



## **NEWS RELEASE**

### **XSTRATA HOSTS INVESTOR SEMINAR**

Zug, 6 December 2011

Xstrata will today host its annual investor seminar in London to update investors on the ongoing delivery of its value-creating strategy.

The seminar will include presentations by senior management of each of Xstrata's global commodity businesses to provide an update on Xstrata's zinc, nickel, ferrochrome, platinum, copper, coal and iron ore operations and projects. Xstrata plc CEO Mick Davis, CFO Trevor Reid and EGM Strategy & Corporate Affairs Thras Moraitis will provide an update on Group strategy.

The presentations will provide detailed information on Xstrata's delivery of organic growth and the ongoing pursuit of operational excellence at existing assets. Highlights include:

- Disciplined delivery of organic growth projects will add meaningful volume growth from H2 2012 and create a new suite of tier 1 projects within Xstrata's portfolio
- All growth projects are on budget and on schedule to deliver a 50% increase in copper-equivalent volume growth by the end of 2014 with average returns in excess of 20% at conservative long-run prices
- A structural reduction in costs of around 20% in real terms by the end of 2014 resulting from new, lower cost operations
- Ongoing enhancement of the underlying value of existing assets through resource estimate upgrades, real cost savings, productivity improvements and mine life extensions
- Xstrata's \$19.5 billion capital expenditure programme for 2012 to 2014 comprises \$11.9 billion on 21 projects under construction
- Capital expenditure programme underpinned by robust long-term fundamentals for the Group's major products due to secular shift underway in demand for commodities and supply constraints
- A strong balance sheet designed to support the delivery of the organic growth strategy, characterised by significant undrawn banking facilities with no covenants, an undemanding bond-repayment schedule, a strong investment grade rating and cash-flows

- Commitment to progressive dividends
- Continuing focus on improving industry-leading safety, health, workplace and environmental performance and community interaction to support the successful delivery of our business strategy.

Xstrata CEO Mick Davis said: "From the second half of next year, our organic growth strategy will yield substantial volume growth, significant cost savings from lower cost production and a suite of new, world-class assets. Our growth is underpinned by a robust financial position and a strong balance sheet which has been designed to support the delivery of a 50% increase in copper-equivalent volumes by the end of 2014."

The Investor Seminar will be webcast live and as a replay, available from [www.xstrata.com](http://www.xstrata.com).

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*Neither the content of the company's website nor the content of any other website accessible from hyperlinks on the company's website is incorporated into, or forms part of, this announcement.*

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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. 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 additional exposure to gold, cobalt, lead and silver. The Xstrata Group also comprises a growing platinum group metals business, iron ore projects, recycling facilities and a suite of global technology products, many of which are industry leaders. The Group's operations and projects span 20 countries.