



NEWS RELEASE

Zug, 5 May 2009

INTERIM MANAGEMENT STATEMENT AND Q1 PRODUCTION REPORT

Highlights

- Successful 2 for 1 rights issue enabled \$3.7 billion of debt to be repaid and secured a robust balance sheet
- Acquisition of world-class, cash-generative Prodeco coal operations in Colombia for a consideration of \$2 billion, effective from 1 January 2009
- Thermal and coking coal, nickel, platinum, zinc in concentrate and lead metal production volumes increased in the first quarter compared to the same period in 2008:
 - Thermal coal volumes boosted by production from Prodeco operations
 - Better operating conditions at Queensland operations and improved volumes at Tahmoor led to a 20% increase in coking coal production
 - Production from the new Perseverance mine in Canada and improved operational performance at a number of operations supported a 21% increase in zinc in concentrate production
- In January, the Xstrata-Merafe Chrome Venture announced the suspension of an additional six ferrochrome furnaces to bring total suspended ferrochrome production to 80% of annual operating capacity
- In February, Xstrata Zinc's McArthur River Mine in Australia received final approval for its open-pit development
- As part of an ongoing response to the economic downturn, Xstrata's businesses undertook a number of pro-active initiatives during the period to optimise our operations, including:
 - In February, Xstrata Nickel placed its Fraser complex on care and maintenance, reduced Strathcona mill production and deferred the Fraser Morgan project at Sudbury;
 - Xstrata Zinc restructured its operations at Mount Isa to reduce capital and operating costs while increasing metal production. In late February, Handlebar Hill was placed on care and maintenance and is being replaced by increased production from the higher-grade George Fisher underground mine and the large-scale, lower-cost Black Star open cut mine

- o Xstrata Copper suspended operations at the copper smelter at the Kidd metallurgical operation for eight weeks from mid-April in response to weak market conditions for sulphuric acid
- o In April, Xstrata Nickel Australasia announced it would defer the development of the underground mine at the Sinclair operation. The open pit operation will continue until August as scheduled, when the operation will be placed on care and maintenance

The Group's financial position has been strengthened through the successful rights issue during the period, the net proceeds of which were used to repay existing debt. Consequently gearing (defined as net debt to net debt plus equity) has fallen to 30%. Additionally, Xstrata has no significant debt refinancing requirements until 2011.

Xstrata plc will announce half-yearly results for the period from 1 January to 30 June 2009 on 4 August 2009

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This Interim Management Statement has been prepared solely to provide additional information to shareholders as a body to meet the relevant requirements of the UK Listing Authority's Disclosure and Transparency Rules and should not be relied on by any other party or for any other purpose.

Q1 2009 PRODUCTION DATA

Xstrata Alloys

Chrome production fell by 76% compared to the same period in 2008, due to the suspension of 17 of 20 furnaces, equivalent to some 80% of annual production capacity. Destocking continues in the stainless steel sector in response to weak demand. The Lion and Lydenburg smelters continue to operate and benefit from low operating costs and improved energy efficiency due to Xstrata's proprietary Premus technology.

Platinum volumes increased by 18% compared to the same period last year, mainly due to increased supply of 113,000 tonnes of UG2 ore to the mill and improved feed grade at Eland, resulting in higher recoveries. The improvement in production was offset slightly by a combination of heavy rainfall, which halted production at Eland for several days and adverse ground conditions at Mototolo, which affected the head grade.

