KAZAKHMYS

Kazakhmys PLC 2007 Interim Results

Results Presentation

4 September 2007

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Oleg Novachuk

Chief Executive Officer

Kazakhmys – H1 2007 highlights

Stable production

- Copper cathode production excluding tolling + 2% to 190.4 kt.
- Zinc in concentrate production of 71.2 kt, in line with H1 2006.

Strong financials

- Revenues + 22% to $2.8 billion.
- EBITDA excluding special items + 22% to $1.3 billion.
- Cash return to shareholders of $0.7 billion.
- Continued effort to maintain tight focus on cost control.

Delivery on strategy with estimated new investment of $1.6 billion

- ENRC option – conditional on approvals.
- Boschekul pre-feasibility study – to complete end of 2008.
- East Akzhar petroleum block – 4 year exploration and development programme.
- Eurasia Gold – mix of operating and exploration assets in Central Asia.

Matthew Hird

Chief Financial Officer

Group financial KPIs

$m (unless otherwise stated)	H1 2007	H1 2006	% / bp
EBITDA[1]	1,324	1,081	22
Annualised EPS ($)[2]	3.42	2.65	29
Cash cost of copper (after by-product credits) (cents/lb)	44.5	25.5	75
Net liquid funds	1,740	1,221	42
Free Cash Flow	614	622	(1)
Return on Capital Employed	24.4%	27.7%	(330) bp

Notes: 1. EBITDA excluding special items.
2. EPS based on Underlying Profit.

Summary Income Statement

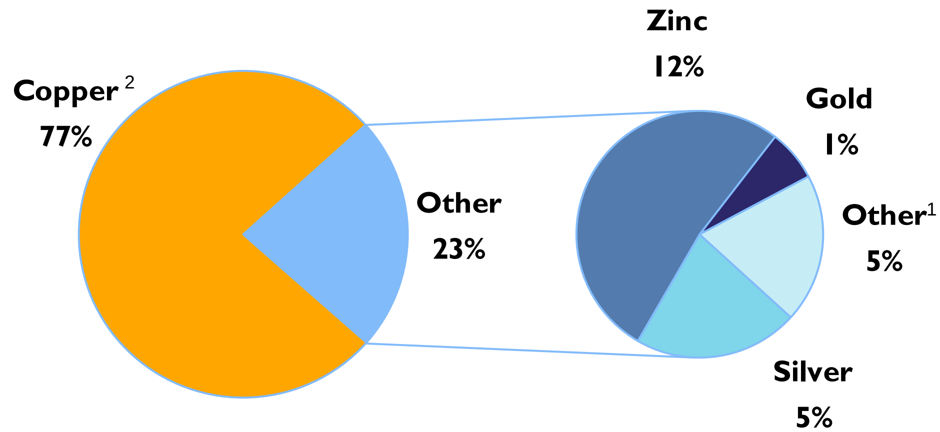
Key line items ($m unless otherwise stated)	H1 2007	H1 2006	%
Turnover	**2,789**	**2,280**	22
Kazakh Mining	1,978	1,521	30
MKM	811	759	7
EBITDA (excluding special items)	**1,324**	**1,081**	22
Kazakh Mining	1,302	1,059	23
MKM	37	41	(8)
Unallocated corporate costs	(15)	(19)	(14)
EBITDA margin (excluding special items)			
Kazakh Mining	*66%*	*70%*	
MKM	*5%*	*5%*	
PBT	**1,186**	**956**	24
Effective income tax rate	*32%*	*33%*	
Profit for the period	**802**	**639**	25
Annualised EPS based on Underlying Profit[1] ($)	**3.42**	**2.65**	29

Notes: 1. Profit for the period after adding back items which are non-recurring or variable in nature and which do not impact the underlying trading performance of the business and their resultant tax and minority interest effects.

