



NEWS RELEASE

Zug, 5 May 2010

INTERIM MANAGEMENT STATEMENT AND Q1 PRODUCTION REPORT

Highlights

- Production volumes increased across all commodity businesses during the first quarter compared to the same period in 2009:
 - Ferrochrome production rose by more than 300% and producers achieved a 35% increase in the second quarter European benchmark price to \$1.36 per pound
 - Total consolidated coal production increased by 9% to 21.7 million tonnes, with particularly strong increases in coking coal and semi-soft production and higher thermal coal volumes, despite the considerable loss of production at Rolleston due to flooding
 - Mined copper production was 3% higher as a result of improved mining rates, grades and metallurgical recoveries at Collahuasi and Alumbra
 - Refined nickel production increased by 8% as Nikkelverk maintained its increased annualised capacity rate and set a monthly production record in March
 - Zinc in concentrate production increased by 15% as a result of the ongoing transformation and expansion of the Australian operations and zinc metal production increased by 12% due to strong smelter performance
- On 16 February, Xstrata Copper completed the sale of its 70% interest in El Morro SCM, the holder of the El Morro copper-gold project, and associated rights and assets to New Gold Inc, for a total cash consideration of \$463 million
- On 5 March, Glencore International AG announced its intention to exercise its option to acquire the Prodeco coal operations for \$2.25 billion plus the balance of any profits accrued but not distributed to Xstrata during the period 1 January 2009 to the completion date and the net balance of any cash invested by Xstrata. The transaction completed in April 2010
- Xstrata Coal has now settled the majority of its annually priced thermal coal contracts with north Asian customers at prices just below \$98 per tonne, representing a 38% increase over the prior Japanese contract period.
- For prime hard coking coal, a range of spot, quarterly and annual contract business has been settled at prices ranging from \$200 to \$270 per tonne with an average in the upper end of the range. In view of the strong coking coal market, Xstrata has settled semi-soft coking coal contracts on a quarterly basis to June at \$167 per tonne, over 114% higher than last year
- On 1 April, the Nickel Rim South project in Sudbury commenced full mine operation and is continuing its ramp up to reach nameplate capacity of 1.25 million tonnes of ore per annum in 2011

- In April, Xstrata Zinc received internal approvals for an AUD133 million expansion to its Black Star Open Cut (BSOC) mine in Mount Isa, Australia. The project will extend the mine life at current production rates by four years to 2016
- In January, the board of the Antamina copper-zinc mine in Peru, in which Xstrata has a 33.75% interest, approved a \$1.3 billion expansion to expand ore processing capacity at its mine site by 38% to 130,000 tonnes per day
- In January, Xstrata Copper announced a resource update at its Frieda River copper-gold project in Papua New Guinea. The new resource estimate indicates a Measured, Indicated and Inferred Resource of over 1 billion tonnes at 0.53% copper, 0.29 g/t gold and 0.8 g/t silver, using a cut-off grade of 0.3% copper
- During the period, three-year collective labour agreements have been signed at Xstrata Copper's Altonorte metallurgical complex in Chile; at Xstrata Nickel operations in Sudbury, Canada and at Xstrata Zinc's Brunswick mine, Canada

In the period from 1 January 2010, Xstrata's operating and financial performance continues to be strong and the company's financial position remains robust.

Xstrata plc will announce half-yearly results for the period from 1 January to 30 June 2010 on 3 August 2010.

Xstrata contacts

Claire Diver

Telephone: +44 20 7968 2871
Mobile: +44 7785 964340
Email: cdivver@xstrata.com

Pamela Bell

Telephone: +44 20 7968 2822
Mobile: +44 7799 626715
Email: pbell@xstrata.com

Investors & analysts

Hanré Rossouw

Telephone: +44 20 7968 2820
Mobile: +44 7879 455885
Email: hrossouw@xstrata.com

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 2010 PRODUCTION DATA

Xstrata Alloys

In response to rising demand, ferrochrome production rebounded strongly in the first quarter of 2010, rising more than four-fold compared to the same period in 2009. Ferrochrome producers achieved a 35% increase in pricing from \$1.01 per pound in the first quarter, to \$1.36 per pound in the second quarter, set against the continued strengthening of the rand against the US dollar and electricity price increases.

Ferrovandium production volumes increased by 66% compared to the same period in 2009 in response to improving demand.

Improved feed grade at Eland which resulted in higher recoveries helped PGM volumes increase by 2% compared to the same period in 2009. The development of the western decline shaft at Eland is progressing according to plan, with the eastern decline set to commence shortly.

