

Zug, 31 January 2012

Production Report for the 12 months ended 31 December 2011

Highlights:

- Record annual production from our Australian thermal coal operations following the successful commissioning of the greenfield Mangoola mine on budget and ahead of schedule, the expansion of Newlands Underground thermal coal operation and a strong second half performance;
- Record production of mined nickel, including first ore ahead of schedule from the Kikialik expansion at Raglan mine and record nickel metal volumes from a second successive record year at Nikkelverk;
- We completed an expansion to extend the life of the Kidd copper mine in Canada on time and within budget and began commissioning the expansion at the Antamina copper-zinc joint venture in Peru at the end of 2011;
- During the second half, we commissioned the 120,000 tonnes per annum Black Star Deeps and 40,000 tonnes per annum Handlebar Hill zinc-lead projects on schedule and on budget;
- Our Falcondo ferronickel operation in the Dominican Republic exceeded expectations to operate at an annual rate of almost 15,000 tonnes per annum, following its restart in February;
- We approved seven key projects representing total capital expenditure of \$2.6 billion during the year:
 - The 7 million tonnes per annum Ulan Open Cut thermal coal project in Australia;
 - The Tweefontein optimisation coal project in South Africa, which will, subject to receipt of final environmental approvals, produce 4 million tonnes per annum of thermal coal;
 - The 6,000 tonnes per annum Fraser Morgan nickel mine and expansion to 40,000 tonnes per annum at Raglan nickel mine, both in Canada;
 - Our share of capital to expand the joint venture Cerrejón thermal coal operation in Colombia to 40 million tonnes per annum;
 - The 126,000 tonnes per annum greenfield Lady Loretta zinc project in the Mount Isa region, Australia; and
 - Mount Margaret, a 30,000 tonnes per annum copper project in Australia.
- During 2011, we announced significant increases in mineral resource estimates at the Antamina copper and zinc mine and Las Bambas and Coroccohuayco copper projects in Peru, the El Pachón copper project in Argentina and the Frieda River copper-gold project in Papua New Guinea.



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

We are a major producer of a range of vital commodities used in everything from constructing buildings and delivering electricity, to developing jet engines and mobile phones. We are one of the top five global producers of copper, thermal and metallurgical coal, ferrochrome, zinc and nickel and we also produce silver, lead, platinum, gold, cobalt and vanadium.

Founded in 2002 and headquartered in Switzerland, we operate in over 20 countries and employ over 70,000 people at more than 100 operations and projects around the world. We work in a responsible and sustainable way, with an entrepreneurial spirit and dynamic approach. For more information, visit www.xstrata.com

Copper

Copper production was 3% lower than in 2010 as we enter a transition period in which a number of operations are approaching the end of their mine life and new lower cost production is on track to commence from the second half of 2012, notably at Antapaccay.

We increased copper in concentrate production at Ernest Henry by 34% compared to 2010 to reach a total of 100,300 tonnes. Production from the final high grade ore zone of the open pit operation and processing stockpiled ore boosted volumes, despite mining less material overall as a result of our ongoing project to convert the operation into an underground mine.

Our share of copper in concentrate production at Antamina increased by 11% to 112,600 tonnes, due to higher mill throughput as a result of de-bottlenecking initiatives and higher grades and recoveries.

Our Lomas Bayas operation benefited from increased run-of-mine (ROM) tonnes from the new Fortuna de Cobre pit as part of the Lomas 2 project. At Tintaya in Peru, we mined and processed higher grade sulphide ore resulting in increased copper production.

Production at our Alumbra mine decreased by 17% to 116,700 tonnes compared to the previous year, primarily as a result of delayed access to high grade zones in the mine caused by geotechnical events in the latter part of 2010. Our share of production from the Collahuasi joint venture reduced by 10% to 199,400 tonnes mainly due to lower milled copper grades, extended maintenance and repairs to the main ore conveyor belt and adverse weather conditions in the first and third quarters of the year. Our Mount Isa operations produced 6% less copper in concentrate than in 2010 due to lower grades and reduced production from the Enterprise mine. At our Kidd underground mine in Canada, production of copper concentrate was affected by lower grades and volumes due to restricted access caused by two seismic events in the second half of the year.

Total gold production was marginally lower in 2011 at 517,900 ounces compared to 524,800 ounces in 2010 as improved ore grades at Ernest Henry largely offset lower head grades and recoveries at Alumbra.

Our Mount Isa smelter and Altonorte custom smelter both achieved record production in 2011. However, total combined custom and mined copper cathode production decreased by 9% to 650,900 tonnes in 2011 as a result of the closure of the Kidd metallurgical plant in May 2010 and a temporary plant shutdown at the Townsville refinery in the first quarter of 2011 in response to a severe tropical cyclone in North Queensland.

