

Xstrata Community Partnership Program Queensland



A message from Her Excellency Ms Quentin Bryce, AC Governor of Queensland



I am delighted to be launching Xstrata's new Community Partnership Program in Queensland – a fine example of a corporate leader, employer, and significant contributor to our economy, recognising and embracing their responsibility towards the communities in which they operate and the individuals whose lives they touch.

Xstrata can be proud of the wealth they have generated through their Queensland operations over many years, and, as a result, the rewards that have flowed to staff and families, shareholders, local businesses, and our State.

Beyond financial performance, is the wealth, in dollars, skill, and experience, Xstrata have committed to establishing and sustaining partnerships with community organisations to deliver vital health, education and social initiatives, signifying their depth of understanding of the enduring value of cooperation, consultation, and shared benefit.

These mature and carefully considered approaches are a model for re-engaging communities throughout our State. I praise Xstrata for their innovation and leadership, and the opportunities and possibilities that their actions offer us all.

Quentin Bryce, AC
Governor of Queensland



A message from Xstrata Copper Chief Executive Charlie Sartain

Xstrata's presence in Queensland has had a significant and positive impact on the State's economy and the livelihood of many Queenslanders, their families, and the communities they live and work in.

In 2004 we launched the three year, \$4 million Xstrata Community Partnership Program North Queensland as part of Xstrata's broader Corporate Social Involvement commitment. Since then, we have gained a great deal of goodwill and positive feedback from our programs, particularly from the north Queensland communities we support.

I am proud to announce that from 2006, Xstrata will be engaging in several State-wide Corporate Social Involvement initiatives through a three year, \$2.48 million Xstrata Community Partnership Program in Queensland.

I see this program as a natural extension of the north Queensland program we embarked on last year. It highlights Xstrata's strong and ongoing commitment to Queensland and our belief that the State's communities should benefit from our operations both in the short and long term.

The Xstrata Community Partnership Program in Queensland will focus on three specific areas – health, social and community, and education – comprising five Queensland partnerships detailed in this booklet. The program has been developed on behalf of Xstrata's three commodity businesses operating in Queensland – Xstrata Copper, Xstrata Zinc and Xstrata Coal.

The program's extended focus on State-wide initiatives is appropriate and comes at a time when our operations in Queensland are growing and providing more revenue, employment and business opportunities than ever before.

I look forward to this new chapter in the growth of Xstrata's Corporate Social Involvement and sharing the benefits of our continued growth with our employees, communities and partner organisations through this exciting program.

Charlie Sartain
Chief Executive, Xstrata Copper

A message from Xstrata Coal Chief Executive Peter Coates

I am pleased to introduce the Xstrata Community Partnership Program in Queensland. The program extends upon and complements many of Xstrata's existing community partnership programs and I believe it will bring great benefits to the people of Queensland.

Xstrata Coal is proud to play an important role in growing and sustaining the Queensland economy by employing Queenslanders, generating export revenue and supporting local communities.



Last year, Xstrata Coal launched its Corporate Social Involvement program, which contributed \$1.3 million towards social initiatives in both New South Wales and Queensland, particularly in the company's local communities.

These partnerships built upon our strong economic contribution to both States and have created far-reaching benefits for many Australians.

Xstrata is committed to ensuring a sustainable future for our people and the communities in which we operate, and we have selected partners who can help us fulfil this commitment. As Xstrata's operations in Queensland continue to expand and grow, so too does our Corporate Social Involvement commitment.

I am very proud of our new Queensland program and believe it will make a long-lasting and positive contribution to this State.

Peter Coates
Chief Executive, Xstrata Coal

Xstrata Community Partnership Program Queensland

Xstrata Community Partnership Program Queensland

Commencing in 2006, Xstrata will contribute \$2.48 million to the Xstrata Community Partnership Program in Queensland over the next three years. The program comprises five Queensland partnerships and has been developed on behalf of Xstrata's three commodity businesses operating in Queensland – Xstrata Copper, Xstrata Zinc and Xstrata Coal.