The underground mine development will enable Eland to progressively increase current platinum production levels to up to 300,000 platinum ounces per annum by 2014.

	Q1 2010	Q1 2009	Year ended 31.12.09
Ferrochrome			
Attributable* saleable production (kt)	305	73	786
Indicative average published price (US\$/lb) (<i>Metal Bulletin</i>)	101.0	79.0	85.0
* Reflects Xstrata's 79.5% share of the Xstrata-Merafe Chrome Venture			

	Q1 2010	Q1 2009	Year ended 31.12.09
Vanadium			
Consolidated** saleable ferrovandium production (k kg)	1,210	731	2,284
Consolidated** saleable vanadium pentoxide (k lb)	5,509	3,540	11,492
Indicative average published price ferrovandium (\$/kg) (<i>Metal Bulletin</i>)	29.0	24.7	25.0
Indicative average published price vanadium pentoxide (\$/lb) (<i>Metal Bulletin</i>)	6.7	6.1	6.0
** Consolidated 100%			

	Q1 2010	Q1 2009	Year ended 31.12.09
Platinum Group Metals			
Consolidated † saleable production (oz)			
Platinum	32,905	32,985	132,969
Palladium	16,601	15,931	67,435
Rhodium	5,395	4,881	21,182
Average prices (\$/oz)			
Average (London Platinum and Palladium Market) Platinum price	1,561	1,023	1,205
Average (London Platinum and Palladium Market) Palladium price	440	199	264
Average (Johnson Matthey) Rhodium price	2,568	1,121	1,559
† Consolidated 100% of Eland and 50% of Mototolo			

Xstrata Coal

Total consolidated production increased by 9% to 21.7 million tonnes in the first quarter of 2010 due mainly to increases in coking and semi-soft production.

Production from the Australian coking coal operations increased by 83% to 2.2 million tonnes, as a result of the resumption of longwall operations at Oaky No. 1 in August 2009 and increased productivity at Oaky North. New South Wales operations switched some thermal production to semi-soft to take advantage of higher market prices, increasing semi-soft production by 38% to 1.8 million tonnes.

Notwithstanding the switch to semi-soft, total thermal volumes increased by 2% to 17.7 million tonnes due to higher Australian and Colombian production. Australian thermal production rose 4% to 8.1 million tonnes in the first quarter of 2010 mainly as a result of improved productivities in the first quarter of 2009, which more than offset the loss of around 2 million tonnes (100% basis) from Rolleston as a result of extreme rain events during the cyclone season.

Thermal coal production from Colombia increased by 8% to 5.4 million tonnes as a consequence of the ramp up of production at Prodeco. The Group received formal notification on 4 March 2010 by Glencore International AG (“Glencore”) of Glencore’s exercise of its option to re-acquire the Prodeco coal operations. Under the Option Agreement, Xstrata is entitled to earnings from Prodeco up to the completion of the transaction, which occurred after the end of the first quarter. Consequently Prodeco’s production has been included for the full quarter in this report. Cerrejón production remained in line with the corresponding period.

In South Africa, production at the recently commissioned Goedgevonden mine increased, however total South African production decreased by 9% to 4.2 million tonnes, mainly as a result of the planned shutdown of the Southstock opencut in the second half of 2009 and reduced volumes during the ramp up phase of the new Impunzi Opencast (transferred into Xstrata’s operations in December 2009, as a result of the DTJV re-structure announced 3 March 2008).

	Q1 2010	Q1 2009	Year ended 31.12.09
Production Data			
Total consolidated production (million tonnes)	21.7	19.9	95.2
Total thermal coal	17.7	17.4	82.6
Australian thermal	8.1	7.8	41.1
South African thermal*	4.2	4.6	20.8
Americas thermal**	5.4	5.0	20.7
Total coking coal (Australia)	2.2	1.2	6.4
Total semi-soft coking coal (Australia)	1.8	1.3	6.2
Average received export FOB coal price (\$/t)			
Australian thermal	73.4	103.5	80.3
South African thermal	73.9	72.8	68.1
Americas thermal	72.7	78.6	74.8
Australian coking	166.9	169.9	145.0
Australian semi-soft coking	97.3	194.9	122.5
* For production reporting DTJV is included for the full year ended 31 December 2009 / full three months to March 2009. For financial reporting DTJV was excluded from Xstrata Coal’s ex-mine results from 3 March 2008 to 1 July 2009 due to the DTJV re-structuring			
** Prodeco operations included from acquisition effective date of 1 January 2009 and contributed 2.9 million tonnes in the first quarter 2010 and 2.4 million tonnes in the first quarter 2009			

Xstrata Copper

Total mined copper production was 3% higher in the first quarter of 2010 compared to the corresponding period last year, due to increased production at Collahuasi and Alumbraera as a result of improved mining rates, grades and metallurgical recoveries at both operations. These improvements were partially offset by anticipated reduced production at Ernest Henry due to the processing of low grade ore stockpiles, lower grades at Mount Isa and lower copper grades and recoveries at Antamina due to the processing of a higher proportion of copper-zinc ores compared to copper-only ores.

