



KAZAKHMYNS PLC

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Company registered in England and Wales
Company Number: 5180783

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Kazakhmys PLC Production Report for the First Quarter Ended 31 March 2012 and Interim Management Statement

- **Extraction of copper in ore ahead of Q1 2011**
 - Processing of ore impacted by severe weather and transportation issues
 - Copper cathode output from own concentrate of 65 kt in Q1 2012
 - Processing of stockpiled ore and Konyrat restart will raise output in H2
 - On track to deliver annual target of between 285 to 295 kt of copper cathode
- **By-product output also on track for annual targets**
 - Zinc in concentrate of 32 kt with strong recovery in output
 - Precious metals output ahead of the comparative period
- **Kazakhmys Power**
 - Strong domestic demand led to 11% increase in net power generated at Ekibastuz GRES-1 to 3,960 GWh
- **Maintaining strong financial position**
 - Balance sheet remains in net funds
 - Completed outstanding gold sales to National Bank of Kazakhstan for \$115 million
 - Total of 10.6 million shares repurchased under buy-back programme for \$150 million since September 2011

Oleg Novachuk, Chief Executive Officer, said: "It has been a challenging start to the year with exceptionally low temperatures disrupting the transportation and processing of mined ore. However, we have much to look forward to and report on in 2012. Stockpiles have been built up and will be processed over the course of the year, so that we remain on track with our annual targets. The power business continues to perform well and the additional turbine at Ekibastuz GRES-1 is due to be installed at the end of 2012, which will increase generating capacity by 20%. At the beginning of April, the contractors at Bozshakol, our first major growth project, mobilised a month ahead of schedule and the project is fully underway."

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Kazakhmys PLC

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NOTES TO EDITORS

Kazakhmys PLC is a leading international natural resources group with significant interests in copper, gold, zinc, silver and power generation.

It is the largest copper producer in Kazakhstan and one of the top worldwide with 18 operating mines, 10 concentrators and 2 copper smelters. Kazakhmys Mining operations are fully integrated from mining ore through to the production of finished copper cathode and rod. Total copper cathode equivalent produced in 2011 from own ore was 299 thousand tonnes. Production is backed by a captive power supply and significant rail infrastructure.

Kazakhmys Mining produces significant volumes of other metals, including zinc, silver and gold. In 2011, it produced 140 thousand tonnes of zinc in concentrate. The Group is amongst the largest silver producers in the world (13 million ounces produced in 2011).

Kazakhmys Power has a 50% interest in the coal fired Ekibastuz GRES-1 plant, the largest in Kazakhstan with a current capacity of 2,500 MW and which is undergoing a modernisation programme to reach its nameplate capacity of 4,000 MW. Kazakhmys Power also operates the captive coal mines and power stations which supply electricity to the Mining Division.

The Group is part of the FTSE-100 index of companies listed on the London Stock Exchange and is also listed on the Kazakhstan Stock Exchange (KASE) and Hong Kong Stock Exchange (HKSE). It had revenues from continuing operations of \$3.6 billion in 2011 with an operating profit of \$1.2 billion. The Group employs some 60,000 people, principally in Kazakhstan. The Group's strategic aim is to optimise its current operations, deliver its major growth projects and to diversify and participate in the development of the significant natural resource opportunities in Central Asia.

KAZAKHMYN MINING PRODUCTION

		Q1 2012	Q4 2011	Q1 2011
Ore extraction	'000 t	8,491	8,429	7,895
Average copper grade	%	0.99	1.01	0.99
Copper in concentrate	'000 t	71.5	73.7	72.0
own concentrate	'000 t	70.9	72.8	71.9
purchased concentrate	'000 t	0.6	0.9	0.1
Copper cathode equivalent production ¹	'000 t	65.1	73.5	74.2
own concentrate	'000 t	64.5	71.6	74.1
purchased concentrate	'000 t	0.6	1.9	0.1
Copper rod	'000 t	6.2	8.0	8.9

¹Includes copper cathode converted into rod.

Ore extraction of 8,491 kt in Q1 2012 was in line with the previous quarter and 8% higher than Q1 2011, benefiting from increased output from the Central and East regions, partially offset by lower output from the Zhezkazgan Region. Zhezkazgan was affected by severe weather, which impacted the movement of ore and a shortage of transportation equipment, which with the delivery of new equipment will improve in the second half of 2012.

