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Xstrata PLC  
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**NEWS RELEASE**

## **APPROACH TO ANGLO AMERICAN**

Zug, 21 June 2009

Xstrata plc ("Xstrata") notes the announcement made by Anglo American plc ("Anglo American") today. Xstrata confirms that it recently sent a written proposal to the Board of Anglo American seeking their consideration of a merger of equals of the two companies.

Xstrata believes a merger of these two world-class companies with complementary assets is highly compelling. The combination would create a premier portfolio of operations diversified across multiple commodities and geographies, with enhanced scale and financial flexibility to fund future growth. Xstrata has already quantified substantial operational synergies from the combination that are not available to either company operating alone. In addition, Xstrata believes the optimisation and reprioritisation of the combined company's organic growth pipelines would significantly enhance shareholder returns.

Xstrata is seeking to engage with the Board of Anglo American regarding a merger of equals that would realise significant value for both companies' shareholders. There is, however, no assurance that any transaction will be forthcoming from Xstrata's proposal. Any further announcement will be made if and when appropriate.

*Ends*

### **Contacts**

<b>Xstrata</b> Claire Divver	<b>Investors and analysts</b> Hanré Rossouw
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Telephone: +44 20 7968 2871 Mobile: +44 7785 964 340 Email: <a href="mailto:cdivver@xstrata.com">cdivver@xstrata.com</a>	Telephone: +44 20 7968 2820 Mobile: +44 7879 455 885 Email: <a href="mailto:hrossouw@xstrata.com">hrossouw@xstrata.com</a>
Michael Oke (Aura Financial) Telephone +44 20 7321 0000 Mobile +44 7834 368 299 Email <a href="mailto:Michael@aura-financial.com">Michael@aura-financial.com</a>	
<b>Deutsche Bank</b>	<b>J.P. Morgan Cazenove</b>
Brett Olsher Nigel Robinson Charlie Foreman Telephone: +44 20 7545 8000	Ian Hannam Barry Weir Telephone: +44 20 7588 2828

*This announcement does not amount to a firm intention to make an offer or any invitation to acquire or dispose of any securities or investment or a proposal to make a takeover bid in any jurisdiction. Any proposal is at an early stage and there can be no certainty that, if made, any offer will ultimately be made or lead to the implementation of the proposed merger. Xstrata reserves the right to vary the terms of any merger proposal that may ultimately be made for or involving Anglo American.*

*The Directors of Xstrata accept responsibility for the information contained in this announcement. Having taken all reasonable care to ensure that such is the case, the information contained in this announcement is, to the best of the knowledge and belief of the Directors of Xstrata, in accordance with the facts and contains no omission likely to affect its import.*

*J.P. Morgan Cazenove, which is authorised and regulated in the United Kingdom by the Financial Services Authority, is acting as financial adviser and corporate broker to Xstrata and no-one else in connection with the contents of this announcement and the proposed merger and will not be responsible to any person other than Xstrata for providing the protections afforded to clients of J.P. Morgan Cazenove nor for providing advice in relation to the proposed merger or any matter referred to herein.*

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#### **Dealing Disclosure Requirements**

*Under the provisions of Rule 8.3 of the City Code on Takeovers and Mergers (the "Code"), if any person is, or becomes, "interested" (directly or indirectly) in 1% or more of any class of "relevant securities" of Xstrata or of Anglo American, all "dealings" in any "relevant securities" of that company (including by means of an option in respect of, or a derivative referenced to, any such "relevant securities") must be publicly disclosed by no later than 3.30 pm (London time) on the London business day following the date of the relevant transaction. This requirement will continue until the date on which any offer becomes, or is declared, unconditional as to acceptances, lapses or is otherwise withdrawn or on which the "offer period" otherwise ends. If two or more persons act together pursuant to an agreement or understanding, whether formal or informal, to acquire an "interest" in "relevant securities" of Xstrata or of Anglo American, they will be deemed to be a single person for the purpose of Rule 8.3.*

*Under the provisions of Rule 8.1 of the Code, all "dealings" in "relevant securities" of Xstrata or of Anglo American by Xstrata or Anglo American, or by any of their respective "associates", must be disclosed by*

no later than 12.00 noon (London time) on the London business day following the date of the relevant transaction.

