



Zug, 10 August 2005

Xstrata plc, the global diversified mining and metals group, today announces interim results for the six months ended 30 June 2005.

Key Financial Results

\$m	Six months to 30.06.05	Six months to 30.06.04†	% Change
Revenue	3,765.7	2,936.4	28
EBITDA (operating)*	1,358.0	903.7	50
Operating profit**	1,079.0	619.0	74
EBIT	1,063.9	616.0	73
Attributable profit (operating)***	763.8	425.2	80
Attributable profit	797.1	461.3	73
Earnings per share (operating) ‡	\$1.23	\$0.68	81
Earnings per share	\$1.28	\$0.74	73
Cash generated from operations	1,136.7	796.6	44
Net debt to equity %	18.6%	29.5%	37
Net assets	7,255.0	6,044.3	20
Net assets per share	\$11.86	\$9.63	23
Dividends declared and paid per share	16.0US¢	13.3 US¢	20
Dividends proposed	9.0US¢	8.0 US¢	13

* Previously disclosed as EBITDA (pre-exceptionals) in UK GAAP Interim and Annual Reports
 ** Previously disclosed as EBIT (pre-exceptionals) in UK GAAP Interim and Annual Reports
 *** Previously disclosed as Attributable profit (pre-exceptionals) in UK GAAP Interim and Annual Reports
 ‡ Previously disclosed as Earnings per share (pre-exceptionals) in UK GAAP Interim and Annual Reports
 † As restated for the effect of the transition to International Financial Reporting Standards (IFRS) with the exception of IAS 32 and IAS 39 whereby Financial instruments and hedges have continued to be accounted for under UK GAAP prior to 1 January 2005 (refer to notes 4, 5 and 7 in the financial statements)

Highlights

- Attributable profit (operating) up by 80% to \$763.8 million, boosted by higher prices for all of Xstrata's commodities
- Operating cost base reduced by \$5 million despite significant cost pressures particularly in energy costs, freight, fuel and reductants
- Free cash flow of \$700 million, despite a 53% increase in sustaining capital expenditure, with net debt reduced to 18.6% (net debt to equity)

- \$228 million returned to shareholders in the first half through the equity capital management programme. which has continued into the second half
- Major internal growth projects in coal and ferrochrome on schedule and on budget with increased optionality for future growth from the portfolio
- Demand remains strong across all major commodities; for bulk traded commodities robust prices are extending well into 2006

Commenting on the results, Xstrata Chief Executive Mick Davis said:

“Following on from the marked increases in profitability experienced in the first half of 2004 and an exceptional full year result, Xstrata’s businesses again achieved strong growth in revenues and, in particular, in profits. The capacity of our businesses to continue to strip out operating costs in real terms, even in this environment of rampant cost inflation across our industry, is distinctive and continues to deliver real value to shareholders. Efficiency programmes across the Group reduced unit costs in real terms by over \$5 million, an impressive achievement against the backdrop of a \$46 million increase, over and above inflation, in the cost of fuel, freight and consumables alone.

“As we move into the second half of the year, demand remains strong across all our major commodities and in our bulk traded commodities this price strength is already extending well into 2006. In the current period, Xstrata will benefit from the stronger prices we have already secured in our coal business, the negative movement of key local currencies against the US dollar, the production increases in our coal business from the Rolleston project and in copper from Mount Isa, and the significant growth and efficiency gains being delivered in our Australian zinc business. In addition, we remain alert to acquisition opportunities that may have a profound positive impact on our scale, diversity and rating in the investment market.

“As a consequence, we expect 2005 to be a very good year. Xstrata remains well positioned to develop our existing options and to capture additional optionality, both of which I have no doubt will create further value into 2006 and beyond.”

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