The average copper grade in Q1 2012 was around 1%, in line with the previous periods, but higher than the expected run rate for the year. Konyrat, a low grade open pit, has not yet recommenced production, and at Orlovsky mine operations were focused on relatively high grade sections. Average copper grade is expected to decline slightly during the remainder of the year.

Higher ore extraction combined with steady grade led to an 8% increase in metal in ore mined compared to Q1 2011. There was, however, no change in metal in ore processed due to an increase in stockpiled ore in Q1 2012, compared to processing of stockpiled ore in both comparative periods. In Q1 2012 stockpiled ore was accumulated in the Zhezkazgan Region due to transportation problems and severe weather. Ore was also stockpiled in the East Region and Abyz mine due to the cold weather. The increase in stockpiled ore, led to a slight decline in the production of copper in own concentrate to 70.9 kt.

The Balkhash smelter and refinery produces around two thirds of the Group's finished copper cathode, with the Zhezkazgan smelter and refinery producing the balance. Some concentrate is transferred from the Zhezkazgan region to the Balkhash smelter for processing. The Balkhash smelter processes all concentrate from the Central and East Regions.

Copper cathode equivalent production was 12% and 11% lower compared to Q1 and Q4 2011, respectively. The reduction was due to lower volumes of copper in concentrate output, and an accumulation of work in progress, partly due to planned furnace repairs at the Balkhash smelter. Releases of work in progress increased cathode production during both comparable quarters of 2011.

KAZAKHMYS MINING PRODUCTION (CONTINUED)

Stockpiled ore will be processed during the remainder of 2012, assisted by the delivery of new railcars, and Konyrat mine will start to produce in the second half of the year. Production remains on track to meet the full year copper cathode target of between 285 and 295 kt.

Copper rod is produced to order for customers from the Chinese market. Output was slightly lower than in the comparative quarters of 2011, reflecting levels of demand.

KAZAKHMYNS MINING PRODUCTION

		Q1 2012	Q4 2011	Q1 2011
Zinc in concentrate	'000 t	31.7	25.9	36.2
Average zinc grade	%	3.27	2.57	4.22
Silver ¹	'000 oz	2,797	3,273	2,337
Own production (by-product) ²	'000 oz	2,794	3,269	2,332
Average silver grade	g/tonne	18.05	17.19	19.33
Gold	'000 oz	29.3	40.3	23.7
Own production (by-product) ²	'000 oz	27.0	32.6	19.3
Average grade	g/tonne	0.68	0.63	0.71
Doré production (primary)	'000 oz	2.3	7.7	4.4
Average grade	g/tonne	1.15	1.29	1.27

¹ Includes a small volume of by-product production from the former Kazakhmys Gold mines: Central Mukur and Mizek.

² Includes slimes from purchased concentrate.

Zinc (by-product)

There was a 20% increase in zinc in mined ore in Q1 2012 compared to Q1 2011 lifted by the re-opened Akbastau mine and higher ore extraction from the East Region. Zinc in ore processed, however, reduced by 14% due to the stockpiling of ore from Akbastau mine, rail transportation problems in moving ore from Artemyevsky mine to a third party concentrator and reduced water supply at one of the Group's concentrators caused by the extremely cold weather. Zinc in concentrate production in Q1 2012 of 31.7 kt was 12% below Q1 2011, reflecting the lower level of processed material. Processing of material will recover during the next two quarters.

Zinc in concentrate production in Q1 2012 was 22% higher than the previous quarter due to an increase in the output of higher grade zinc ore from several mines in the East Region.

Silver (by-product)

The level of silver metal in ore mined was consistent with Q1 2011, but silver output increased by 20%. Production of precious metals in Q1 2011 was impacted by maintenance work at the Balkhash precious metals plant.

There was a 6% increase in silver in ore mined in Q1 2012 compared to Q4 2011, mainly due to an increase from the East Region. Own production of silver at 2,794 koz, was impacted by repair work at the Balkhash smelter, which will be completed in Q2 2012.

Gold (by-product)

Gold output in Q1 2012 was 40% higher than in Q1 2011 mainly because of the reduction in gold production last year due to the repair work at the Balkhash precious metals plant mentioned above. Gold output in Q1 2012 also benefited from higher volumes of gold bearing ore from Abyz mine and the re-opened Akbastau mine.

KAZAKHMYN MINING PRODUCTION (CONTINUED)

The volume of gold mined in Q1 2012 was 14% above Q4 2011, mainly due to the higher output of gold bearing ore and the higher grade at Abyz mine. However, gold production in 2012 has also been affected by the repair work at the Balkhash smelter and stockpiling of ore from Abyz mine due to cold weather conditions.