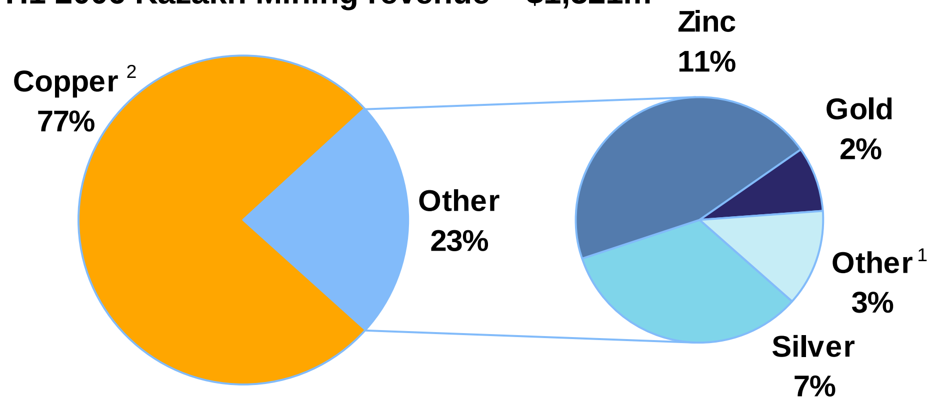
Revenue analysis – by product

$m	H1 2007	H1 2006
Copper cathode	1,407	1,066
from own and purchased concentrate	1,407	1,060
from tolling	-	6
Copper rod	118	99
Zinc	243	162
Zinc metal	89	102
Zinc in concentrate	154	60
Silver	99	118
Gold	31	30
from own production	29	28
from tolling	2	2
Other[1]	80	46
Kazakh Mining	**1,978**	**1,521**
MKM	**811**	**759**
Total	**2,789**	**2,280**

