



XSTRATA PLC
PRELIMINARY RESULTS FOR YEAR ENDED 31 DECEMBER 2004

Zug, 2 March 2005

Xstrata plc today announces preliminary results for the twelve months to 31 December 2004.

Key financial results

US\$m	Statutory Year ended 31.12.04	Pro forma Year ended 31.12.03*	% Change
Turnover† **	6,462.4	4,409.6	47
EBITDA (pre-exceptionals)† **	2,075.0	955.2	117
EBIT (pre-exceptionals)†	1,502.8	432.0	248
EBIT	1,495.7	539.9	177
Attributable profit (pre-exceptionals)	1,088.4	164.2	563
Attributable profit	1,052.9	279.2	277
Earnings per share (pre-exceptionals)	174USc	26USc	569
Earnings per share	168USc	45USc	273
Net operating cash flow	1,763.5	830.2	112
Net debt to equity %	16.8%	31.3%	46
Attributable net assets	8,020.3	6,484.9	24
Attributable net assets per share	\$12.80	\$10.34	24
Dividends per share	24USc	20USc	20
<small>* Pro forma includes MIM Group acquisition from 01.01.03. ** Includes share of Pooling and Sharing Venture † Excludes discontinued operations (Avonmouth, Forestry and Magnesium)</small>			

Highlights

- Attributable profit up by 563% to \$1,088 million, on the back of strong commodity prices
- Excellent operational performance, with real cost savings of \$44 million
- Strong free cash flow of \$1.4 billion, with net debt to equity reduced to 16.8% at year end
- Offer for WMC Resources declared unconditional
- Major growth projects underway in all businesses

Mick Davis, Xstrata Chief Executive, commented:

“While much of our improved result is due to significantly higher commodity prices achieved across all of our commodities, it also reflects the fact that the two successive company-transforming acquisitions completed in 2002 and 2003 created the proper base to benefit from the buoyant commodity markets. Indeed, Xstrata ends 2004 in a stronger competitive position than ever before, with increased diversification and scale across its portfolio and improved market positions within its business.

“It is particularly pleasing that despite the increased pressure on costs experienced at times of strong commodity prices, efficiency programmes across the Group achieved savings of over \$191 million, with real cost savings of \$44 million in total, equating to some 1% of the operating cost base.

“On 22 November 2004, Xstrata announced an offer for the entire issued share capital of WMC Resources Limited, a large Australian-listed diversified miner. Now that our offer is unconditional and FIRB approval has been obtained, the decision lies solely in the hands of WMC shareholders. Our offer is due to close at 7.00pm Sydney time on 24 March 2005.

“We remain convinced of the compelling rationale of this acquisition for Xstrata. Our achievements since the acquisition of MIM last year have clearly shown that we have the ability to integrate businesses successfully and that our management structure, with its emphasis on devolving responsibility and authority, empowers our businesses to operate effectively and efficiently.

“Nonetheless, WMC remains just one of a number of options open to Xstrata to further enhance the Company’s position as a value-adding business for its shareholders. Given our range of commodity businesses, we expect that overall 2005 will be another year of strong performance.”

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