



Preliminary Annual Results Presentation

Year ended 31 December 2004



Mick Davis

Chief Executive

Agenda



- Financial and operational performance
- Internal growth projects
- Offer to shareholders of WMC
- Overview of financial results
- Conclusion

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Financial Results



- Group attributable profit up 563% to >\$1 billion
- EBIT up by 248% to \$1.5 billion
- Stronger commodity prices contributed \$1.6 billion to EBIT

	Unit	Average price 2004	Average price 2003	% Change
Australian FOB export thermal coal	US\$/t	40.9	25.2	62
South African export thermal coal	US\$/t	39.0	24.9	57
Australian FOB export semi-soft coking	US\$/t	47.2	30.5	55
Australian FOB export coking	US\$/t	65.3	43.5	50
Copper	US\$/t	2,866	1,779	61
Lead	US\$/t	886	515	72
Zinc	US\$/t	1,048	828	27
Ferrochrome (Metal Bulletin)	USc/lb	68	46	48
Ferrovandium (Metal Bulletin)	US\$/kg	27.2	11.5	137

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Operational Performance



Alloys	- ongoing efficiency programmes	23	
	- reduced quality and availability of ore	(9)	
	- gross calculated reductant costs	(43)	
	- coke reduction programme	11	(18)
Coal	- ongoing efficiency programmes	89	
	- demurrage	(10)	
	- switch to semi-soft and thermal export coal	(12)	67
Copper	- ongoing efficiency programmes in Queensland	52	
	- additional stope and fill at Mt Isa	(14)	
	- impact of lower head grade at Alumbraera	(21)	
	- power, freight and other costs at Alumbraera	(35)	(18)
Zinc	- ongoing efficiency programmes	27	
	- Australian business - freight	(7)	
	- other	(7)	13
Total			44

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Efficiency Programmes: Zinc and Coal



- Zinc**
 - Production up for 6th consecutive year at San Juan, with real cost savings of >\$9 million
 - Nordenham production increased to >10% above nameplate capacity
 - Efficiency programmes at Mount Isa zinc-lead business to be boosted by Black Star production from Feb 2005
- Coal**
 - \$67 million of real cost savings (45% NSW, 30% SA and 25% QLD)
 - Beltana and Newlands now lowest cost underground mines in Australia
 - Demurrage costs significantly reduced at Newcastle following introduction of capacity allocation scheme

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Efficiency Programmes: Copper and Alloys



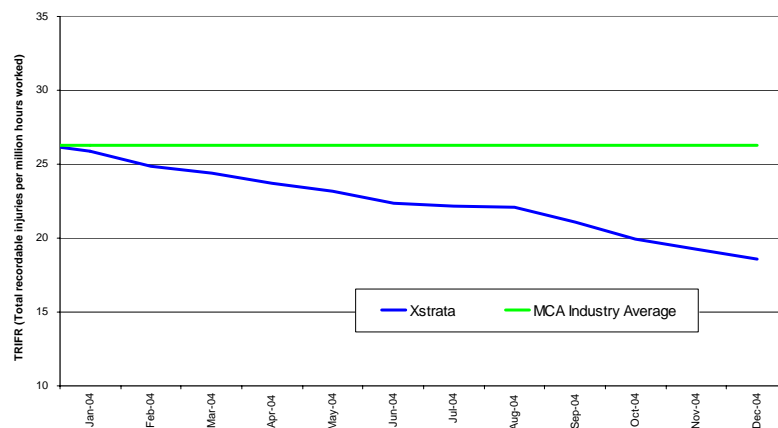
- Copper**
- Significant turn-around at Queensland copper business with \$52 million cost improvement
 - Increased volumes contributed >\$7.5 million
 - Underground production of copper ore now at annualised 6.2mt rate
 - Development of Northern 3500 underground will improve utilisation of fixed plant capacities
 - Management of zinc-lead business at Mount Isa now successfully transferred to Xstrata Zinc
- Alloys**
- On-going coke reduction programme mitigated high price of reductants by \$11 million
 - Further cost benefits expected following acquisition of char producer in January 2005

