



NEWS RELEASE

Zug, 20 October 2009

INTERIM MANAGEMENT STATEMENT AND Q3 PRODUCTION REPORT

Highlights

- Increased volumes of thermal and semi-soft coal, PGMs, refined nickel, zinc in concentrate and lead metal compared to third quarter of 2008
- In response to improving demand in the second half of the year, Xstrata Alloys increased ferrochrome capacity utilisation from 60% in early July to approximately 85% by the end of the third quarter. The European benchmark ferrochrome price was settled at \$1.03 per pound for the fourth quarter, a 16% increase on the previous quarter
- On 12 October, Xstrata Copper announced a formal sale agreement with Barrick Gold Corporation for Xstrata's 70% interest in the El Morro copper-gold project for a total cash consideration of \$465 million
- The ATCOM East thermal coal project in South Africa gained Xstrata plc Board approval in October. The project will be integrated into Xstrata Coal's existing ATCOM infrastructure and produce around 5.7 million tonnes per annum of run of mine production and 3.1 million tonnes per annum of saleable thermal coal for a capital commitment of approximately \$407 million
- On 15 October, Xstrata Copper announced a \$293 million investment to increase the life of Lomas Bayas in Chile by eight years to 2020, sustaining production capacity at the recently expanded rate of 75,000 tonnes per year of copper cathode
- On 20 October, Xstrata Copper announced a revised Mineral Resource estimate for the Tampakan copper-gold project in the Philippines with significantly improved confidence levels, including a 25% increase in Measured tonnes and a 12% increase in Measured and Indicated tonnes
- In June 2009, Xstrata approached the Board of Anglo American seeking engagement to discuss a merger of the two companies to create a new mining super-major with the scale and diversity to compete in the evolving global mining sector. In response to the deadline of 20 October set by the UK Takeover Panel, on 15 October Xstrata announced that it has no intention of making an offer for Anglo American.

In the period from 1 July 2009, Xstrata's operating and financial performance continues to be strong and the company's financial position remains robust. Xstrata's preliminary results for the year ending 31 December 2009 will be announced on 8 February 2010.

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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.

About Xstrata plc

Xstrata is a global diversified mining group, listed on the London and Swiss Stock Exchanges. Headquartered in Zug, Switzerland, Xstrata maintains a meaningful position in seven major international commodity markets: copper, coking coal, thermal coal, ferrochrome, nickel, vanadium and zinc, with a growing platinum group metals business, additional exposures to 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 19 countries.

Q3 2009 PRODUCTION DATA

Xstrata Alloys

Ferrochrome production was 20% lower in the third quarter compared to the same period in 2008, as a result of the ongoing suspension of production capacity in response to market conditions. Production was progressively increased to 60% of total capacity in early July and to approximately 85% by the end of the third quarter in response to improved demand.

During the third quarter, the Rand continued to strengthen against the US dollar and is currently trading near to a 14 month high. The strong Rand has resulted in margins remaining under pressure and subsequently ferrochrome producers have achieved a 16% increase in pricing. The European benchmark ferrochrome price was settled at \$1.03 per pound for the fourth quarter, up from \$0.89 in the previous quarter.

Production was suspended at Rhovan, Xstrata's integrated vanadium operation, during the third quarter for extended maintenance. The operation returned to full production on 17 October.

PGM volumes were 5% higher than the same period last year, as the Mototolo Joint Venture is now producing at a steady state of 209,500 ounces per annum (100% basis). The Eland operation has commenced the development of an underground mine, which will replace its opencast tonnage and progressively increase current PGM production levels to up to 300,000 platinum ounces per annum from 2014.

