



NEWS RELEASE

PRODUCTION REPORT FOR 12 MONTHS ENDED 31 DECEMBER 2007

Zug, 25 February 2008

Highlights:

- Record annual production achieved at Xstrata's coking and thermal coal, ferrochrome, nickel, zinc mining and platinum operations
- Record copper production in the second half, with particularly strong operating performances from Tintaya, Ernest Henry and Collahuasi, compensated for lower first-half volumes
- Production of Australian coking, semi-soft coal and South African thermal coal up by over 20%, benefiting from lower-cost production from the new Wollombi, 5-Seam and Goedgevonden pits
- Full year of Mototolo JV and start-up of newly acquired Elandsfontein operation boosted PGM production to over 83,000 ounces
- Expansion of existing operations including Raglan (nickel), Rolleston and Cerrejon (both thermal coal), McArthur River Mine and Mount Isa concentrator (both zinc-lead) further boosted volumes
- Strong operating performance achieved despite north Chile earthquakes, flooding in Australia and the Dominican Republic, SAG mill failures at Antamina and Collahuasi and a fire at Mount Isa

Xstrata Alloys

Following the successful commissioning of the Lion smelter in 2006, saleable production of ferrochrome in 2007 rose by 27% compared to the previous year, to set a new production record. The vanadium business reported a 13% decline in production volumes following planned maintenance work to re-line the kiln, mining difficulties and a shortage of vanadium-rich spinel during the second half of the year.

The first full year of production from the Mototolo PGM joint venture together with the start-up of the newly acquired Elandsfontein operation markedly increased attributable PGM production to 83,180 ounces in 2007 from 9,680 ounces in 2006.

PRODUCTION DATA

	Statutory Year ended 31.12.07	Statutory Year ended 31.12.06
Chrome* Attributable saleable production Ferrochrome (kt)	1,219	959
Vanadium** Attributable saleable production V ₂ O ₅ (k lbs) Ferrovanadium (k kg)	18,870 4,280	21,651 4,907
Platinum*** Attributable saleable production Platinum (oz) Palladium (oz) Gold (oz) Rhodium (oz)	47,699 27,136 616 7,729	5,428 3,249 83 920

* Including Xstrata's 79.5% and c. 81.3% share of the Xstrata-Merafe Chrome Venture in 2007 and 2006 respectively

** Including 100% of vanadium production

*** Including Xstrata's 37% share of the Mototolo JV and 74% share of Eland Platinum

Xstrata Coal

Boosted by a 20% increase in volumes at South African operations following the ramp up of Goedgevoonden, new production from the 5 Seam open cut operation and from Xstrata's increased share in ATC/ATCOM, total consolidated thermal coal production rose by 6%.

In Colombia, Xstrata Coal's share of production increased by 4% over the prior year, in line with Cerrejón's expansion to 32 million tonnes per annum. Production in New South Wales shifted to higher margin semi-soft products, resulting in a 21% growth in semi-soft production, while overall Australian thermal production was slightly lower on a consolidated basis, mainly due to adverse weather conditions. A planned reduction in thermal volumes from Queensland's NCA Complex was offset by continued growth at Rolleston.

A combination of increased coking coal production at the new Newlands Wollombi pit and productivity improvements at Oak Creek resulted in a 21% increase in overall coking coal production for the year.

PRODUCTION DATA

(million tonnes)	Statutory Year ended 31.12.07	Pro forma [†] Year ended 31.12.06
Total consolidated production*	82.8	76.5
Total thermal coal	69.6	65.6
Thermal Australia	35.0	35.6
Thermal South Africa	24.7	20.5
Thermal Americas	9.9	9.5
Coking Australia	6.8	5.6
Semi-soft Australia	6.4	5.3

† Pro forma including Cerrejón acquisition from 01.01.06

* Including Xstrata Coal's proportionate share of joint ventures and 100% of subsidiaries

Xstrata Copper

Following a strong second half performance, Xstrata Copper produced just under one million tonnes of mined copper, 2% lower than the previous year's pro forma output. Production benefited from strong operating performances at Tintaya, Ernest Henry and an excellent second-half performance at Collahuasi, which compensated for a 46-day shutdown in the first half to replace the stator in the main SAG mill. These achievements offset the impact of lower grades at Mount Isa and Alumbraera, reduced throughput at the Kidd mine, lower grade copper-zinc ores and a SAG mill failure at Antamina and the impact of fourth quarter earthquakes and lower grades at Lomas Bayas.