Gold (primary production)

Gold (primary production) relates to the output from mines previously included within Kazakhmys Gold.

Output decreased by 5.4 koz in Q1 2012, compared to Q4 2011 due to seasonal factors as levels of recovery from heap leaching decrease with a lower ambient temperature and the supplies of material for processing are declining.

As previously reported, the Central Mukur mine has moved towards the end of its operational life, which is reflected in output and the average grade. Mining work at the mine is expected to be completed by June 2012 and material for heap leaching will be available throughout 2012. Extraction of ore at Mizek mine completed in November 2010, but the heap leaching of ore pads will continue until the end of 2012.

ZHEZKAZGAN REGION

		Q1 2012	Q4 2011	Q1 2011
Ore extraction	'000 t	5,349	5,486	5,677
Average copper grade	%	0.70	0.68	0.73
Copper concentrate	'000 t	95.4	94.5	100.3
Copper in concentrate	'000 t	31.4	32.5	36.0

Ore extraction of 5,349 kt in Q1 2012 was 6% lower than the comparative period of 2011. The region suffered from the severe winter weather conditions mentioned earlier. Output from the North, West and East mines was impacted by the availability of rolling stock, due to a delay in the repair of railcars. Transportation of ore in Q1 2012 was also affected by an outage at the crusher at the Zhezkazgan concentrator, which increased the unloading time and turnaround of railcars. There was a decline in ore output of 108 kt at Annensky mine in line with its mine plan. These reductions were partially offset by increased output at South mine, which benefited from improved mobile equipment availability, and a recovery in output at Stepnoy mine, where the ore crusher was undergoing maintenance in Q1 2011.

Ore extraction in Q1 2012 was just 2% lower than Q4 2011 impacted by the weather and equipment availability mentioned above.

The average copper grade in Q1 2012 decreased to 0.70% compared to 0.73% in the same period in 2011. Operations at Stepnoy mine have moved to a lower grade area of the ore body, which was partially offset by the mining of higher grade areas at the Annensky mine. The slight grade increase in Q1 2012 compared to Q4 2011 is mainly due to the mining of higher grade sections at Zhomart mine and a slight increase in grade at South mine.

The combination of both lower ore volumes and grade in Q1 2012, resulted in a 13% decline in metal in ore processed and a matching 13% decrease in copper in concentrate production compared to the same period in 2011. The slight decline of copper in concentrate in Q1 2012 in comparison with Q4 2011 is due to the lower volume of metal in ore processed.

New railcars are being delivered to the Region during the next few months which will allow an increase in the volumes of ore to be transported.

CENTRAL REGION

		Q1 2012	Q4 2011	Q1 2011
Ore extraction	'000 t	1,853	1,778	1,148
Average copper grade	%	0.97	1.08	0.97
Copper concentrate	'000 t	119.5	140.9	125.8
Copper in concentrate	'000 t	17.8	16.0	13.6

Ore extraction of 1,853 kt was 61% higher than in the same period of 2011 reflecting re-commencement of mining at Akbastau in the second half of 2011 and improved transportation of ore at Nurkazgan mine, following completion of repair work on the conveyor in Q1 2011. Output at Abyz was higher in Q1 2012 due to extensive stripping at the mine in Q1 2011 and there was also a recovery in ore extraction at Sayak mine, which was affected by mobile equipment outages in Q1 2011.

Ore extraction in Q1 2012 rose by 4% compared to Q4 2011, mostly due to continued improvement from the Nurkazgan mine conveyor and higher output from Sayak mine due to improved mobile equipment availability.

The average copper grade in Q1 2012 was in line with the comparative period. The decrease to 0.97% in Q1 2012 from 1.08% in Q4 2011 was mostly due to a combination of lower volume and lower grade at Akbastau mine. Operations at Akbastau mine in 2011 were largely preparatory, ahead of the expansion project and construction of an adjacent concentrator. Stripping work in 2011 occasionally covered higher grade sections, but in Q1 2012 Akbastau moved to the planned stage of ore extraction with steady output and grade.

Higher volumes and consistent grade led to a 61% increase in metal in ore mined in Q1 2012 compared to the same period of 2011. There was, however, only a 38% increase in metal in ore processed, as Q1 2011 benefited from the processing of stockpiled ore. The increase in metal in ore processed is reflected in the growth of copper in concentrate output.