Total gold production decreased by 14%, due to anticipated lower gold ore grades at Alumbraera, Ernest Henry and Tintaya.

Total mined and third party copper cathode production increased by 4% compared to the first quarter of 2009, when a record wet season in North Queensland and the global slump in sulphuric acid demand impacted refined copper production.

	Q1 2010	Q1 2009	Year ended 31.12.09
Production Data			
Total mined copper production (t) (contained metal)	222,971	217,092	906,898
Total mined gold production (oz) (contained metal)	124,635	144,746	502,967
Total copper cathode (t) (from mined and third party material)	193,235	186,555	727,050
Average LME copper price (\$/t)	7,243	3,428	5,150
Average LBM gold price (\$/oz)	1,106	908	973

Xstrata Nickel

Total refined nickel production in the first quarter of 2010 increased by 8% compared to the same period last year as the Nikkelverk refinery recorded its third consecutive quarter of production at an increased annualized capacity rate of 92,000 tonnes, setting a monthly production record in March 2010.

Total mined nickel production decreased marginally compared to the first quarter of 2009, following the transition of end-of-life, high cost operations at Craig, Thayer-Lindsley and the Fraser complex to a care and maintenance schedule during 2009. The ramp up of the new Nickel Rim South mine and increased volumes from Xstrata Nickel Australasia (XNA) largely offset lost mined production from the Sudbury restructuring. The first quarter of 2009 also included production from Montcalm, which was suspended indefinitely in late March 2009 following unplanned ground movement.

On 1 April, the Nickel Rim South project in Sudbury commenced full mine operation and is continuing its ramp up to reach nameplate capacity of 1.25 million tonnes of ore per annum in 2011. Mined production at XNA increased by 11% in the first quarter of 2010 compared to the same period in 2009 as the development of the Prospero deposit at Cosmos more than offset the suspension of Sinclair mine, which was put into care and maintenance in April 2009 as a swing producer. Underground development at Sinclair was subsequently restarted in April 2010 as market conditions improved. Mined production at Raglan reduced by 8% as a result of a planned maintenance shutdown of the mill in March 2010.

Total mined copper production in the first quarter of 2010 increased sharply by 41% compared to the first quarter of 2009 as a result of increased volumes from the polymetallic Nickel Rim South operation. Copper mining at the Fraser Mine subsequently recommenced in April 2010.

The Falcondo ferronickel operation in the Dominican Republic remained on care and maintenance for the period.

	Q1 2010	Q1 2009	Year ended 31.12.09
Production Data			
Total mined nickel production (t) (contained metal)	14,692	15,203	57,052
Total mined copper production (t) (contained metal)	10,468	7,403	25,428
Total mined cobalt production (t) (contained metal)	278	398	1,326
Total refined nickel production (t) (payable metal)	23,045	21,412	88,577
Average LME nickel price (\$/t)	19,953	10,466	14,712
Average LME copper price (\$/t)	7,243	3,428	5,150
Average Metal Bulletin cobalt low grade price (\$/lb)	19.28	12.02	15.17

Xstrata Zinc

Zinc in concentrate production increased by 15% in the first quarter of 2010 compared to the same period in 2009 as a result of the ongoing transformation through expansions at the Australian operations and productivity improvements at most other sites. Production also benefited from improved weather conditions compared to the first quarter of 2009 when heavy rainfall impacted the Mount Isa operations. All Xstrata Zinc smelters achieved increased production during the quarter, increasing total zinc metal production by 12%.

Lead in concentrate production increased by 18% during the first quarter of 2010 as a consequence of increased volumes from the Australian operations.

	Q1 2010	Q1 2009	Year ended 31.12.09
Production Data			
Total zinc in concentrate production (t)	255,913	221,729	1,032,755
Total zinc metal production (t)	212,256	190,310	825,208
Total lead in concentrate production (t)	58,692	49,824	229,782
Total lead metal production (t)	61,357	61,267	241,485
Average LME zinc price (\$/t)	2,288	1,174	1,659
Average LME lead price (\$/t)	2,219	1,160	1,726