Chrome	Q1 2009	Q1 2008	Year ended 31.12.08
Attributable saleable production (kt)	73	305	1,126
Indicative average published price (US¢/lb) (<i>Metal Bulletin</i>)	79.0	121.0	175.8

Vanadium	Q1 2009	Q1 2008	Year ended 31.12.08
Consolidated* saleable ferrovanadium production (k kg)	731	1,057	3,622
Consolidated* saleable vanadium pentoxide (k lb)	3,540	4,520	16,604
Indicative average published price ferrovanadium (US¢/kg) (<i>Metal Bulletin</i>)	24.7	68.0	61.2
Indicative average published price vanadium pentoxide (US¢/lb) (<i>Metal Bulletin</i>)	6.1	12.6	13.5
* Consolidated 100%			

Platinum Group Metals	Q1 2009	Q1 2008	Year ended 31.12.08
Consolidated** saleable production (oz)			
Platinum	32,985	28,414	138,098
Palladium	15,931	13,705	65,774
Rhodium	4,881	3,348	18,644
Average London Platinum & Palladium Market (\$/oz)			
Platinum	1,023	1,892	1,578
Palladium	199	447	353
Rhodium	1,121	8,151	6,483
** Consolidated 100% of Eland and 50% of Mototolo			

Xstrata Coal

Total consolidated production for the first quarter of 2009 increased by 1.4 million tonnes, or 7.7% on the corresponding period in 2008, due to the inclusion of production from the newly acquired Prodeco operations, which contributed 2.4 million tonnes since the effective date for the transaction of 1 January 2009. Volumes from Prodeco partially offset lower volumes from the South African operations, down by 15% compared to the first quarter last year. The new Goedgevonden operation continues to ramp up, but its contribution was offset by the impact of the planned closure of the iMpunzi Underground operation in 2008, and adverse geotechnical issues at the underground mines. Production from Xstrata Coal's Australian operations and at the non-managed Cerrejón operation in Colombia was consistent with the comparable period in 2008.

Coking coal volumes increased by 20% to 1.2 million tonnes, predominantly due to improved operating conditions following severe weather disruptions last year and increased volumes from the Tahmoor operation in New South Wales. The longwall at Oaky No 1 remains suspended. Semi-soft production volumes declined in the first quarter of 2009 by 0.4 million tonnes, or 23%, due to the timing of a longwall changeout at United.

Despite the moderation of coal prices in 2009 from the record levels in 2008, average coal prices in the first quarter reflected the benefit of contracted sales carried over from 2008, although this is only partially evident in average coking coal prices for the first quarter, due to delays to the offtake of carry-over tonnes.

Production Data	Q1 2009	Q1 2008	Year ended 31.12.08
Total consolidated production (million tonnes)	19.9	18.5	85.5
Total thermal coal	17.4	15.8	73.3
Australian thermal	7.8	7.8	40.2
South African thermal*	4.6	5.4	22.7
Americas thermal**	5.0	2.6	10.4
Australian coking	1.2	1.0	6.9
Australian semi-soft coking	1.3	1.7	5.3
Average received export FOB coal price (\$/t)			
Australian thermal	103.5	65.3	95.6
South African thermal	72.8	68.4	78.4
Americas thermal	78.6	65.1	80.9
Australian coking	169.9	132.8	232.5
Australian semi-soft coking	194.9	71.4	157.5
* For production reporting DTJV is included for the full three months to March 2009. For financial reporting DTJV will be excluded from Xstrata Coal's ex-mine results as a result of the DTJV re-structuring announced on 3 March 2008			
** The recently acquired Prodeco operations have been included for the full 3 months to March 2009			

Xstrata Copper

Total mined copper production was marginally lower than the corresponding period last year. Production declined significantly at the Ernest Henry open pit operation in North Queensland as the mine reached an anticipated lower grade zone, exacerbated by the impact in the mine of heavy wet season rain. Production at Tintaya also decreased to a lesser extent, due to planned lower grades.

All other Xstrata Copper operations increased output, notably at Lomas Bayas following the expansion of the operation in 2008, at Collahuasi as a result of improved volumes through the mill and higher copper recoveries and at Mount Isa and Kidd due to higher grades and increased mill throughput.

Total gold production decreased by 18% mainly due to lower production at Ernest Henry but also expected lower gold grades at Alumbra.

Copper cathode production was constrained in the quarter as a consequence of flooding in North Queensland causing anode transport delays from Mount Isa to Townsville, as well as a global slump in demand for sulphuric acid leaving the Canadian custom smelters overstocked with acid and unable to process all of the available third party concentrates.