Despite a 6% decrease in metal in ore mined, metal in ore processed increased by 10% in Q1 2012 compared to Q4 2011 principally due to lower volumes of ore stockpiled and higher volumes of slags in Q1 2012. The increase in metal in ore processed is reflected in the higher output of copper in concentrate.

EAST REGION

		Q1 2012	Q4 2011	Q1 2011
Ore extraction	'000 t	1,289	1,165	1,070
Average copper grade	%	2.24	2.47	2.40
Copper concentrate ¹	'000 t	115.1	124.6	112.4
Copper in concentrate ¹	'000 t	20.6	23.1	20.4

¹Excludes concentrate processed by third parties.

Ore extraction of 1,289 kt in the East Region in Q1 2012 was 20% above Q1 2011 and 11% higher than Q4 2011, with most of the Region's mines improving their performance. Artemyevsky mine was restricted by backfilling work in Q1 2011 and ore transportation problems during Q4 2011. Nikolayevsky, Orlovsky and Yubileyno-Snegirikhinsky mines were all affected by equipment repair work during Q1 2011.

In Q1 2012, the average copper grade was 2.24%. The reduction in grade compared to Q1 and Q4 2011, arose mainly from Orlovsky mine where operations were focused on higher copper grade sections in 2011. In 2012 ore output from this mine is likely to have a higher zinc content.

Copper in concentrate output in Q1 2012 was in line with the comparative quarter in 2011. Despite the 12% increase in metal in ore mined, the stockpiling of ore in Q1 2012 from Artemyevsky mine as a result of a temporary railcar shortage and loading equipment repairs, meant that there was a slight decrease in metal in ore processed in Q1 2012 compared to Q1 2011.

Lower ore grade in Q1 2012 was offset by higher volumes of extracted ore compared to Q4 2011. The stockpiling of ore from Artemyevsky mine in Q1 2012 mentioned above, however, led to a 9% reduction in metal in ore processed, which is reflected in the output of copper in concentrate.

KAZAKHMY'S POWER PRODUCTION

		Q1 2012	Q4 2011	Q1 2011
Ekibastuz GRES-1¹				
Net power generated ²	GWh	3,960	3,498	3,557
Net dependable capacity ³	MW	2,255	2,231	2,225
Electricity tariff	KZT/kWh	5.49	5.33	5.38
Captive power stations				
Net power generated ²	GWh	1,591	1,432	1,539
Net dependable capacity ³	MW	813	848	842
Internal sales	GWh	953	796	872
External sales	GWh	638	636	667
Electricity tariff ⁴	KZT/kWh	3.51	3.50	3.50

¹ Results shown are for 100% of the business

² Electricity generated and sold to customers less internal consumption and transformer losses in the power station.

³ The net dependable capacity is the maximum capacity a unit can sustain over a specified period modified for seasonal limitations and reduced by the capacity required for station service and auxiliaries.

⁴ External sales only.

Ekibastuz GRES-1

Net power generated at Ekibastuz GRES-1 in Q1 2012 increased by 11%, to 3,960 GWh, compared to the corresponding period of 2011. The increase in output was driven by continued growth in demand from within Kazakhstan, with domestic sales rising by 24% or 751 GWh. The volume of sales to Russia was reduced by 346 GWh given the higher demand from the domestic market.

In Q1 2012 net power generated was 13% higher than Q4 2011, largely due to the colder weather. The generation of power for the domestic market in Q1 2012 was 16% higher than in Q4 2011.

Net dependable capacity in Q1 2012 was higher than in the comparative periods, due to the commissioning of an electrostatic precipitator at Unit 6.

It was agreed with the Ministry of Industry and New Technologies that the ceiling tariff of 5.60 KZT/kWh set for 2011 would remain in place for Q1 2012. The ceiling tariff set for the remainder of 2012 is 6.50 KZT/kWh. The weighted average tariff for electricity sold by Ekibastuz GRES-1 in Q1 2012 was 5.49 KZT/kWh. The weighted average tariff is slightly below the ceiling tariff for Kazakhstan, as 3% of net electricity generated was sold to Russia at a lower tariff.

The rehabilitation of Unit 8 remains on track and it will be brought back into operation by the end of 2012. With this unit operational from 2013, the capacity of the power station will increase to 3,000 MW.

KAZAKHMY'S POWER PRODUCTION (CONTINUED)

Captive power stations

Net power generated at the captive power stations during Q1 2012 increased by 3% compared to the corresponding period of 2011 with a significant decline in the number of forced equipment outages. Power generation in Q1 2012 increased by 11% compared to Q4 2011, which was impacted by the completion of the maintenance season.