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Safety improvements



Total recordable injury frequency rate reduced by 30% in 2004



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Internal Growth Projects



- Expansion of Group's project pipeline in 2004
- Four large-scale new projects in alloys, coal, copper and zinc
- Lion and Rolleston projects hold significant future low-cost brownfield potential (chrome and coal)
- Discipline maintained on any expansion decision

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Internal Growth: Alloys and Coal



- Alloys**
 - Lion project underway with first production mid-2006 and full 360,000 tpa in Q4 2007
 - Significant lower production costs through „Premus“ technology with expansion potential >650,000 tpa from phases 2 and 3
- Coal**
 - Rolleston project on track to produce 1mt in 2005
 - Full production of 6mt export and 2mt domestic in 2008
 - Low cost brownfield expansion to 12mt when market conditions allow
 - Significant additional brownfield expansion potential of 5mt in thermal coal production in NSW

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Internal Growth: Copper and Zinc



- Copper**
 - \$91 million acquisition of Las Bambas option, with large drilling programme underway from March
 - Additional 80mt of ore reserves confirmed at Alumbra in 2004, extending metal production to 2015
 - Option to acquire 62.5% of Tampakan copper-gold deposit in the Philippines until December 2007
- Zinc**
 - Ore production underway at Black Star zinc-lead mine with 2.5mtpa over 11 year life
 - Further reserve extensions expected
 - Options continue to be assessed for expansion of McArthur River Mine, with feasibility studies underway

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Offer to WMC Shareholders



- Offer raised to AUD7.20/share in February
- Confidence in fundamental attractiveness of offer to WMC shareholders affirmed
- Offer now declared fully unconditional (at AUD7/share to reflect WMC dividend of AUD0.20/share)
- Xstrata will accept, pay and own all shares tendered between now and 7pm (Sydney time) on Thursday 24 March
- Decision completely in the hands of WMC Shareholders
- WMC acquisition remained only one of a number of options to further enhance Xstrata's value proposition

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Trevor Reid
Chief Financial Officer

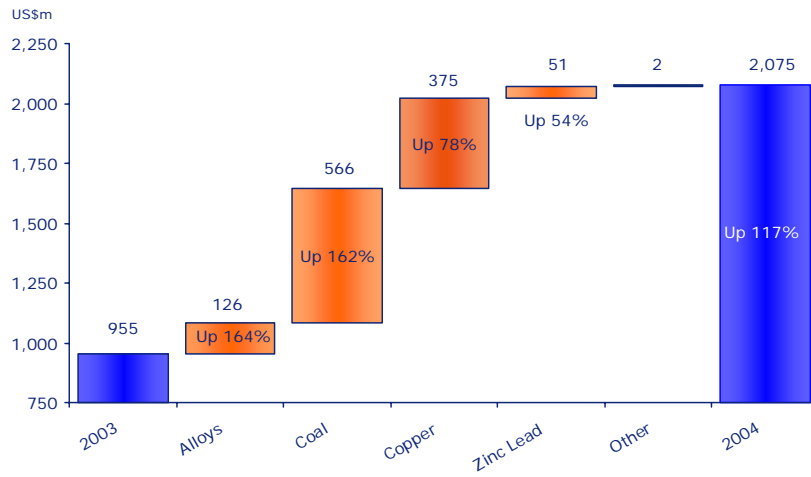
P&L Summary
(excluding discontinued operations)



US\$m	2004	2003	%
Turnover	6,462	4,410	47
EBITDA (pre-exceptionals)	2,075	955	117
EBIT (pre-exceptionals)	1,503	432	248
EBIT	1,496	540	177
Net interest (pre-exceptionals)	(92)	(129)	29
Borrowing costs written off (exceptional)	(35)	-	-
Tax (pre-exceptionals)	(182)	(75)	(144)
Tax on exceptional items	5	2	189
Minority interests	(139)	(59)	(135)
Attributable profit (pre-exceptionals)	1,088	164	563
Attributable profit	1,053	279	277
EPS (USc) pre-exceptionals	174	26	569
EPS (USc)	168	45	273

