



RESTATEMENT OF 2004 FINANCIAL STATEMENTS IN ACCORDANCE WITH INTERNATIONAL FINANCIAL REPORTING STANDARDS ("IFRS")

Zug, 13 May 2005

To comply with European Union legislation, Xstrata has adopted International Financial Reporting Standards (IFRS) from 1 January 2005, as advised in December 2004. Xstrata's Group balance sheet, income statement and cash flow statement for the year ended 31 December 2004 have been restated in accordance with IFRS and are available from the company website at www.xstrata.com.

Reconciliations between IFRS and UK GAAP are also provided, together with an explanation of principal changes to Xstrata's accounting policies and of the effect of adopting IFRS on earnings and the balance sheet. Attention is also drawn to the announcement dated 16 December 2004 entitled *Adoption of International Financial Reporting Standards*, which provides further details about the key impacts of the adoption of IFRS on Xstrata's earnings and balance sheet.

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