Chrome	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Attributable* saleable production (kt)	245	308	489	923
Indicative average published price (US\$/lb) (<i>Metal Bulletin</i>)	89	205	79	173
* Reflects Xstrata's 79.5% share of the Xstrata-Merafe Chrome Venture				

Vanadium	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Consolidated* saleable ferrovanadium production (k kg)	-	1,026	1,313	2,554
Consolidated* saleable vanadium pentoxide (k lb)	-	4,803	7,039	11,730
Indicative average published price ferrovanadium (US\$/kg) (<i>Metal Bulletin</i>)	31.52	64.11	25.52	68.42
Indicative average published price vanadium pentoxide (US\$/lb) (<i>Metal Bulletin</i>)	6.71	15.74	5.70	14.82
* Consolidated 100%				

Platinum Group Metals	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Consolidated** saleable production (oz)				
Platinum	36,506	36,250	100,014	100,767
Palladium	18,605	16,818	50,328	47,444
Rhodium	5,974	4,850	15,775	12,906
Average prices (\$/oz)				
Average (London Platinum and Palladium Market) Platinum price (\$/oz)	1,232	1,542	1,142	1,822
Average (London Platinum and Palladium Market) Palladium price (\$/oz)	272	331	235	407
Average (Johnson Matthey) Rhodium price (\$/oz)	1,603	6,831	1,372	8,167
** Consolidated 100% of Eland and 50% of Mototolo				

Xstrata Coal

In the third quarter of 2009, Xstrata Coal's total consolidated production of 25.6 million tonnes was up by 2.1 million tonnes or 9% on the same period in 2008.

Total thermal coal volumes increased by 8% on the comparable period in 2008, mainly as a result of the inclusion of the recently acquired Prodeco operation.

Production from the South African operations was 8% lower on the comparable period in 2008, due to the planned shutdown of Impunzi Underground and reduced demand for unwashed coal in the domestic market. Lower demand for export thermal coal in the Atlantic coal market led to cut backs in higher cost production and also constrained Colombian production.

Semi-soft coking increased by 21% period-on-period due to the New South Wales operations switching from thermal production to higher-priced semi-soft production.

Production of Australian coking coal increased by 11% in the third quarter compared to the same period in 2008, through increased productivity at Oaky North and the recommencement of the Oaky No.1 longwall in August 2009.

Production Data	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Total consolidated production (million tonnes)	25.6	23.5	69.4	63.1
Total thermal coal	21.9	20.3	60.9	53.4
Australian thermal	11.1	11.4	29.9	28.3
South African thermal*	5.6	6.1	15.4	17.1
Americas thermal**	5.2	2.8	15.6	8.0
Total coking coal (Australia)	2.0	1.8	4.2	5.0
Total semi-soft coking coal (Australia)	1.7	1.4	4.3	4.7
Average received export FOB coal price (\$/t)				
Australian thermal	73.8	107.6	83.4	89.6
South African thermal	67.6	87.4	69.0	79.9
Americas thermal	72.9	86.0	75.5	76.2
Australian coking	150.9	313.8	145.7	208.3
Australian semi-soft coking	83.3	245.8	135.3	149.0
* For production reporting DTJV is included for the first nine months. 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 Prodeco operations have been included for the full 9 months to September 2009. Americas thermal average received export price assumes all production from Prodeco is sold.				

Xstrata Copper

Mined copper production was 10% lower in the third quarter than the same period in 2008, as a result of lower grades which impacted volumes at Alumbraera, Antamina and Ernest Henry. Large volumes of lower grade stockpiles supplemented ore feed at Ernest Henry, where access to high grade areas has been delayed following the record wet season early in the year and ongoing impacts from geotechnical events in 2008.

Production at Mount Isa increased, where higher grade stopes compensated for lower hoist tonnes. At Collahuasi, capacity improvements at the concentrator and the filter plant contributed to increased volumes compared to the same period last year. However the full impact of the expansions was offset by a 45-day outage of the ore feed conveyor following damage to the main electrical substation sustained in July. Cathode production increased by 27% at Lomas Bayas following the completion of an expansion at the end of 2008.