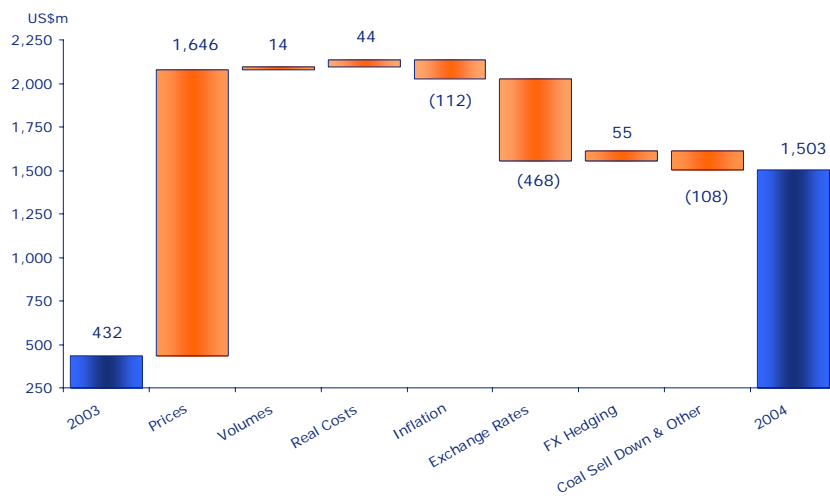
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EBITDA Variance (excluding discontinued operations)



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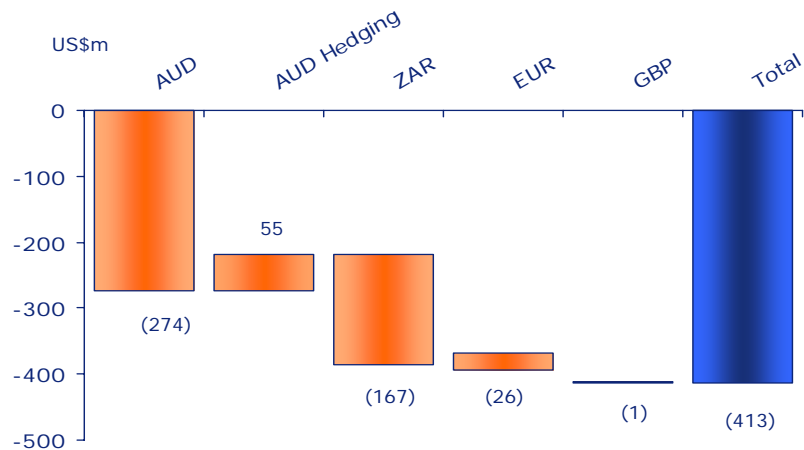
EBIT Variance (pre-exceptionals & excluding discontinued operations)



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EBIT Currency Impacts

2004 v's 2003 – exchange rates on costs



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Taxation



- Statutory effective tax rate pre-exceptionals was 12.9% against 20% in 2003. On a post exceptionals basis the effective tax rate was 12.9% against 13.1% in 2003.
- Stronger earnings confirmed recognition and utilisation of previously unrecognised tax losses
- Utilisation of Australian fiscal consolidation regime resulting an additional further beneficial 'step up' of fixed asset values
- Tax domicile in Switzerland continues to provide Xstrata with enhanced earnings and competitive acquisition advantage

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Operating Cash Flow



US\$m	2004	2003	%
EBITDA (pre-exceptionals)	2,075	955	117
Working capital movements	(311)	(125)	(149)
Net cash inflow from operations	1,764	830	113
Restructuring costs	(16)	(19)	16
Net interest	(89)	(123)	28
Distributions received from PSV	43	-	-
Taxation	(57)	(32)	(78)
Cash flow before capital expenditure	1,645	656	151
Sustaining capital expenditure	(257)	(218)	(18)
Disposal of fixed assets/investments	24	29	(17)
Free cash flow	1,412	467	202
Expansionary capital expenditure	(162)	(197)	18
Cash flow after capital expenditure	1,250	270	363

Capital Expenditure (excluding discontinued operations)