The decommissioning of a turbine at Balkhash, with an installed capacity of 20 MW, reduced net dependable capacity by 29 MW compared to Q1 2011 and by 35 MW compared to Q4 2011.

External sales in Q1 2012 are slightly lower compared to Q1 2011 and at the same level as in Q4 2011. Internal consumption has increased by 20% in Q1 2012 compared to Q4 2011 and by 9% compared to Q1 2011, driven by demand from the operations in East Region. Previously East Region was partially supplied by third party power stations, which provided a saving on transmission charges. An increase in tariffs by the third party power stations no longer makes these purchases economic.

As at Ekibastuz GRES-1, the ceiling tariff for electricity sold to external customers during Q1 2012 of 4.10 KZT/kWh was maintained at the same level as 2011. From Q2 2012 the new ceiling tariff will be 4.55 KZT/kWh.

MATERIAL EVENTS AND TRANSACTIONS

There were no material events and transactions in the period covered by this Interim Management Statement that were not disclosed as post balance sheet events in the Group's 2011 Annual Report and Accounts.

FINANCIAL PERFORMANCE

Sales volumes

The following table sets out the sales volumes of the major products produced by Kazakhmys Mining:

		Q1 2012	Q4 2011	Q1 2011
Copper cathodes	'000 t	54.5	68.9	51.8
Copper rod	'000 t	6.8	7.8	6.6
Total copper products	'000 t	61.3	76.7	58.4
Zinc in concentrate	'000 t	31.1	33.7	39.1
Silver	'000 oz	2,981	5,528	2,283
Gold ¹	'000 oz	89.4	9.3	8.0

¹ Gold sales include volumes from by-products and gold doré from the Central Mukur and Mizek mines

Total copper product sales volumes in Q1 2012 were 3 kt above the comparative period in 2011 as the 9 kt decrease in total cathode equivalent production was offset by a lower build up of finished goods inventory in the period compared to Q1 2011. Total copper product sales volumes in Q1 2012 were 15 kt below those in Q4 2011, with an 8 kt decrease in total cathode equivalent production volumes and build up of finished goods inventory in Q1 2012 of 3 kt compared to a release of inventory in Q4 2011.

Zinc in concentrate sales volumes in Q1 2012 were 8 kt below the comparative period in 2011, reflecting a 5 kt fall in zinc in concentrate production and the sale of zinc in concentrate inventory in Q1 2011. Sales volumes in Q4 2011 were higher than in the current period, benefiting from a reduction in zinc concentrate inventory which offset the lower production volumes.

Silver sales volumes were above the comparative period of 2011, principally due to the lower production volumes in Q1 2011 as repair work was conducted on the anode furnace at the Balkhash precious metals plant. Sales volumes were below Q4 2011, as the export restriction introduced on sales of precious metals by the Government of Kazakhstan in July 2011, was lifted in September 2011 and silver inventory was sold down in this period.

Gold sales volumes in the first 3 months of 2012 included the sale of 69 koz of gold bar inventory built up in the second half of 2011 due to the export restriction placed on precious metals sales noted above. Sales of gold bar recommenced in March 2012 with the sale of inventory to the National Bank of Kazakhstan. Gold bar sales to the National Bank at market rates will continue on a monthly basis throughout the remainder of 2012.

FINANCIAL PERFORMANCE (CONTINUED)

Commodity prices

The following table sets out the average realised prices for the Group's major products:

		Q1 2012	Q4 2011	Q1 2011
Copper	\$/tonne	8,599	7,329	9,823
Silver	\$/tr.oz	34	32	32
Gold	\$/tr.oz	1,659	1,623	1,315
Electricity tariff Ekibastuz GRES-1	KZT/kWh	5.49	5.33	5.38
Domestic sales	KZT/kWh	5.54	5.40	5.53
Export sales	KZT/kWh	4.05	4.00	4.37

The following table sets out the average LME/LBMA prices:

		Q1 2012	Q4 2011	Q1 2011
Copper	\$/tonne	8,310	7,489	9,645
Zinc	\$/tonne	2,025	1,897	2,393
Silver	\$/tr.oz	33	32	32
Gold	\$/tr.oz	1,691	1,686	1,386

Realised prices will differ from the average LME/LBMA prices during the same period, principally because of the timing of sales over the period not occurring evenly. Premiums or discounts to metal exchange prices, negotiated with customers, will also impact realised average prices. The LME copper price began 2012 at \$7,661 per tonne and ended the period on 31 March 2012 at \$8,480 per tonne.

