



NEWS RELEASE

**STATEMENT RE: INDUSTRIAL ACTION AT RUSTENBURG AND
WONDERKOP OPERATIONS**

Rustenburg, 3 August 2005

In recent days there have been a number of factual inaccuracies reported in the media and elsewhere about the offer Xstrata has made to employees in respect of wages and other benefits. The wage offers made to employees have been accepted at all Xstrata Alloys sites with the exception of some NUMSA members at Wonderkop and Rustenburg.

- The final offer made to the NUMSA remains the same as the offer made to all other employees at Rustenburg and Wonderkop. This offer has already been accepted by non-union members, other union members and a number of NUMSA members at these operations.
- This offer has not been withdrawn and remains open for the Union to accept at any time. If the offer is accepted by the Union, the implementation date will be the date on which we receive the Union's written acceptance.
- At the start of the week Xstrata Alloys met with the Union and offered to maintain medical, insurance and provident fund benefits for all employees participating in the industrial action, notwithstanding the 'no work, no pay' principle being applied to other forms of remuneration. We are awaiting the Union's response.

Peet Nienaber, Xstrata Alloys Chief Executive said:

"Unfortunately, there have been a number of distressing incidents connected with the industrial action at Wonderkop and Rustenburg over the past few days, where employees who have reported for work have been attacked. We have appealed to all employees and to any other parties participating in the strike to act responsibly, lawfully and safely. It is our priority to ensure the safety of all our employees, whether at work or participating in the strike, and we will therefore continue to work closely with the relevant authorities and the South African Police Services to ensure that employees are protected.

"Xstrata also remains committed to working with the Union through peaceful negotiations to reach an acceptable solution to the current situation. We hope that all employees will consider and accept our offer, which is more generous than other recent settlements in South Africa and which includes full medical cover, full insurance and full provident fund benefits."

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