US\$m	Sustaining 2004	Expansionary 2004	Total 2004	Sustaining 2003	Expansionary 2003	Total 2003
Alloys	10	37	47	3	32	35
Coal	132	172	304	126	105	231
Copper *	94	5	99	48	34	82
Zinc	66	29	95	39	21	60
Other Businesses & Unallocated	4	-	4	7	3	10
Total	306	243	549	223	195	418

* Excludes Las Bambas project acquisition

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Major Projects



Capital expenditure on major growth projects during 2004 included:

- \$122 million for the Rolleston Coal project
- \$18 million for the Black Star zinc lead open pit
- \$15 million for Project Lion chrome smelter

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Capital Expenditure (2005 forecast)



Sustaining capex

- Remaining expenditure at Ulan longwall - \$55 million
- Continuing South African modernisation programme in coal - \$20 million
- Mine development and mobile equipment at George Fisher, installation of zinc filter plant at Mount Isa concentrating facilities - \$40 million
- Other Group sustaining capital of approximately \$200 million

Expansionary capex

- Rolleston - \$110 million
- Project Lion - \$190 million
- Mount Isa copper smelter expansion - \$30 million
- Northern 3500 underground copper mine - \$25 million
- NCA washplant upgrades - \$30 million (Xstrata share)
- Northern Underground thermal coal mine at Newlands - \$25 million (Xstrata share)
- Goedgevonden colliery - \$20 million
- Other Group expansionary capital of approximately \$200 million

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Net Debt



US\$m	31.12.04	31.12.03
Cash	477	255
External borrowings:		
- Alumbreira debt	(81)	(279)
- Bank overdrafts & loans	(710)	(1,111)
- Capital market notes	(367)	(402)
- Convertible bonds	(600)	(600)
- Other	(2)	(60)
Total external borrowings	(1,760)	(2,452)
Arrangement fees	14	52
Finance leases	(185)	(76)
Net debt	(1,454)	(2,221)
Net Debt to equity %	16.8%	31.3%

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Dividend



- Dividend of 16 US cents per share
- 24 US cents full year, a 20% increase from 2003
- Record date 29 April 2005
- Payment date 20 May 2005

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EBIT Sensitivities



US\$m	Impact 2005*	Indicative full year**
US1c/lb movement Ferrochrome	11.2	13.2
US\$1/t movement Aus Coking Coal	4.7	6.4
US\$1/t movement Aus Thermal Coal	21.9	33.9
US\$1/t movement SA Thermal Coal	9.8	13.7
US1c/lb movement Copper	9.5	9.5
US1c/lb movement Zinc	9.8	9.8
US1c/lb movement Lead	3.7	3.7
10% movement AUD	129.9	236.3
10% movement EUR	22.4	22.4
10% movement ZAR	124.9	124.9

* After impact of hedging, contracted and priced sales

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

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Conclusion



- 2005 has opened with a continuation of the positive market of 2004, underpinned by Chinese and Indian economic growth
- Xstrata's range of exposures expected to deliver another strong year of performance in 2005
- On-going efficiency programmes and commencement of growth projects will positively impact volumes and costs in 2005.

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Appendices

Basis of Financial Information

- Financial information is presented on a statutory basis for year ended 31 December 2004 and a proforma basis for year ended 31 December 2003
- Own shares is included within equity in accordance with UITF 38 ('Accounting for ESOP Trusts'), effective June 2004.

Turnover

(excludes discontinued operations)



US\$m	2004	2003	%
Alloys*	953.0	543.0	76
Coking Australia	358.3	281.5	27
Thermal Australia	1,664.1	1,122.7	48
Thermal South Africa	671.0	455.4	47
Coal	2,693.4	1,859.6	45
Australia	874.1	550.5	59
South America	724.2	506.6	43
Copper	1,598.3	1,057.1	51
Zinc	1,165.3	915.3	27
Other Businesses	52.4	33.9	55
Unallocated	-	0.7	-
Total	6,462.4	4,409.6	47

*Includes share of Pooling and Sharing Venture

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EBITDA

(pre-exceptionals and excludes discontinued operations)