The weighted average realised tariff for Ekibastuz GRES-1 during Q1 2012 was 5.49 KZT/kWh, broadly consistent with the tariff levels in Q1 2011 and Q4 2011 as the 2011 domestic ceiling tariff of 5.60 KZT/KWh, set by the Government of Kazakhstan, was kept unchanged in Q1 2012. From 1 April 2012, the domestic ceiling tariff for Ekibastuz GRES-1 was increased to 6.50 KZT/KWh which will apply for the remainder of 2012.

Commodity hedging

At 31 March 2012, there were no commodity hedges in place other than copper hedges at MKM in the normal course of its business.

Exchange rates and exchange rate hedging

The KZT/\$ exchange rate at 31 March 2012 was KZT/\$ 147.77 compared to KZT/\$ 145.70 at 31 March 2011. The average exchange rate for Q1 2012 was KZT/\$ 148.17, compared to an average rate of KZT/\$ 146.42 for Q1 2011.

FINANCIAL POSITION

Except as described in this statement, there has been no significant change in the financial position of the Group since 31 December 2011.

Net funds for continuing subsidiary businesses

Net funds for the Group's continuing subsidiary businesses increased from \$19 million as at 31 December 2011 to \$45 million as at 31 March 2012 due to positive operating cash flows, principally driven by the resumption of gold sales. Higher commodities prices in the period compared to Q4 2011 were offset by reduced sales volumes for the Group's major products other than gold. The sale of gold inventory built-up in 2011 generated approximately \$115 million. Tax payments in the quarter were broadly similar to Q4 2011. Total capital expenditure in the quarter was higher than in Q4 2011 and \$36 million was returned to shareholders through the share buyback programme.

At 31 March 2012, gross debt was \$1,959 million, an increase of \$66 million from the position at 31 December 2011, following an additional \$200 million draw down under the China Development Bank/Samruk-Kazyna \$2.7 billion finance facility. The Group also made three monthly repayments under the pre-export finance facility, totalling \$131 million. Of the outstanding gross debt balance as at 31 March 2012, \$1,478 million related to the China Development Bank/Samruk-Kazyna finance facility and \$481 million related to the pre-export credit facility.

Total cash and cash equivalents for the Group were \$2,004 million at 31 March 2012, compared with \$1,912 million at 31 December 2011, reflecting the operating cash flows generated by the Group during the quarter, capital expenditure incurred on the Group's expansionary projects and the movements on the Group's debt facilities noted above.

Net debt for MKM

Net debt for the Group's discontinued subsidiary business, MKM, was \$157 million at 31 March 2012, a \$45 million increase from the \$112 million at 31 December 2011 as stronger commodity prices and slightly higher inventory volumes increased working capital requirements. In addition, a weaker Euro increased the net debt level in US dollar terms.

Net funds of Ekibastuz GRES-1

The net funds of the Group's subsidiaries exclude the net funds of the equity accounted joint venture investment in Ekibastuz GRES-1. Ekibastuz GRES-1's net funds, on a 100% basis at 31 March 2012, were \$143 million compared to \$80 million as at 31 December 2011. The net funds will continue to be used to finance the power plant's rehabilitation programme.

Holding in ENRC PLC

The Group's holding of 334,824,860 shares in ENRC PLC had a market value of \$3,172 million based on a share price of 593 pence as at 31 March 2012, compared to a value of \$3,289 million as at 31 December 2011 when the ENRC share price was 636 pence.

Share buy-back programme

In September 2011, the Group announced a share buy-back programme of up to \$250 million, the completion of which was subject to market conditions. In the quarter ended 31 March 2012, 2.4 million shares were purchased at a total cost of \$36 million. In the period from September 2011 to 31 March 2012, a total of 8.0 million shares had been purchased at

FINANCIAL POSITION (CONTINUED)

a total cost of \$114 million, representing 1.5% of the Company's shares in issue at the commencement of the programme, at an average purchase price of 904 pence per share. The Company's authority for this share buy-back programme expires on 11 May 2012. The bought back shares are held in treasury.