	Year ended 31.12.11	Year ended 31.12.10
Argentina – Alumbraera*		
Material mined (t)	74,428,957	84,145,883
Ore mined (t)	22,226,785	25,022,982
Copper head grade (%)	0.40	0.45
Gold head grade (g/t)	0.42	0.46
Ore treated (t)	38,201,036	37,427,766
Concentrate produced (t)	446,718	546,806
Copper in concentrate (t)	116,698	140,318
Gold in concentrate (oz)	327,887	360,310
Gold in doré (oz)	28,129	44,933
Total gold (oz)	356,016	405,243
Australia - Ernest Henry		
Material mined (t)	11,350,039	32,067,774
Ore mined (t)	9,098,260	15,285,508
Copper head grade (%)	1.05	0.69
Gold head grade (g/t)	0.51	0.34
Ore treated (t)	10,360,819	9,838,428
Concentrate produced (t)	352,537	261,164
Copper in concentrate (t)	100,303	74,595
Gold in concentrate (oz)	128,701	91,259
Magnetite in concentrate (t)	498,975	0
Australia - Mount Isa		
Ore mined (t)	5,873,705	6,100,701
Copper head grade (%)	2.73	2.81
Ore treated (t)	5,882,967	6,092,414
Concentrate produced from ore (t)	609,865	627,749
Copper in concentrate from ore (t)	148,759	157,696
Anode copper (t)	237,667	214,685
Refined copper (t)	276,535	287,001
Canada - Kidd		
Ore mined (t)	2,227,223	2,428,042
Copper head grade (%)	1.97	2.28
Ore treated (t)	2,238,269	2,429,104
Concentrate produced (t)	162,758	188,254
Copper in concentrate (t)	42,322	52,568
Copper cathode (t)	-	37,973
Zinc concentrate produced (t)	134,733	160,980
Zinc in concentrate (t)	71,497	86,084
Canada – Horne		
Concentrate treated (t)	751,083	781,277
Anode copper (t)	187,410	194,277
Canada - CCR Refinery		
Refined copper (t)	263,967	276,310

	Year ended 31.12.11	Year ended 31.12.10
Chile – Collahuasi**		
Material mined (t)	92,563,211	90,203,582
Ore mined (t)	19,905,585	36,986,387
Copper grade in ore milled (%)	1.02	1.09
Ore milled (t)	21,008,847	21,612,749
Concentrate produced (t)	675,749	787,290
Copper in concentrate (t)	183,604	204,691
Copper cathode (t)	15,841	17,088
Chile - Lomas Bayas		
Material mined (t)	66,900,909	56,638,851
ROM leach (t)	42,804,384	34,908,666
ROM copper grade (%)	0.26	0.26
Heap leach (t)	14,502,842	14,235,315
Heap leach copper grade (%)	0.37	0.39
Copper cathode (t)	73,605	71,795
Chile – Altonorte		
Concentrate treated (t)	1,033,956	983,584
Anode copper (t)	311,014	277,944
Peru - Antamina Copper***		
Material mined (t)	53,255,990	40,513,384
Ore mined (t)	13,666,661	11,828,274
Copper head grade (%)	1.04	1.00
Ore treated (t)	12,688,078	12,321,017
Copper concentrate produced (t)	400,253	346,883
Copper in concentrate (t)	112,617	101,741
Peru – Tintaya		
Material mined (t)	100,725,107	85,480,993
Ore mined (t)	5,332,950	4,898,028
Ore milled (t)	7,378,509	7,297,655
Copper grade in ore milled (%)	1.22	1.14
Gold grade in ore milled (g/t)	0.23	0.20
Concentrate produced (t)	251,987	229,475
Copper in concentrate (t)	74,261	67,645
Gold in concentrate (oz)	33,144	28,289
Copper cathode (t)	20,969	25,332
Total mined copper production (t) (contained metal)	888,979	913,469
Total mined gold production (oz) (contained metal)	517,861	524,791
Total copper cathode (from own and third party material) (t)	650,917	715,499
Average LME copper cash price (\$/t)	8,826	7,536
Average LBM gold price (\$/oz)	1,573	1,224
* 100% consolidated figures		
** Xstrata Copper's pro-rata share of Collahuasi (44%)		
*** Xstrata Copper's pro-rata share of Antamina (33.75%)		

Coal

We produced 85.3 million tonnes of coal on a consolidated basis in 2011, an increase of 7% compared to 2010.