The Xstrata Community Partnership Program in Queensland will initially focus on three of Xstrata's six areas of Corporate Social Involvement: health, social and community, and education. These key areas reflect Xstrata's Corporate Social Involvement policy and guidelines, which set out a commitment to support initiatives benefiting the communities that host its operations, employees and their families.

Xstrata plc contributes at least one percent of its pre-tax profit to community initiatives. In 2005, Xstrata set aside US\$24.7 million to support communities associated with its operations.

1. HEALTH

These partnerships support important health initiatives to advance medical research, help sick and injured Queensland children and provide much-needed accommodation facilities for leukaemia patients and their families.

Providing telepaediatric services for children in regional hospitals

"Xstrata's commitment to funding telepaediatric services will allow us to expand on the success of the first robot and to provide this innovative service to other regional communities."

– Karenlee Spillane, CEO, Royal Children's Hospital Foundation

Located at the Royal Children's Hospital, The University of Queensland's Centre for Online Health constructed a telemedicine system – known as Roy the Robot – that is mobile and wireless and can be easily transported to the bedside of patients to allow consultation with a specialist in a major hospital hundreds of kilometres away.

The robot was trialled at the Gladstone Hospital paediatric ward and during the first four months of its operation, a total of 86 consultations were conducted for regional patients requiring review by a paediatrician. The service proved to be a great success and clinically beneficial for patients and health professionals in a regional hospital without access to a paediatric specialist.



The Xstrata Community Partnership Program in Queensland will provide \$335,000 over three years to the Royal Children's Hospital Foundation to help the Centre for Online Health expand its telehealth facilities and services to other regional hospitals. This partnership will ensure that many sick and injured children will be given the chance of a healthy future.

The funds will be used to purchase two telepaediatric units in each of 2006 and 2007 for central and north Queensland hospitals.

The partnership will also employ a senior research officer for three years to manage the project at the Centre for Online Health in Brisbane.

Our partner – the Royal Children's Hospital Foundation

The support provided by the Royal Children's Hospital Foundation Queensland touches the lives of more than 100,000 children each year from Queensland, interstate and beyond. The Foundation strives to support sick children across the State, providing grants to improve facilities and equipment in the regions, and fund training and workshops so hospital staff can share their medical skills and expertise with regional healthcare providers.

Xstrata Community Partnership Program Queensland



Building a home away from home for critically ill Queenslanders

"Xstrata's substantial contribution towards the new patient accommodation and support centre The Clem Jones-Sunland Leukaemia Foundation Village in Brisbane is a highlight in the Leukaemia Foundation's campaign to raise funds for this very vital service to rural and regional leukaemia patients and families." – Peter Johnstone, Chief Executive Officer, Leukaemia Foundation

Each year, hundreds of rural leukaemia patients are forced to make Brisbane their temporary home at a moment's notice, while they receive long term and potentially lifesaving treatment. Demand for existing accommodation increased 17 percent in 2004–05 – outstripping available facilities.

The Leukaemia Foundation has supported many patients and families from areas where Xstrata operates, providing 9,869 nights accommodation, or 14 percent of the total percentage of Queensland patients and families using the Leukaemia Foundation's accommodation from 2002–2005.



The Xstrata Community Partnership Program in Queensland will provide \$400,000 over three years. This includes funding for a four unit accommodation wing at the Leukaemia Foundation's new 30 unit, \$7.5 million accommodation village at Nathan in Brisbane. Construction has commenced on the accommodation village and facilities and it is expected to be completed by the end of December 2006.

The partnership will also fund research projects at the Leukaemia Foundation's research unit at the Queensland Institute of Medical Research.

Our partner – the Leukaemia Foundation

Formed in Queensland in 1975, the Leukaemia Foundation is the only not-for-profit organisation dedicated to helping people with leukaemia, lymphoma, myeloma, aplastic anaemia and blood related disorders. In addition, the Foundation is dedicated to finding better treatments and cures for these debilitating diseases.

Xstrata Medical Research Program

"The Xstrata Medical Research Program will allow The Wesley Research Institute to continue three important medical research projects that will improve the health and wellbeing of Queenslanders and people everywhere."