Total gold volumes were in line with the previous year as lower grades at Alumbraera were largely offset by higher volumes and grades at Ernest Henry.

Expansions of the Townsville refinery improved cathode production, but was offset by lower throughput at Lomas Bayas and at the CCR refinery, where operations were impacted by industrial action.

PRODUCTION DATA

	Statutory Year ended 31.12.07	Pro forma [†] Year ended 31.12.06
Argentina – Alumbraera*		
Material mined (t)	109,925,781	112,162,343
Ore mined (t)	25,617,080	31,001,345
Copper head grade (%)	0.56	0.56
Gold head grade (g/t)	0.67	0.71
Ore treated (t)	38,606,768	36,349,692
Concentrate produced (t)	697,525	678,690
Copper in concentrate (t)	180,223	180,144
Gold in concentrate (oz)	540,788	567,744
Gold in doré (oz)	74,372	73,414
Total gold (oz)	615,160	641,158
Australia – Ernest Henry		
Material mined (t)	40,388,117	59,217,847
Ore mined (t)	11,547,835	10,754,485
Copper head grade (%)	0.94	0.89
Gold head grade (g/t)	0.47	0.44
Ore treated (t)	11,114,286	10,300,686
Concentrate produced (t)	326,857	287,888
Copper in concentrate (t)	95,846	83,968
Gold in concentrate (oz)	123,305	105,563
Australia – Mount Isa		
Ore mined (t)	6,008,567	6,192,980
Copper head grade (%)	3.12	3.42
Ore treated (t)	6,059,744	6,129,366
Concentrate produced from ore (t)	679,948	765,229
Copper in concentrate from ore (t)	172,552	194,135

Anode copper (t)	217,907	212,721
Refined copper (t)	231,959	209,188
Canada – Kidd Creek mine copper		
Ore mined (t)	2,346,260	2,515,978
Copper head grade (%)	2.10	2.05
Ore treated (t)	2,364,603	2,633,041
Concentrate produced (t)	163,130	178,929
Copper in concentrate (t)	46,615	50,405
Zinc in concentrate (t)	94,178	114,984
Copper cathode (t)	127,784	127,900
Canada – Horne		
Concentrate treated (t)	796,639	843,246
Copper anode (t)	177,289	184,989
Canada – CCR Refinery		
Refined copper (t)	319,552	368,319
Chile – Collahuasi**		
Material mined (t)	79,982,760	75,754,993
Ore mined (t)	27,266,800	23,744,632
Copper head grade (%)	1.10	1.00
Ore milled (t)	19,219,139	18,193,120
Concentrate produced (t)	592,234	577,453
Copper in concentrate (t)	173,303	167,289
Copper cathode (t)	25,593	26,320
Chile – Lomas Bayas		
Material mined (t)	47,997,375	41,658,631
ROM leach (t)	22,441,476	14,340,308
ROM copper grade (%)	0.25	0.23
Heap leach (t)	13,098,070	14,368,013
Heap copper grade (%)	0.41	0.49
Copper cathode (t)	61,401	64,312
Chile – Altonorte		
Copper anode (t)	272,846	281,992
Peru – Antamina Copper***		
Material mined (t)	39,115,169	39,472,731
Ore mined (t)	12,337,415	11,196,359
Copper head grade (%)	1.21	1.38
Ore treated (t)	10,521,097	10,211,297
Copper concentrate produced (t)	383,109	458,186
Copper in concentrate (t)	111,347	129,675
Peru – Tintaya		
Material mined (t)	76,453,827	71,619,469
Ore mined (t)	11,766,019	10,738,711
Ore milled (t)	6,766,802	6,555,955

Copper grade in ore milled (%)	1.44	1.35
Gold grade in ore milled (g/t)	0.36	0.33
Concentrate produced (t)	251,094	243,146
Copper in concentrate (t)	83,802	78,318
Gold in concentrate (oz)	38,792	40,093
Copper cathode (t)	35,982	36,729
Total mined copper (t) (contained metal)	986,663	1,011,295
Total mined gold (oz) (contained metal)	777,257	786,813
Total copper cathode (t)	802,271	832,768

† Pro forma including Falconbridge and Tintaya acquisitions from 01.01.06

* On 100% consolidated basis

** Including Xstrata Copper's 44% share of Collahuasi

*** Including Xstrata Copper's 33.75% share of Antamina

Xstrata Nickel

Xstrata Nickel's mined nickel production was slightly higher than in 2006. Lower grades at the Sudbury and Montcalm operations were offset by increased volumes due to the Raglan expansion. The decrease in grades also impacted mined copper and cobalt production.