Our Australian thermal coal operations produced 49.8 million tonnes of thermal and semi-soft coal, a 12% increase on the previous year, primarily due to the successful commissioning of the Mangoola open cut mine ahead of schedule and on budget in February.

The positive impact of additional volumes from Mangoola partly offset the flooding at the beginning of the year in Queensland and in New South Wales, the temporary suspension of operations at the Blakefield South mine due to an underground fire and interruptions to the Ulan longwall as a result of significant underground water, all of which occurred in the first quarter. In the third quarter, production from the Ulan longwall had fully recovered and we recommenced development at Blakefield South.

We maintained total coking coal production volumes for the year at 7.6 million tonnes, a similar level to 2010, as a result of the rapid recovery from flooding in Queensland during the first quarter.

Production from our South African thermal coal operations fell by 3% due to industrial action and the impact of our ongoing strategy to transition our operations from underground mines to three large and more efficient open cut complexes.

Cerrejón, our joint venture operation in Colombia, achieved record production, 7% higher than 2010, when excessive rainfall impacted production.

(million tonnes)	Year ended 31.12.11	Year ended 31.12.10
Total consolidated production**	85.3	79.9
Total thermal coal	72.4	65.6
Australian thermal	44.5	37.8
South African thermal*	17.1	17.7
Americas thermal	10.8	10.1
Total coking coal (Australia)	7.6	7.7
Total semi-soft coking (Australia)	5.3	6.6
Average received export FOB coal price (\$/t)		
Australian thermal	109.6	85.7
South African thermal	101.2	74.4
Americas thermal	101.0	72.6
Australian coking	265.0	204.3
Australian semi-soft coking	202.5	137.3
* Mpumalanga is included in 2011 and 2010 production reporting. For financial reporting Mpumalanga is excluded from Xstrata Coal's ex-mine results but included in statutory results, as it is classified as an Asset Held for Sale for the 2010 and 2011 reporting period. The sale of the Mpumalanga asset was effective 31 December 2011		

Nickel

We produced a record 105,925 tonnes of nickel in 2011, 15% more than the previous year. Our Falcondo ferronickel operation in the Dominican Republic was responsible for the majority of this increase, producing 13,498 tonnes of nickel in ferronickel since reopening in February 2011 following a 30-month period of care and maintenance. Falcondo's restart outperformed our expectations, generating 8% more nickel than planned and operating at an annualised run-rate of almost 15,000 tonnes of nickel in ferronickel.

At our Nikkelverk refinery, we achieved an all-time record production of 92,427 tonnes of refined nickel, significantly exceeding the operation's annualised nameplate capacity of 87,000 tonnes when we took over the business in 2006. Copper metal production of 36,292 tonnes was slightly higher than last year, reflecting an increase in the amount of copper we processed from the polymetallic feed sent to Nikkelverk.

Our production at our Sudbury mines increased by 28% to 19,795 tonnes of nickel in concentrate compared to last year with our Nickel Rim South mine continuing to operate at full capacity. The significant copper contained in Nickel Rim South ore and mining at Fraser's copper zone, which restarted in February 2010, led to record mined copper in concentrate production of 49,887 tonnes from our Strathcona Mill, up 38% from 2010. The Sudbury smelter produced 69,459 tonnes of nickel in matte, 6% less than last year, but in line with our plans for the year of 69,000 tonnes due to lower planned concentrate grades, a reduction in custom feed materials processed by the smelter and the impact of deferring a one-week maintenance shutdown from December 2010 to January 2011.

Raglan mine operated at full capacity and treated 1.3 million tonnes of ore. However, because of a planned period of lower nickel head grade, the production of nickel in concentrate fell 3% to 27,274 tonnes. We expect head grade to decline further in 2012 in accordance with our mine plan. Raglan's head grade will improve significantly beyond 2013 with the development of the higher-grade Qakimajurq and Mine 2 Lower Zone deposits.

At our Australian mines, we increased the volume of ore processed by 46% to 778,073 tonnes to offset the impact of mining more disseminated ore bodies with inherently lower nickel head grades. As a result, the production of nickel in concentrate from Xstrata Nickel Australasia increased slightly over 2010 to 17,034 tonnes.