COPPER MINING

Zhezkazgan Region		Q1 2012	Q4 2011	Q1 2011
North	ore ('000 t)	284	382	658
	grade (%)	0.50	0.55	0.73
East	ore ('000 t)	881	903	929
	grade (%)	0.50	0.47	0.57
South	ore ('000 t)	1,364	1,355	1,248
	grade (%)	0.61	0.57	0.60
West	ore ('000 t)	454	434	528
	grade (%)	0.47	0.46	0.49
Stepnoy	ore ('000 t)	878	810	760
	grade (%)	0.49	0.57	0.68
Annensky	ore ('000 t)	574	659	682
	grade (%)	0.71	0.63	0.47
Zhomart	ore ('000 t)	914	943	872
	grade (%)	1.40	1.31	1.47
Region total	ore ('000 t)	5,349	5,486	5,677
Region average	grade (%)	0.70	0.68	0.73

Central Region		Q1 2012	Q4 2011	Q1 2011
Nurkazgan West	ore ('000 t)	762	673	533
	grade (%)	0.59	0.63	0.68
Abyz	ore ('000 t)	144	131	92
	grade (%)	1.25	1.34	1.36
Akbastau	ore ('000 t)	366	447	-
	grade (%)	1.36	1.73	-
Sayak	ore ('000 t)	431	387	381
	grade (%)	0.76	0.61	0.80
Shatyrkul	ore ('000 t)	150	140	142
	grade (%)	2.23	2.20	2.29
Region total	ore ('000 t)	1,853	1,778	1,148
Region average	grade (%)	0.97	1.08	0.97

COPPER MINING (CONTINUED)

		Q1 2012	Q4 2011	Q1 2011
East Region				
Nikolayevsky	ore ('000 t)	155	135	137
	grade (%)	0.86	0.75	0.86
Artemyevsky	ore ('000 t)	379	305	280
	grade (%)	1.77	2.01	1.68
Irtyshtsky	ore ('000 t)	154	144	143
	grade (%)	1.40	1.25	1.40
Belousovsky	ore ('000 t)	-	-	17
	grade (%)	-	-	1.08
Orlovsky	ore ('000 t)	411	399	378
	grade (%)	3.19	3.66	3.88
Yubileyno-Snegirikhinsky	ore ('000 t)	190	182	115
	grade (%)	2.95	2.87	2.57
Region total	ore ('000 t)	1,289	1,165	1,070
Region average	grade (%)	2.24	2.47	2.40
Total	ore ('000 t)	8,491	8,429	7,895
Average	grade (%)	0.99	1.01	0.99

COPPER PROCESSING

		Q1 2012	Q4 2011	Q1 2011
Zhezkazgan Region				
Copper concentrate	'000 t	95.4	94.5	100.3
Copper in concentrate	'000 t	31.4	32.5	36.0
Central Region				
Copper concentrate	'000 t	119.5	140.9	125.8
Copper in concentrate	'000 t	17.8	16.0	13.6
East Region				
Copper concentrate	'000 t	115.1	124.6	112.4
Copper in concentrate	'000 t	20.6	23.1	20.4
Total own processed				
Copper concentrate	'000 t	330.0	360.0	338.5
Copper in concentrate	'000 t	69.8	71.6	70.0
Own ore processed by third parties				
Copper concentrate	'000 t	4.0	4.2	7.2
Copper in concentrate	'000 t	1.1	1.2	1.9
Total own				
Copper concentrate	'000 t	334.0	364.2	345.7
Copper in concentrate	'000 t	70.9	72.8	71.9
Purchased concentrate				
Copper concentrate	'000 t	1.2	1.7	0.4
Copper in concentrate	'000 t	0.6	0.9	0.1
Total copper in concentrate				
	'000 t	71.5	73.7	72.0

COPPER SMELTER / REFINERY – COPPER CATHODE PRODUCTION

		Q1 2012	Q4 2011	Q1 2011
Zhezkazgan smelter				
Own concentrate	'000 t	29.4	24.8	30.5
Purchased concentrate	'000 t	-	-	-
Sub - total	'000 t	29.4	24.8	30.5
Tolling	'000 t	-	-	-
Total including tolling	'000 t	29.4	24.8	30.5
Balkhash smelter				
Own concentrate	'000 t	35.1	46.8	43.6
Purchased concentrate	'000 t	0.6	1.9	0.1
Sub - total	'000 t	35.7	48.7	43.7
Tolling	'000 t	0.8	1.3	3.6
Total including tolling	'000 t	36.5	50.0	47.3
Total	'000 t	65.9	74.8	77.8
Total copper cathode production from own concentrate	'000 t	64.5	71.6	74.1