– Professor Julie Campbell, Director, The Wesley Research Institute

The Xstrata Community Partnership Program in Queensland will provide \$690,000 over three years to The Wesley Research Institute to fund research projects under the Xstrata Medical Research Program and an Xstrata Post-Doctoral Fellowship. This partnership will have both short and long-term local, national and international benefits for improved patient care and clinical practices.

Chronic Wounds Research

Commencing in 2006, the partnership will provide \$150,000 over three years for research that aims to determine why some chronic leg ulcers in diabetics do not heal. Using hyperbaric oxygen therapy, now being used increasingly at The Wesley Hospital to heal wounds, the research aims to find biological predictors as guides for best treatment for patients with this condition.

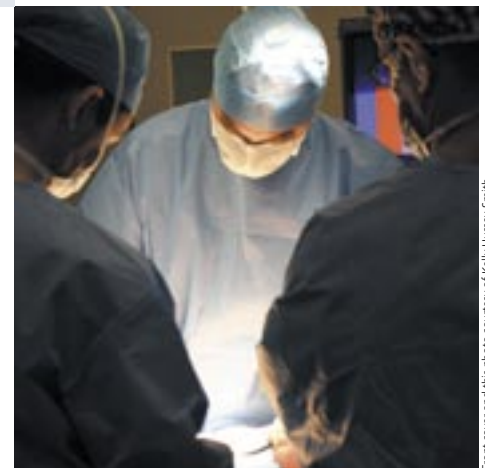
Prediction of damage from radiotherapy for prostate cancer

Prostate cancer is the most prevalent cancer in men over 50 years of age.

The Xstrata Community Partnership Program will provide \$150,000 over three years for a research project that will identify genetic factors that predict if a patient has the potential to develop severe rectal damage from radiotherapy for prostate cancer.

Cardiovascular Complications

Funding of \$150,000 over three years from 2006 will support this research project that is designed to develop strategies to prevent and/or treat cardiovascular complications associated with orthopaedic injury or surgery, including hip replacement, where bone marrow escapes into the blood.



Front cover and this photo courtesy of Kelly Hussey-Smith

Xstrata Post-Doctoral Fellowship

The Xstrata Community Partnership Program in Queensland will provide \$80,000 a year for three years for the Xstrata Post-Doctoral Fellowship in the field of prostate cancer. Dr Astrid Whitbread has been appointed as the Research Fellow. She will examine proteins found in the prostate gland to determine how prostate tumours become more aggressive and metastatic.





An artist's impression of The Clem Jones-Sunland Leukaemia Foundation Village.



Leukaemia Foundation
VISION TO CURE
MISSION TO CARE



Photo courtesy of Jeff Heck

Our partner – The Wesley Research Institute

The Wesley Research Institute is a not-for-profit organisation situated in the grounds of The Wesley Hospital in Auchenflower, Brisbane. The Institute was established in 1994 by a group of individuals at The Wesley Hospital who understood that an active research culture translates into advanced medical treatment and improved patient care. Research outcomes include earlier diagnosis, better treatment, fewer side effects, shorter hospitalisation time, and better quality of life when the patient returns to the community.



2. SOCIAL and COMMUNITY

This partnership supports important social and community programs to assist children in need.

Xstrata Family Support Program

“The Xstrata Family Support Program provides vital funds to support existing Centacare programs to give significant assistance to Queensland children with socialisation difficulties and to help us ensure more children find ways to realise their potential.” – Peter Selwood, Executive Director, Centacare

Queensland’s children are one of the State’s greatest resources and it is important that they are given the chance of a good future. The Xstrata Community Partnership Program in Queensland will provide \$600,000 over three years to support two of Centacare’s existing children’s programs that aim to give assistance to Queensland children experiencing socialisation difficulties.

From 2006-2008, the Xstrata Community Partnership Program will provide \$200,000 a year to fund the further growth of ‘Kids’ Business – Everyone’s Business’ and the ‘I Can’ programs.