Production Data	Q1 2009	Q1 2008	Year ended 31.12.08
Total mined copper production (t) (contained metal)	217,092	219,978	952,426
Total mined gold production (oz) (contained metal)	144,746	177,172	687,212
Total copper cathode (t) (from mined and third party material)	186,555	204,808	806,782
Average LME copper price (US\$/t)	3,428	7,796	6,956
Average LBM gold price (US\$/t)	908	927	872

Xstrata Nickel

Total mined nickel production in the first quarter of 2009 increased by 29% compared to the same period last year, due to higher volumes from Xstrata Nickel Australasia (XNA), improved volumes and grades at Raglan and high-grade ores from initial production at the Nickel Rim South project in Sudbury.

Mined nickel production at the Sudbury operations increased by 10% as first production from the Nickel Rim South project more than offset the impact of the Sudbury restructuring announced in February 2009. At Raglan, higher volumes and head grades contributed to a 22% increase in nickel in concentrate production compared to the first quarter of 2008, when production was also impacted by severe weather and a planned shutdown. Despite global economic conditions impacting other nickel producers, thereby reducing third party feed volumes to the Sudbury Smelter, nickel production at the Nikkelverk refinery was only 1% lower compared to the same period last year.

In response to continued weak demand for nickel, Xstrata Nickel undertook a number of restructurings, including transitioning the end-of-life, high cost operations at Craig, Thayer-Lindsley and the Fraser complex in Sudbury into care and maintenance to focus on completing the world-class Nickel Rim South project. Head grades declined at Montcalm, resulting in a 28% decline in mined nickel. The operation was suspended from late March following unplanned underground movements that necessitated a geotechnical review to ensure the safety of the operation. In early April 2009, XNA announced that underground development at Sinclair would be deferred until economic conditions improve while the open-pit operations will continue to operate as planned until August. The Falcondo ferronickel operation in the Dominican Republic remains on care and maintenance.

The option to pursue increased production when market conditions improve remains intact in Sudbury's Fraser Morgan project and XNA's Sinclair underground development.

Production Data	Q1 2009	Q1 2008	Year ended 31.12.08
Total mined nickel production (t) (contained metal)	15,203	11,785	54,523
Total mined ferronickel production (t) (contained metal)	-	6,866	18,782
Total mined copper production (t) (contained metal)	7,403	6,789	27,703
Total mined cobalt production (t) (contained metal)	398	315	1,341
Total refined nickel production (t) (payable metal)*	21,412	28,531	107,523
Average LME nickel price(US\$/t)	10,466	28,957	21,104
Average LME copper price (US\$/t)	3,428	7,796	6,956
Average Metal Bulletin cobalt low grade price (US\$/lb)	12.02	45.63	35.16

* includes payable nickel in ferronickel production in 2008

Xstrata Zinc

Zinc in concentrate production increased by 21% in the first quarter of 2009 compared to the same period in 2008. Output increased due to the inclusion of the new Perseverance mine in Canada, which commenced production on 1 July 2008, and as a result of improved volumes at the majority of Xstrata Zinc's operations.

Total zinc metal production was 7% lower due to reduced production at the Kidd smelter in Canada, where a refractory failure resulted in a three week shutdown of roaster number 2. Lead in concentrate production declined by 23% during the first quarter mainly due to prolonged rain and flooding throughout North Queensland which impacted throughput at the Mount Isa concentrator. Lead metal production was 7% higher than the comparable period in 2008, as higher volumes of lead bullion from Mount Isa were refined at the Northfleet operation in the UK.

Production Data	Q1 2009	Q1 2008	Year ended 31.12.08
Total zinc in concentrate production (t)	221,729	182,702	861,033
Total zinc metal production (t)	190,310	205,682	795,565
Total lead in concentrate production (t)	49,824	64,572	251,496
Total lead metal production (t)	61,267	57,374	220,391
Average LME zinc price (US\$/t)	1174	2,426	1,870
Average LME lead price (US\$/t)	1160	2,891	2,084