	Year ended 31.12.11	Year ended 31.12.10
North America – Sudbury Operations – Mine/Mill		
Ore mined (t)	1,493,005	1,216,205
Nickel head grade (%)	1.46	1.40
Copper head grade (%)	3.23	2.81
Ore treated (t)	1,883,997	1,472,459
Total nickel in concentrate (t)	22,716	16,813
Nickel in concentrate from own mines (t)	19,795	15,472
Nickel in concentrate from third parties (t)	2,921	1,341
Copper in concentrate from own mines and third parties (t)	49,887	36,074
Cobalt in concentrate from own mines and third parties (t)	473	341
North America – Sudbury Operations – Smelter		
Total nickel in matte (t)	69,459	73,667
Nickel in matte from own mines (t)	57,066	59,706
Nickel in matte from third parties (t)	12,393	13,961
Copper in matte from own mines and third parties (t)	20,041	22,427
Cobalt in matte from own mines and third parties (t)	2,209	2,634
North America – Raglan		
Ore mined (t)	1,206,360	1,279,778
Nickel head grade (%)	2.39	2.45
Copper head grade (%)	0.69	0.68
Ore treated (t)	1,299,821	1,318,497
Nickel in concentrate (t)	27,274	28,237
Copper in concentrate (t)	7,215	7,134
Cobalt in concentrate (t)	561	567
Australia – XNA		
Ore mined (t)	768,843	531,880
Nickel head grade (%)	2.69	3.81
Ore treated (t)	778,073	532,144
Nickel in concentrate (t)	17,034	16,961
Copper in concentrate (t)	881	687
Cobalt in concentrate (t)	396	245
Dominican Republic - Falcondo		
Ore mined (t)	1,721,673	-
Nickel head grade (%)	1.26	-
Ore treated (t)	1,142,754	-
Nickel in ferronickel (t)	13,498	-
Europe – Nikkelverk		
Nickel metal (t)	92,427	92,185
Copper metal (t)	36,292	36,183
Cobalt metal (t)	3,067	3,208
Total mined nickel production (t) (contained metal) - INO	64,103	60,670
Total mined copper production (t) (contained metal) - INO	55,629	42,697
Total mined cobalt production (t) (contained metal) – INO	1,302	1,094
Total nickel production (t)	105,925	92,185
Total refined nickel production (t)	92,427	92,185
Total ferronickel production (t) (contained nickel)	13,498	-
Average LME nickel cash price (\$/t)	22,831	21,809
Average LME copper cash price (\$/t)	8,826	7,536
Average Metal Bulletin cobalt low grade price (\$/lb)	16.01	17.91

Zinc

A strong operational performance at our Australian mines helped to partially offset the substantially lower volumes from the joint venture Antamina copper-zinc mine, where the mine plan favoured copper rich ores, and slightly lower volumes from the Canadian operations. Improved productivity at Mount Isa and McArthur River enabled us to raise zinc in concentrate volumes by 2%, despite the impact of weather-related issues in the first quarter of the year, and, at Mount Isa, electricity supply outages in the second half and lower grades. Zinc in concentrate volumes at our Canadian operations fell slightly due to lower grades, despite achieving increased ore production. Overall zinc in concentrate volumes were just under 5% lower than in 2010.

Zinc metal production increased at our San Juan de Nieva and Nordenham smelters by 2% and 6% respectively, following the commissioning in January of the new 20,000 tonnes per year direct leaching plant at Nordenham. These increases partially offset the impact of the closure of the Kidd Creek Metallurgical site in May 2010 and total zinc metal production decreased by 4%.

The ore treated by our Mount Isa and McArthur River Mine operations increased by 8% and 6% respectively, partly offsetting the lower lead grades at Mount Isa. Total lead in concentrate decreased by 4% compared to 2010.

	Year ended 31.12.11	Year ended 31.12.10
Australia – Mount Isa		
Ore mined (t)	9,089,019	8,596,675
Zinc head grade (%)	5.4	5.6
Lead head grade (%)	2.4	2.7
Silver head grade (g/t)	52.3	53.1
Ore treated (t)	9,233,581	8,566,166
Zinc in concentrate (t)	357,011	355,024
Lead in concentrate (t)	130,697	143,666
Lead in lead/silver bullion (t)	138,629	140,059
Lead in purchased concentrate smelted (t)	7,633	10,773
Silver in crude lead (k oz)	6,546	6,775
Silver in purchased concentrate smelted (k oz)	1,031	1,611
Australia – McArthur River		
Ore mined (t)	2,338,328	2,231,032
Zinc head grade (%)	11.1	11.0
Lead head grade (%)	4.4	4.5
Ore treated (t)	2,379,565	2,246,713
Zinc in concentrate (t)	194,058	183,517
Lead in concentrate (t)	38,284	31,635
Silver in concentrate (k oz)	1,594	1,463
Europe – San Juan de Nieva		
Zinc metal (t)	511,092	501,119
Europe – Nordenham		
Zinc metal (t)	154,241	145,943
Europe – Northfleet		
Mount Isa sourced lead (t)	127,507	153,453
Other lead (t)	2,548	-
Total lead (t)	130,055	153,453
Mount Isa refined silver (k oz)	5,381	7,461
Total silver (k oz)	5,381	7,461