Record production rates of nickel in matte by the Sudbury smelter were primarily due to higher levels of concentrate received from the Raglan mine and feed from third parties. The Nikkelverk refinery also produced record refined nickel due to increased volumes of feed.

Ferronickel production declined slightly, down by 2% on the prior period, as a result of lower volumes mined at the Falcondo operation. The interruption to production caused by Tropical Storm Noel and related flooding was offset by delaying a scheduled maintenance shutdown from November 2007 to the second quarter of 2008.

PRODUCTION DATA

	Statutory Year ended 31.12.07	Pro forma [†] Year ended 31.12.06
North America – Sudbury Operations		
Ore mined (t)	1,866,022	1,891,938
Nickel head grade (%)	1.04	1.11
Copper head grade (%)	1.10	1.20
Ore treated (t)	2,177,105	2,257,755
Nickel in concentrate (t)*	19,757	21,869
Nickel in matte (t)*	67,576	61,066
Copper in concentrate (t)*	21,853	26,184
Copper in matte (t)*	21,978	20,964
Cobalt in concentrate (t)*	620	671
Cobalt in matte (t)*	2,498	2,367
North America – Montcalm		
Ore mined (t)	929,251	875,734
Nickel head grade (%)	1.34	1.50
Copper head grade (%)	0.66	0.75
Ore treated (t)	940,853	890,845
Nickel in concentrate (t)	10,140	10,900
Copper in concentrate (t)	5,443	5,680

Cobalt in concentrate (t)	404	431
North America – Raglan		
Ore mined (t)	1,127,383	1,001,890
Nickel head grade (%)	2.58	2.56
Copper head grade (%)	0.73	0.74
Ore treated (t)	1,153,582	1,062,391
Nickel in concentrate (t)	26,059	23,704
Copper in concentrate (t)	6,729	6,281
Cobalt in concentrate (t)	523	486
Dominican Republic – Falcondo**		
Ore mined (t)	4,062,530	4,096,216
Nickel mine head grade (%)	1.16	1.14
Upgraded ore treated (t)	2,563,961	2,659,780
Upgraded ore grade (%)	1.36	1.35
Nickel in ferronickel (t)	29,130	29,675
Europe – Nikkelverk		
Nickel metal (t)	87,590	81,974
Copper metal (t)	34,212	39,657
Cobalt metal (t)	3,939	4,927
Total mined nickel (t) (contained metal)	52,108	51,674
Total mined ferronickel (t) (contained metal)	29,130	29,675
Total mined copper (t) (contained metal)	31,425	33,116
Total mined cobalt (t) (contained metal)	1,412	1,420

† Pro forma including Falconbridge acquisition from 01.01.06

* Including production from ore and other feed purchased from third party mines and smelters

** On 100% consolidated basis

Xstrata Zinc

Xstrata Zinc's total zinc in concentrate production increased by 10% in 2007 over the previous year to set a new mined zinc production record. This was achieved through the start-up of Lennard Shelf, increased production from the Mount Isa concentrator and McArthur River open pit expansion and higher zinc volumes at Antamina due to the higher proportion of zinc in ore mined. Brunswick mine's zinc output dropped by 7% due to lower head grades and mine output, whilst increased production at Mount Isa was partially offset by a production loss of approximately 13,000 tonnes of zinc in concentrate and 7,000 tonnes of lead in concentrate following a fire at the zinc-lead concentrator in September.

Zinc metal production declined modestly during the year, following reduced smelter performance due to the failure of a transformer at the San Juan de Nieva smelter in Spain and a 21-day maintenance shutdown at the Kidd zinc hydrometallurgical plant.