‘Kids’ Business – Everyone’s Business’ Program

The children who participate in this program are young people, approaching adolescence, who risk losing their future potential to be part of a strong, healthy family and to raise their own children successfully. It is a unique program in south east Queensland, which provides an intensive therapeutic, school based intervention

for these children while they are at primary school. It teaches children and families positive strategies and coping skills. The program is changing lives and classrooms as the very behaviours for which the children are about to be excluded from school are moderated.

‘I Can’ Program

This program is designed for children between five and seven years of age who are experiencing anxiety, social withdrawal or isolation and vulnerability in their early years of schooling. In 2006, the funds will be used to train up to 22 ‘I Can’ children’s practitioners. The program will then be rolled out throughout Queensland progressively over the next three years.

Support for these Centacare initiatives builds Xstrata’s existing partnership with Centacare in north Queensland. The Xstrata Community Partnership Program in north Queensland supports several successful Centacare initiatives in Mount Isa, including indigenous employment and training, and a children’s support program.

Our partner – Centacare

Centacare Catholic Family and Community Services (CFCS) core mission focuses on providing services that promote stronger families and healthy relationships. CFCS is committed to reaching out to those people who are most disadvantaged in the community and in particular to children in families.



3. EDUCATION

This partnership supports an education initiative that will help address the skills shortage facing the resources industry.

Xstrata Chair of Metallurgical Engineering

"Xstrata has shown great vision in sponsoring the Chair of Metallurgical Engineering. The agreement will further strengthen engineering teaching and research, encouraging more students to study in the field." – University of Queensland Vice-Chancellor, Professor John Hay, AC

The Xstrata Community Partnership Program will provide \$450,000 over three years to co-fund the establishment of the Xstrata Chair of Metallurgical Engineering at The University of Queensland (UQ) commencing in 2006. This is part of Xstrata's 10 year, \$1.5 million commitment. The funds will be used to oversee and guide the implementation of a new Bachelor of Engineering double major in Chemical and Metallurgical Engineering from 2006. It will also encourage students to study metallurgy and further enhance the reputation of the University as a research leader in mining and metallurgical engineering.

Xstrata's partnership with UQ will help address the skills shortage currently facing Australia's resources industry and will provide exciting career pathways for young people by increasing the number of metallurgy graduates from the University from five in 2004 to 20 by 2008.

Our partner – The University of Queensland

The University of Queensland (UQ) is one of Australia's premier learning and research institutions and is the largest and oldest university in Queensland.



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA



Prof. Greg Sheehan,
Xstrata Chair of
Metallurgical Engineering.

Existing Community Support

The Xstrata Community Partnership Program in Queensland builds on Xstrata's existing and extensive community support activities in the State.

In December 2004, Xstrata launched its three year, \$4 million Xstrata Community Partnership Program North Queensland, an initiative of Xstrata Copper and Xstrata Zinc, as part of Xstrata's broader Corporate Social Involvement commitment. The program supports 34 community initiatives within the areas of enterprise and job creation, education, environment, social and community, health, and arts and culture.

Since then, Xstrata has gained a great deal of positive feedback from key stakeholders, at the State and local government levels, and in the north Queensland communities Xstrata supports. Key outcomes of the north Queensland program in 2005 include:

- the establishment of multimedia centres at Spinifex State College and Townview State School in Mount Isa;
- the appointment of an indigenous employment training coordinator at Centacare in Mount Isa;
- the appointment of a Diabetes Centre Educator at Mount Isa Hospital;
- more doctors for Cloncurry;

- drama and self-development workshops for young people through Lifeline in Townsville; and
- regional leadership forums facilitated by the Queensland Arts Council in Bowen and Mount Isa.

Xstrata has recently further increased its commitment to this program in 2006 with additional initiatives for north Queensland – bringing the total program value to \$1.22 million in 2006.

This is in addition to more than \$460,000 spent last year in Mount Isa, Cloncurry, Townsville and Bowen on sponsorships, donations and other community support initiatives, including the Mount Isa Rotary Rodeo, the Cloncurry Merry Muster, the Outback at Isa tourism attraction and the Mount Isa Mining Expo.