	Year ended 31.12.11	Year ended 31.12.10
North America – Brunswick mine		
Ore mined (t)	3,102,794	3,047,543
Zinc head grade (%)	7.9	8.0
Lead head grade (%)	3.1	3.1
Silver head grade (g/t)	97	98
Ore treated (t)	3,081,241	3,067,872
Zinc in zinc concentrate (t)	192,237	195,481
Zinc in bulk concentrate (t)	16,758	18,554
Lead in bulk concentrate (t)	6,932	12,651
Lead in lead concentrate (t)	49,830	47,664
Lead in other feeds to smelter (t)	42,488	30,056
Total refined lead (t)	76,524	85,282
Silver in bulk concentrate (k oz)	474	851
Silver in lead concentrate to smelter (k oz)	2,506	2,462
Silver in other feeds to smelter (k oz)	12,185	7,281
Total silver in doré (k oz)	13,434	13,066
Copper in concentrate (t)	8,798	8,200
North America – CEZ refinery *		
Zinc metal (t)	72,425	72,562
North America – Perseverance		
Ore mined (t)	1,114,423	1,090,643
Zinc head grade (%)	13.2	14.1
Ore treated (t)	1,086,760	1,062,224
Zinc in concentrate (t)	135,008	139,350
Copper in concentrate (t)	9,752	10,005
North America-Kidd		
Zinc metal (t)	-	46,243
Peru - Antamina Zinc**		
Ore mined (t)	13,666,661	11,828,274
Zinc head grade (%)	2.3	2.6
Ore treated (t)	12,688,076	12,321,017
Zinc in concentrate (t)	79,444	130,326
Total zinc in concentrate production (t)	974,517	1,022,252
Total zinc metal production (t)	737,758	765,867
Total lead in concentrate production (t)	225,743	235,616
Total lead metal production (t)	206,579	238,735
Average LME zinc price(\$/t)	2,190	2,159
Average LME lead price (\$/t)	2,399	2,148
* Xstrata Zinc's pro-rata share of CEZ production (25%)		
** Xstrata Zinc's pro-rata share of Antamina production (33.75%)		

Alloys

Following a strong start to the year, we progressively reduced capacity utilisation at our ferrochrome smelters from the second quarter in response to weakening Chinese demand for South African ferrochrome. Average capacity utilisation fell to an average of 72% for 2011 and ferrochrome volumes were 12% lower than in 2010. Industrial action also impacted operating capacity at a number of operations during the second half.

The average European benchmark ferrochrome price for 2011 of \$1.25 per pound remained at a similar level to the average price in 2010. We recently settled the European benchmark price for the first quarter of 2012 at \$1.15 per pound, 5¢ per pound lower than in the fourth quarter due to weaker demand from developed countries for stainless steel, the principal market for ferrochrome.

Following the depletion of all high grade, near-surface ore during the third quarter, all open pit production from our Eland platinum operation ceased and we started producing development ore from underground operations. Reduced volumes also reflect the impact on grades of the transition from open pit mining and a slower than anticipated ramp-up of underground operations due to poor ground conditions.

Ferrochrome

	Year ended 31.12.11	Year ended 31.12.10
Attributable* saleable production (kt)	1,021	1,165
Indicative average published price (c/lb) (Metal Bulletin)	125.0	124.3
* Reflects Xstrata's 79.5% share of the Xstrata-Merafe Chrome Venture		

Vanadium

	Year ended 31.12.11	Year ended 31.12.10
Consolidated** saleable production		
Ferrovanadium (k kg)	3,953	4,311
Vanadium pentoxide (k lb)	21,039	21,874
Indicative average published price ferrovanadium (\$/kg V) (Metal Bulletin)	28.7	30.1
Indicative average published price vanadium pentoxide (\$/lb) (Metal Bulletin)	6.6	6.9
** Consolidated 100%		

Platinum

	Year ended 31.12.11	Year ended 31.12.10
Consolidated† saleable production (oz)		
Platinum	92,411	117,659
Palladium	46,968	59,584
Rhodium	15,049	19,602
Average (London Platinum and Palladium Market) Platinum price (\$/oz)	1,720	1,611
Average (London Platinum and Palladium Market) Palladium price (\$/oz)	733	527
Average (Johnson Matthey) Rhodium price (\$/oz)	2,022	2,406
† Consolidated 100% of Eland and 50% of Mototolo		