A disclosure table, giving details of the companies in whose "relevant securities" "dealings" should be disclosed, and the number of such securities in issue, can be found on the Takeover Panel's website at [www.thetakeoverpanel.org.uk](http://www.thetakeoverpanel.org.uk).

"Interests in securities" arise, in summary, when a person has long economic exposure, whether conditional or absolute, to changes in the price of securities. In particular, a person will be treated as having an "interest" by virtue of the ownership or control of securities, or by virtue of any option in respect of, or derivative referenced to, securities.

Terms in quotation marks are defined in the Code, which can also be found on the Panel's website. If you are in any doubt as to whether or not you are required to disclose a "dealing" under Rule 8, you should consult the Panel.

#### **Forward-looking statements**

This announcement contains statements which are, or may be deemed to be, "forward-looking statements" which are prospective in nature. Forward-looking statements are not based on historical facts, but rather on current expectations and projections about future events, and are therefore subject to risks and uncertainties which could cause actual results to differ materially from the future results expressed or implied by the forward-looking statements. Often, but not always, forward-looking statements can be identified by the use of forward-looking words such as "plans", "expects" or "does not expect", "is expected", "is subject to", "budget", "scheduled", "estimates", "forecasts", "intends", "anticipates" or "does not anticipate", or "believes", or variations of such words and phrases or statements that certain actions, events or results "may", "could", "should", "would", "might" or "will" be taken, occur or be achieved. Such statements are qualified in their entirety by the inherent risks and uncertainties surrounding future expectations.

Such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of Xstrata or Anglo American to be materially different from any future results, performance or achievements expressed or implied by the forward-looking statements. Important factors that could cause actual results, performance or achievements of Xstrata or Anglo American to differ materially from the expectations of Xstrata or Anglo American, as applicable, include, among other things, general business and economic conditions globally, commodity price volatility, industry trends, competition, changes in government and other regulation, including in relation to the environment, health and safety and taxation, labour relations and work stoppages, changes in political and economic stability, disruptions in business operations due to reorganisation activities (whether or not Xstrata merges with Anglo American), interest rate and currency fluctuations, the failure to satisfy any conditions for any possible merger on a timely basis or at all, the failure to satisfy the conditions of any actual merger of Xstrata with Anglo American if and when implemented (including approvals or clearances from regulatory and other agencies and bodies) on a timely basis or at all, the failure of Xstrata to merge with Anglo American on a timely basis or at all, the inability of the merged group to successfully realise Xstrata's anticipated synergy benefits if and when a merger of Xstrata and Anglo American is implemented, the inability of the merged group to successfully integrate Xstrata's and Anglo American's operations and programmes if and when a merger of Xstrata and Anglo American is implemented, the merged group incurring and/or experiencing unanticipated costs and/or delays or difficulties relating to the merger of Xstrata and Anglo American if and when a merger of Xstrata and Anglo American is implemented. Such forward-looking statements should therefore be construed in light of such factors.

Neither Xstrata, nor any of its associates or directors, officers or advisers, provides any representation, assurance or guarantee that the occurrence of the events expressed or implied in any forward-looking statements in this announcement will actually occur. You are cautioned not to place undue reliance on these forward-looking statements.

Other than in accordance with its legal or regulatory obligations (including under the UK Listing Rules

*and the Disclosure and Transparency Rules of the Financial Services Authority), Xstrata is not under any obligation and Xstrata expressly disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.*

***Not a profit forecast***

*No statement in this announcement is intended as a profit forecast or profit estimate and no statement in this announcement should be interpreted to mean that the future earnings per share of the merged group, Xstrata and/or Anglo American for current or future financial years will necessarily match or exceed the historical or published earnings per share of Xstrata or Anglo American.*

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