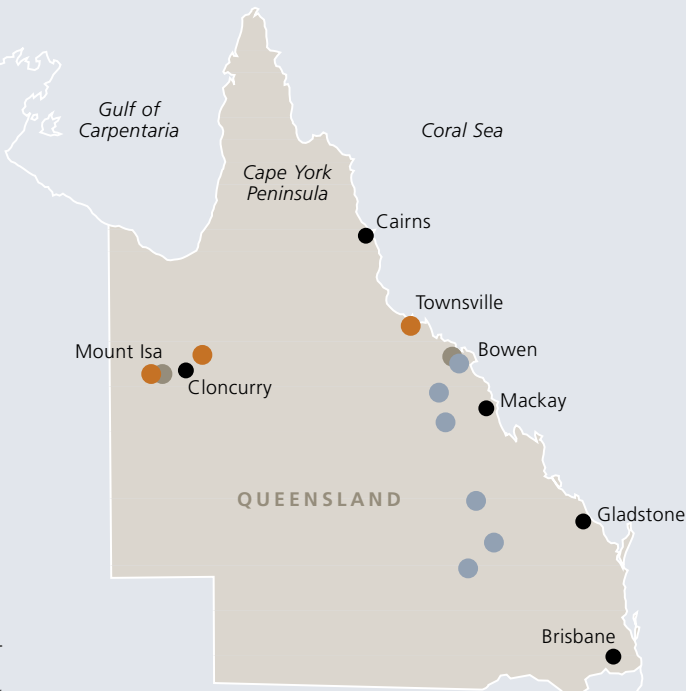
Xstrata Coal's 2005 Corporate Social Involvement program contributed \$1.3 million towards social initiatives in both Queensland and New South Wales, particularly in the company's local communities. Partners in Queensland included the Capricorn Helicopter Rescue Service, Central Queensland Helicopter Rescue Service,



the Royal Flying Doctor Service, the Queensland Art Gallery and The University of Queensland.

Also, as part of Xstrata Coal's commitment to developing the new Rolleston Coal Mine, a three year, \$1.8 million community funding agreement was developed together with the local council and is designed to bring many benefits to the towns of Rolleston and Springsure.

Xstrata recently announced support for Tennis Queensland's efforts to enhance its regional based tennis programs throughout Queensland. Xstrata will provide \$450,000 over three years to Tennis Queensland to support player development initiatives and provide increased opportunities for young players.



Xstrata in Queensland

Xstrata's operations in Queensland provide major benefits to the communities in which they operate, from the employment they provide, the local businesses they support, the Government taxes and charges they pay and the community support they provide.

Xstrata's three commodity businesses in Queensland – copper, zinc and coal – run 10 major operations and employ in excess of 6,000 people throughout the State.

Xstrata Copper

Xstrata Copper's north Queensland division comprises the Mount Isa Mines Limited copper mining and processing operations, Ernest Henry Mining Pty Ltd, and the Townsville copper refinery and port operations. From north Queensland, Xstrata Copper supplies copper concentrates and copper cathode to international and domestic customers.

Xstrata Zinc

Xstrata Zinc's operations in north Queensland comprise the Mount Isa Mines zinc mining and processing operations and the Bowen Coke Works. Zinc concentrate produced at Mount Isa Mines is sold to domestic and international refineries, while lead-silver bullion is transported to Xstrata Zinc's Northfleet refinery in the United Kingdom.

Xstrata Coal

Xstrata Coal's Queensland operations include coking and thermal coal mines in Queensland's Bowen Basin. These are the Oaky Creek, Newlands, Collinsville, Rolleston and Cook mines. The new Rolleston Coal Mine is expected to generate \$3.4 billion in economic benefits over the life of the mine. Xstrata Coal also operates the Abbot Point Coal Terminal.

Xstrata plc

Xstrata maintains a meaningful position in six major international commodity markets: copper, coking coal, thermal coal, ferrochrome, vanadium and zinc, with additional exposures to gold, lead and silver. The Group's operations and projects span four continents and seven countries: Australia, South Africa, Spain, Germany, Argentina, Peru and the UK.



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