OTHER METALS MINING – ZINC

ZINC		Q1 2012	Q4 2011	Q1 2011
East Region				
Nikolayevsky	grade (%)	1.61	3.11	3.48
Artemyevsky	grade (%)	5.74	4.33	6.75
Irtysky	grade (%)	2.92	2.69	2.99
Belousovsky	grade (%)	-	-	0.39
Orlovsky	grade (%)	4.45	3.39	4.31
Yubileyno-Snegirikhinsky	grade (%)	2.62	1.91	1.95
Region average		4.03	3.28	4.35
Central Region				
Abyz	grade (%)	2.46	2.66	2.70
Akbastau	grade (%)	0.90	0.69	-
Region average		1.34	1.14	2.70
Overall average		3.27	2.57	4.22
Zinc in concentrate				
	(’000 t)	31.7	25.9	36.2

OTHER METALS MINING – SILVER

SILVER		Q1 2012	Q4 2011	Q1 2011
Zhezkazgan Region				
North	grade (g/t)	3.80	4.22	4.75
East	grade (g/t)	7.25	8.48	12.32
South	grade (g/t)	14.04	12.76	12.82
West	grade (g/t)	11.35	11.75	9.23
Stepnoy	grade (g/t)	8.44	9.40	10.77
Annensky	grade (g/t)	20.13	16.33	14.22
Zhomart	grade (g/t)	6.72	7.49	7.33
Region average		10.63	10.41	10.52
Central Region				
Nurkazgan	grade (g/t)	1.53	1.54	1.69
Abyz	grade (g/t)	35.09	33.67	34.85
Akbastau	grade (g/t)	16.29	18.57	-
Sayak	grade (g/t)	5.04	4.00	6.07
Shatyrkul	grade (g/t)	2.03	2.01	2.92
Region average		7.91	8.76	5.95
East Region				
Nikolayevsky	grade (g/t)	20.58	30.64	26.41
Artemyevsky	grade (g/t)	113.12	130.70	173.88
Irtysky	grade (g/t)	43.91	44.45	49.48
Belousovsky	grade (g/t)	-	-	14.50
Orlovsky	grade (g/t)	59.73	44.08	62.52
Yubileyno-Snegirikhinsky	grade (g/t)	22.95	23.30	24.75
Region average		63.38	62.00	80.44
Overall average	grade (g/t)	18.05	17.19	19.33
Silver in concentrate	('000 oz)	2,939	2,979	3,488
Own concentrate	('000 oz)	2,721	2,805	2,976
Own concentrate processed by 3 rd parties	('000 oz)	200	149	507
Purchased concentrate	('000 oz)	18	25	5
Silver metal^{1, 2}				
(as by-product)	('000 oz)	2,797	3,273	2,337

¹ Includes slimes from purchased concentrate.

² Includes a small volume of by-product production from the former Kazakhmys Gold mines: Central Mukur and Mizek.

OTHER METALS MINING – GOLD

GOLD		Q1 2012	Q4 2011	Q1 2011
Central Region				
Nurkazgan	grade (g/t)	0.25	0.24	0.25
Abyz	grade (g/t)	3.54	2.31	3.24
Akbastau	grade (g/t)	0.63	0.75	-
Sayak	grade (g/t)	0.22	0.20	0.26
Shatyrkul	grade (g/t)	0.33	0.40	0.40
Region average		0.58	0.52	0.51
East region				
Nikolayevsky	grade (g/t)	0.36	0.44	0.36
Artemyevsky	grade (g/t)	1.10	1.32	1.36
Irtysky	grade (g/t)	0.31	0.32	0.38
Belousovsky	grade (g/t)	-	-	0.30
Orlovsky	grade (g/t)	1.09	0.90	1.17
Yubileyno-Snegirikhinsky	grade (g/t)	0.41	0.39	0.41
Region average		0.81	0.80	0.91
Overall average	grade (g/t)	0.68	0.63	0.71
Gold in concentrate	('000 oz)	25.8	32.6	33.1
Own concentrate	('000 oz)	23.9	30.6	29.9
Own concentrate processed by 3 rd party	('000 oz)	1.2	0.8	2.9
Purchased concentrate	('000 oz)	0.7	1.2	0.3
Gold output¹ (as by-product)	('000 oz)	27.0	32.6	19.3

¹ Includes slimes from purchased concentrate.

Gold doré production (as primary production)		Q1 2012	Q4 2011	Q1 2011
Ore extraction	ore ('000 t)	55	154	95
Gold ore grade	g/t	1.15	1.29	1.27
Gold in ore to pads		1.9	6.4	3.9
Gold precipitation		1.9	7.4	4.3
Gold doré production	'000 tr.oz	2.3	7.7	4.4