US\$m	2004	2003	%
Alloys	203.0	77.0	164
Coking Australia	144.1	57.3	151
Thermal Australia	597.1	224.1	166
Thermal South Africa	174.2	68.5	154
Coal	915.4	349.9	162
Australia	369.0	149.5	147
South America	487.7	332.3	47
Copper	856.7	481.8	78
Zinc	145.5	94.2	54
Other Businesses	19.2	8.9	116
Unallocated	(64.8)	(56.6)	(14)
Total	2,075.0	955.2	117

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EBIT

(pre-exceptionals and excludes discontinued operations)



US\$m	2004	2003	%
Alloys	177.7	54.1	228
Coking Australia	111.6	25.4	339
Thermal Australia	453.5	90.8	399
Thermal South Africa	102.1	21.7	371
Coal	667.2	137.9	384
Australia	275.5	82.2	235
South America	368.8	191.9	92
Copper	644.3	274.1	135
Zinc	68.0	17.7	284
Other Businesses	15.5	6.0	158
Unallocated	(69.9)	(57.8)	(21)
Total	1,502.8	432.0	248

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Alloys – Chrome



US\$m	2004*	2003	%
Turnover	819.3	472.2	74
EBITDA	168.9	78.9	114
EBIT	148.6	61.6	141
Margin %	18.1	13.1	38
Return on capital employed %	25.7	16.2	59
- Sustaining	8.8	2.3	283
- Expansionary	33.7	27.2	24
Capital expenditure	42.5	29.5	44
Attributable saleable production (kt)	1,225.4	1,104.1	11
Indicative average price (USc/lb)**	68.0	46.0	48

*Includes share of Pooling and Sharing Venture
 **Indicative published prices: Metal Bulletin

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Alloys – Vanadium



US\$m	2004	2003	%
Turnover	133.7	70.8	89
EBITDA	34.1	(1.9)	1895
EBIT	29.1	(7.5)	488
Margin %	21.8	(10.6)	306
Return on capital employed %	20.2	(6.0)	437
-Sustaining	1.3	0.7	86
-Expansionary	3.2	4.7	(32)
Capital expenditure	4.5	5.4	(17)
Attributable saleable production			
- Vanadium Pentoxide (k lbs)	21,067	29,029	(27)
- Ferrovandium (k kg)	2,791	7,317	(62)
Indicative published average prices (US\$/lb)*			
- Vanadium Pentoxide (US\$/lb)	6.04	2.22	172
- Ferrovandium (US\$/kg)	27.20	11.47	137

*Published prices: Metal Bulletin

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Coal



US\$m	2004	2003	%
- Coking Australia	358.3	281.5	27
- Thermal Australia	1,587.8	1,066.0	49
- Thermal South Africa	564.0	410.4	37
Turnover (own production)	2,510.1	1,757.9	43
- Coking Australia	144.1	57.3	151
- Thermal Australia	597.1	224.1	166
- Thermal South Africa	174.2	68.5	154
EBITDA	915.4	349.9	162
- Coking Australia	111.6	25.4	339
- Thermal Australia	453.5	90.8	399
- Thermal South Africa	102.1	21.7	371
EBIT	667.2	137.9	384
Margin %	26.6	7.8	241
Return on capital employed %	12.8	3.1	313

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Coal



US\$m	2004	2003	%
- Sustaining	132.3	125.3	6
- Expansionary	172.1	105.4	63
Capital expenditure	304.4	230.7	32
Consolidated production (tonnes, millions)	60.0	60.0	-
- Coking Australia export	4.9	6.3	(22)
- Semi-soft Australia export	6.7	6.5	3
- Thermal Australia export	25.6	24.0	7
- Thermal South Africa export	12.9	13.8	(7)
- Domestic	8.9	10.2	(13)
Consolidated sales (tonnes, millions)	59.0	60.8	(3)
Average FOB export prices:			
- Queensland coking (US\$/t)	65.3	43.5	50
- NSW semi-soft coking (US\$/t)	47.2	30.5	55
- Australian thermal (US\$/t)	40.9	25.2	62
- South African thermal (US\$/t)	39.0	24.9	57

