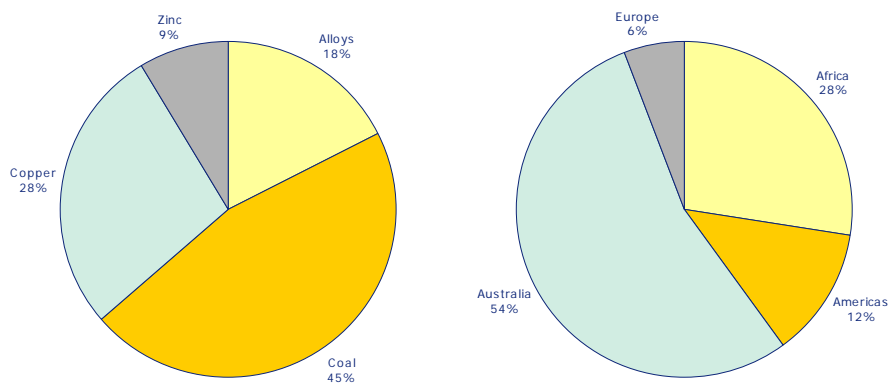


Weighted Ave Issued Share Capital (used for 2005 eps calculations)	622,628 shares
Weighted Ave Issued Share Capital (used for 2004 eps calculations)	627,374 shares
Total Issued Share Capital	632,502 shares

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Operating Profit

(Continuing operations excluding Technology and unallocated)



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Net Assets

(Continuing operations excluding Technology and unallocated)