Total refined copper production, including third party metal, decreased by 15% following the temporary shutdown of Kidd Metallurgical in September in response to a shortage of third party copper concentrate and strike action at a main feed source supplier for the CCR refinery. This was partially offset by the higher tonnage of custom anode treated at the Townsville refinery and improved Altonorte performance compared to the third quarter of 2008 when the No. 2 acid plant was decommissioned.

Production Data	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Total mined copper production (t) (contained metal)	212,173	234,615	659,682	674,999
Total mined gold production (oz) (contained metal)	99,336	141,478	394,195	473,166
Total copper cathode (t) (from mined and third party material)	181,318	212,635	542,267	626,642
Average LME copper price (US\$/t)	5,859	7,680	4,650	7,973
Average LBM gold price (US\$/t)	960	869	930	898

Xstrata Nickel

Total mined nickel production in the third quarter of 2009 remained at a similar level to the same period in 2008. Production at Raglan increased by 12% on the corresponding period in 2008, and improved grades and increased ore production more than doubled volumes at Xstrata Nickel Australasia (XNA). Production of high-grade ores began at the new, negative-cash-cost Nickel Rim South, which is on track to ramp up to 60% of full annual capacity by the end of 2009. These positive improvements in volumes at lower cost operations offset the impact of the restructuring of the Sudbury operations in early 2009, which included the closure of two high-cost, end-of-life mines and the suspension of the Fraser Mine complex. Montcalm was also indefinitely suspended in June, due to an unacceptable risk profile following unplanned ground movement.

Refined nickel production from Nikkelverk increased by 4% during the quarter compared to the corresponding period in 2008 as reduced third-party feed volumes were largely offset by increased mined production from Canadian and Australian operations.

The Falcondo ferronickel operation in the Dominican Republic remains on care and maintenance.

Total mined copper production in the third quarter was 52% lower compared to the same period last year due to the closure of high copper-containing nickel mines in Sudbury and Timmins, although this was partially offset by increased volumes from XNA.

Production Data	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Total mined nickel production (t) (contained metal)	13,418	13,620	41,923	40,230
Total mined copper production (t) (contained metal)	3,297	6,935	15,167	22,150
Total mined cobalt production (t) (contained metal)	286	323	1,051	1,006
Total refined nickel production (t) (payable metal)*	23,504	22,621	65,476	66,195
Total mined ferronickel production (t) (contained metal)	-	4,387	-	18,782
Average LME nickel price(US\$/t)	17,694	18,961	13,692	24,533
Average LME copper price (US\$/t)	5,859	7,680	4,650	7,973
Average Metal Bulletin cobalt low grade price (US\$/lb)	16.83	31.65	14.25	40.86

* Excludes payable nickel in ferronickel production in 2008.

Xstrata Zinc

Zinc in concentrate production increased by 10% in the third quarter compared to the same period in 2008, as a result of improved productivity at the new Perseverance mine in Canada and at the Australian operations following their restructuring and expansions in the first half of the year.

Total zinc metal production remained consistent with the comparable period in 2008. An 8% increase in production at the San Juan de Nieva smelter was largely offset by lower production at the Nordenham, Kidd Creek and CEZinc smelters, where production was curtailed in response to constraints created by lower sulphuric acid demand and planned reductions to optimise power costs.

Lead in concentrate production was 5% lower than the same period last year mainly as a result of lower lead recoveries at Brunswick mine. Lead metal production was 17% higher, reflecting a continuous supply of crude lead at Northfleet refinery compared to the prior period.

Production Data	Q3 2009	Q3 2008	Nine months to 30.09.09	Nine months to 30.09.08
Total zinc in concentrate production (t)	265,638	241,881	759,443	622,659
Total zinc metal production (t)	210,035	208,818	611,288	620,761
Total lead in concentrate production (t)	61,239	64,392	171,324	192,145
Total lead metal production (t)	54,300	46,273	176,119	159,745
Average LME zinc price (US\$/t)	1,757	1,773	1,472	2,101
Average LME lead price (US\$/t)	1,937	1,913	1,537	2,366

Ends