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Copper



US\$m	2004	2003	%
- Australia	874.1	550.5	59
- South America	724.2	506.6	43
Turnover	1,598.3	1,057.1	51
- Australia	369.0	149.5	147
- South America	487.7	332.3	47
EBITDA	856.7	481.8	78
- Australia	275.5	82.2	235
- South America	368.8	191.9	92
EBIT	644.3	274.1	135
Margin %	40.3	25.9	56
Return on capital employed %	36.7	15.6	135
- Sustaining	94.6	48.3	96
- Expansionary*	4.7	33.8	(86)
Capital expenditure*	99.3	82.1	21

*Excludes Las Bambas project acquisition

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Copper



	2004	2003	%
Australia - Ernest Henry:			
Copper in concentrate (t)	114,007	99,422	15
Gold in concentrate (oz)	142,616	122,580	16
Australia – Mt Isa:			
Copper in concentrate from ore	170,197	176,997	(4)
Anode copper (t)	236,252	212,585	11
Refined copper (t)	237,621	211,391	12
South America:			
Copper in concentrate (t)	176,439	198,537	(11)
Gold in concentrate (oz)	583,568	615,556	(5)
Gold in dore (oz)	49,598	54,208	(9)
Average LME copper price (US\$/t)	2,866	1,779	61
Average LME gold price (US\$/oz)	409	364	12

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Zinc (excluding discontinued operations)



US\$m	2004	2003	%
- Zinc Australia	197.0	131.8	49
- Zinc Europe	759.0	593.8	28
- Lead Australia	53.8	33.8	59
- Lead Europe	155.5	155.9	-
Turnover	1,165.3	915.3	27
- Zinc Australia	31.9	4.2	660
- Zinc Europe	87.5	77.0	14
- Lead Australia	12.2	(2.3)	630
- Lead Europe	13.9	15.3	(9)
EBITDA	145.5	94.2	54
- Zinc Australia	15.8	(11.4)	239
- Zinc Europe	46.4	36.3	28
- Lead Australia	(3.8)	(16.0)	76
- Lead Europe	9.6	8.8	9
EBIT	68.0	17.7	284

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Zinc (excluding discontinued operations)



	2004	2003	%
European production:			
Zinc – Asturiana (t)	491,720	479,676	3
Zinc – Nordenham (t)	154,446	147,636	5
Lead – Northfleet (t)	125,938	194,917	(35)
Silver – Northfleet (k oz)	8,976	10,977	(18)
Australian production:			
Zinc – Mt Isa (t)	191,433	169,398	13
Lead – Mt Isa (t)	176,819	160,815	10
Silver – Mt Isa (k oz)	16,023	14,144	13
Zinc – McArthur River (t)	120,465	130,011	(7)
Lead – McArthur River (t)	26,212	28,670	(9)
Silver – McArthur River (k oz)	1,077	1,174	(8)
Average LME Zinc price US\$/t	1,048	828	27
Average LME Lead price US\$/t	886	515	72
Average LME Silver price US\$/oz	6.69	4.88	37

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Balance Sheet Summary



	31.12.04	31.12.03
Intangible assets	1,505.2	1,333.5
Tangible assets	7,858.6	7,614.8
Investment in joint venture	369.2	-
Other investments	87.9	81.0
Total fixed assets	9,820.9	9,029.3
Net current assets	1,320.5	939.0
Non-current creditors	(1,823.1)	(2,247.2)
Provision for liabilities and charges	(662.3)	(621.6)
Net assets	8,656.0	7,099.5
Minority interests	(635.7)	(614.6)
Attributable net assets	8,020.3	6,484.9

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Working Capital



US\$m	Statutory 31.12.04	Pro forma 31.12.03
Stocks	634	673
Debtors	929	702
Creditors	(1,084)	(789)
Working Capital	479	586

- Stocks are lower from the transfer into the PSV and the seasonal nature of zinc concentrate supplies into Europe, partially offset by building of coal stocks, timing of shipments in Lead Europe and Alumbreira.
- Debtors have increased due mainly as a result of stronger commodity prices and exchange rate movements offset in part by delayed shipments at Alumbreira and an Oaky roof fall at the end of 2003. Stock was also sold through the PSV but the funds had not been remitted at year end thereby increasing debtors.
- Creditors have increased due to the increased tax payable from higher earnings in 2004, higher coal royalties payable and exchange rate movements.