Lower head grades at the Mount Isa and Brunswick operations, partially offset by increased volumes at McArthur River, resulted in a 2% decrease in total lead in concentrate produced in 2007. Lead metal production fell by 18% due to lower Mount Isa sourced lead and lower volumes from third-party suppliers to Northfleet (BRM).

PRODUCTION DATA

	Statutory Year ended 31.12.07	Pro forma [†] Year ended 31.12.06
Australia – Mount Isa		
Ore mined (t)	5,120,651	4,717,178
Zinc head grade (%)	6.5	6.6
Lead head grade (%)	3.3	3.9
Silver head grade (g/t)	69.1	80.4
Ore treated (t)	4,986,078	4,566,808
Zinc in concentrate (t)	226,529	209,914
Lead in concentrate (t)	104,381	108,590
Lead in lead/silver bullion (t)	125,572	118,311
Lead in purchased concentrate (t)	31,560	9,123
Silver in crude lead (koz)	7,533	6,273
Silver in purchased concentrate (koz)	4,042	1,220
Australia – McArthur River		
Ore mined (t)	1,961,347	1,885,396
Zinc head grade (%)	10.2	10.9
Lead head grade (%)	4.2	4.2
Ore treated (t)	1,886,627	1,781,553
Zinc in concentrate (t)	137,737	135,538
Lead in concentrate (t)	33,040	30,089
Silver in concentrate (koz)	1,184	1,149
Australia – Lennard Shelf*		
Zinc in concentrate (t)	21,045	-
Lead in lead concentrate (t)	6,197	-
Europe – San Juan de Nieva		
Zinc metal (t)	478,031	502,834
Europe – Nordenham		
Zinc metal (t)	150,222	151,475
Europe – Northfleet		
Mount Isa sourced lead (t)	111,974	133,990
Other lead (t)	7,417	28,747
Total lead (t)	119,391	162,737
Mount Isa refined silver (koz)	5,808	8,183
Total silver (koz)	5,808	8,183
North America – Brunswick		
Ore mined (t)	3,437,265	3,548,955
Zinc head grade (%)	8.4	8.7
Lead head grade (%)	3.3	3.4
Silver head grade (g/t)	105	108
Ore treated (t)	3,411,156	3,562,523
Zinc in zinc concentrate (t)	230,991	244,247
Zinc in bulk concentrate (t)	20,804	27,591
Lead in bulk concentrate (t)	16,926	17,055
Lead in lead concentrate (t)	53,191	62,376
Lead in lead concentrate to smelter (t)	54,238	56,974
Lead in other feeds to smelter (t)	16,539	15,959
Total refined lead (t)	70,777	67,846
Silver in bulk concentrate (koz)	1,094	1,112
Silver in lead concentrate to smelter (koz)	2,643	2,577
Silver in other feeds to smelter (koz)	2,336	4,222
Total silver in doré (koz)	4,979	6,814

North America – CEZ refinery **		
Zinc metal (t)	72,924	73,196
North America-Kidd Creek		
Zinc metal (t)	142,549	150,995
Peru - Antamina Zinc***		
Ore mined (t)	12,337,415	11,196,359
Zinc head grade (%)	1.2	0.7
Ore treated (t)	10,521,090	10,211,297
Zinc in concentrate (t)	98,449	52,691
Total zinc in concentrate production (t)	735,555	669,981
Total zinc metal production (t)	843,726	878,500
Total lead in concentrate production (t)	213,735	218,110
Total lead metal production (t)	190,168	230,583

† Pro forma including Falconbridge acquisition from 01.01.06

* Including Xstrata Zinc's 50% share of Lennard Shelf

** Including Xstrata Zinc's 25% share of CEZ

*** Including Xstrata Zinc's 33.75% share of Antamina

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Notes to editors

About Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges, with its headquarters in Zug, Switzerland. Xstrata's businesses maintain a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with additional exposures to platinum group metals, gold, cobalt, lead and silver, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 18 countries: Argentina, Australia, Brazil, Canada, Chile, Colombia, the Dominican Republic, Germany, New Caledonia, Norway, Papua New Guinea, Peru, the Philippines, South Africa, Spain, Tanzania, the USA and the UK. Xstrata employs approximately 50,000 people, including contractors.