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Average Commodity Prices (adjusted for currency changes)



	Unit	Average price 2004	Average price 2003	% Change
Australian FOB export thermal coal	AUD/t	55.5	38.8	43
South African export thermal coal	ZAR/t	250.9	187.7	34
Australian FOB export semi-soft coking	AUD/t	64.1	47.0	36
Australian FOB export coking	AUD/t	88.6	67.0	32
Copper	ARS/t	8,431	5,246	61
	AUD/t	3,889	2,739	42
Lead	AUD/t	1,202	793	52
Zinc	AUD/t	1,422	1,275	12
	Euros/t	842	733	15
Ferrochrome (Metal Bulletin)	ZAR/lb	4.4	3.5	26
Ferrovandium (Metal Bulletin)	ZAR/kg	175.0	86.5	102

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Exchange Rates (against the US\$)



	Average 2004	Average 2003	As at 31.12.04	As at 31.12.03
Australian dollar	0.74	0.65	0.78	0.75
Euro	1.24	1.13	1.36	1.26
South African rand	6.43	7.54	5.67	6.68

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Shares in Issue ('000)

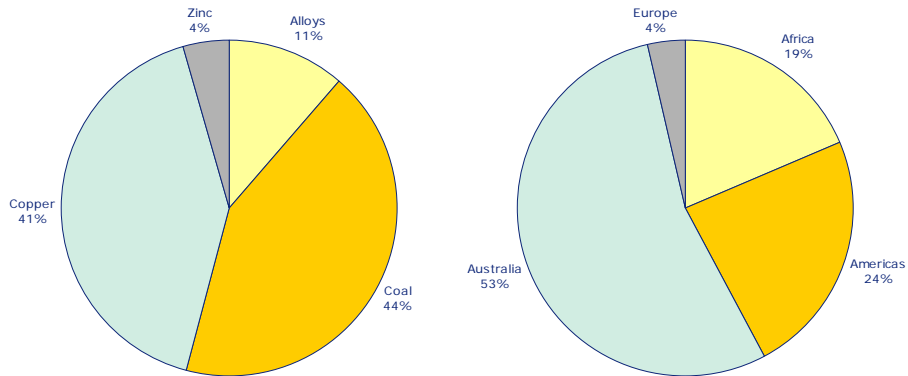


Weighted Ave Issued Share Capital (used for 2004 statutory eps calculations)	626,351 shares
Weighted Ave Issued Share Capital (used for 2003 proforma eps calculations)	628,335 shares
Weighted Ave Issued Share Capital (used for 2003 statutory eps calculations)	440,337 shares
Total Issued Share Capital	631,502 shares

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Attributable EBIT

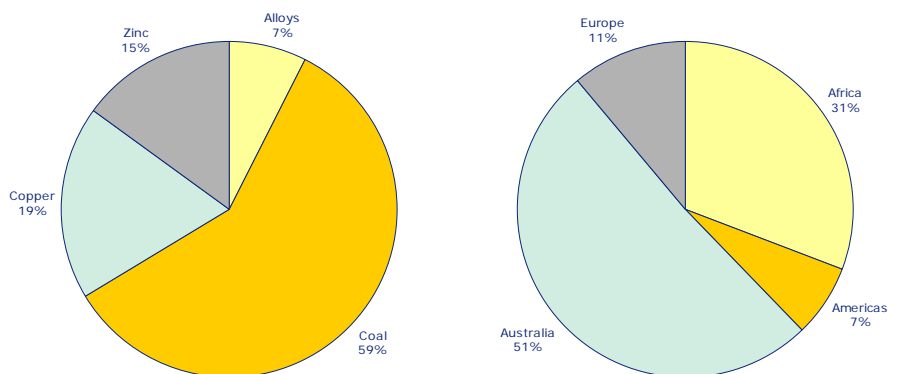
(pre-exceptionals, excluding discontinued operations, other businesses and unallocated)



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Attributable Net Assets

(pre-exceptionals, excluding discontinued operations, other businesses and unallocated)



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