H1 2007 Kazakh Mining revenue – $1,978m



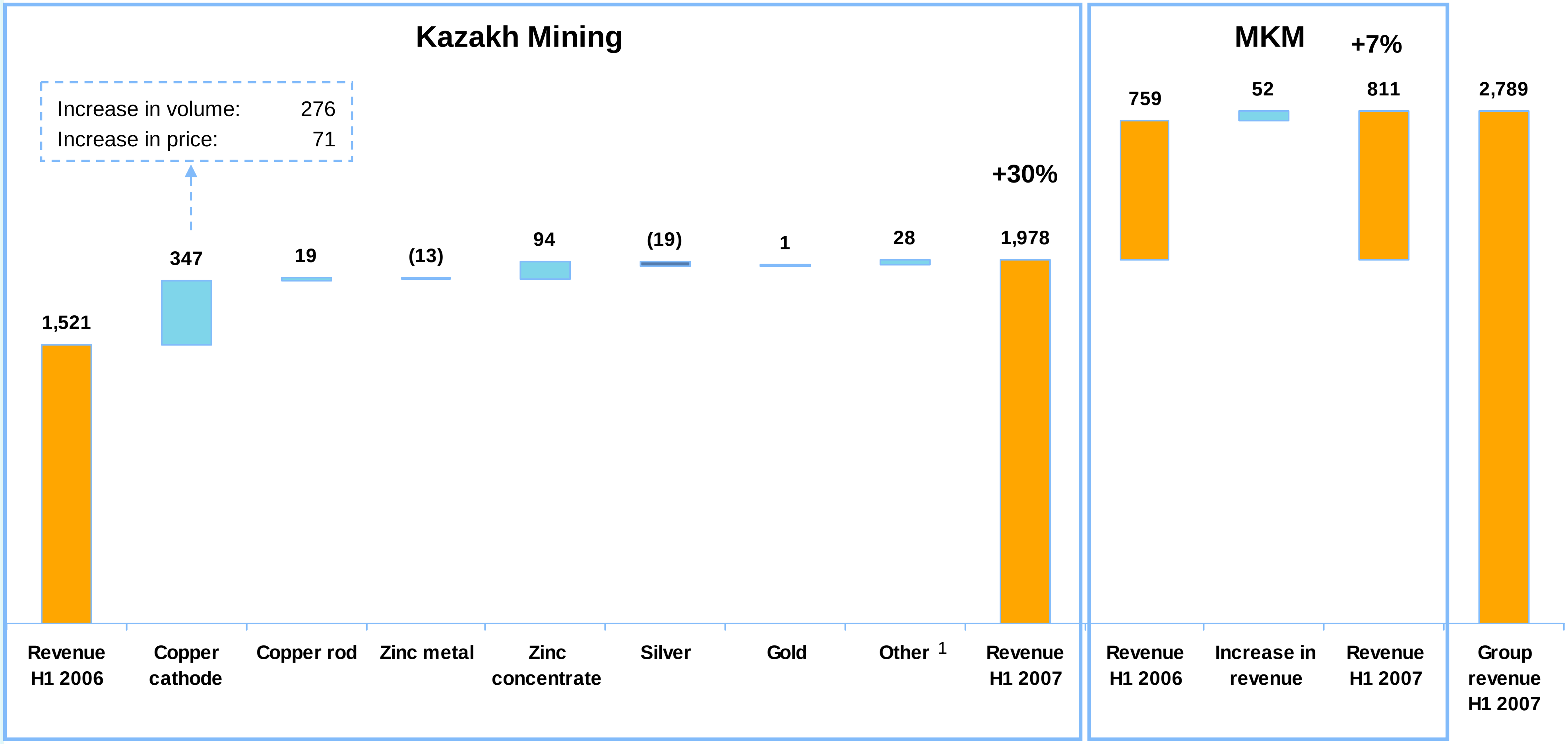
H1 2006 Kazakh Mining revenue – $1,521m



Notes: 1. Includes coal, electricity, heat, etc.
2. Includes copper rod and tolling.

Revenue variance

($m)



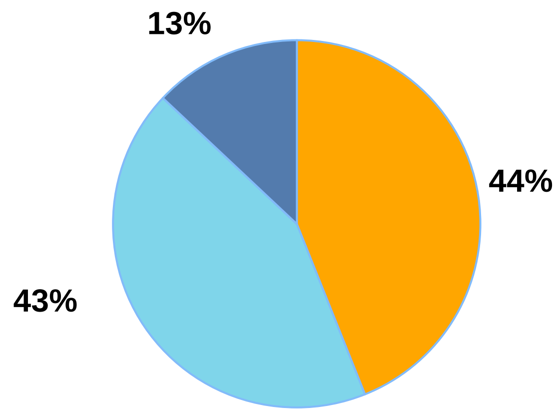
Note: 1. Includes tolling.

Revenue analysis – by destination

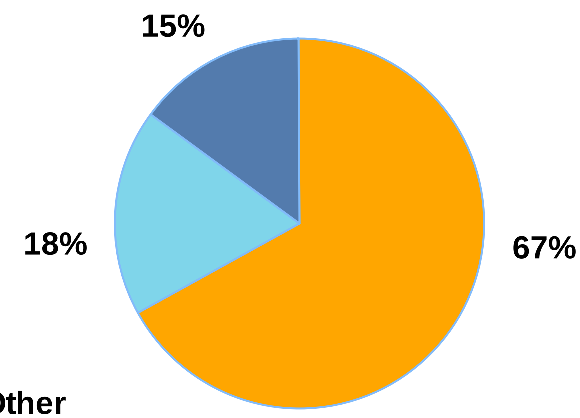
$m	Europe	China	Other	Total
Kazakh Mining				
H1 2007	878	846	254	1,978
H1 2006	1,026	271	224	1,521
MKM				
H1 2007	687	21	103	811
H1 2006	634	31	94	759

- Historical flexibility in sales strategy due to:
  - Proximity to China;
  - Infrastructure links to Western Europe.
- Demand in both areas expected to be robust in H2 2007.
- MOU signed with Jiangxi Copper:
  - Long term relationship with major Chinese producer;
  - Stable access to Chinese market.

Kazakh Mining H1 2007

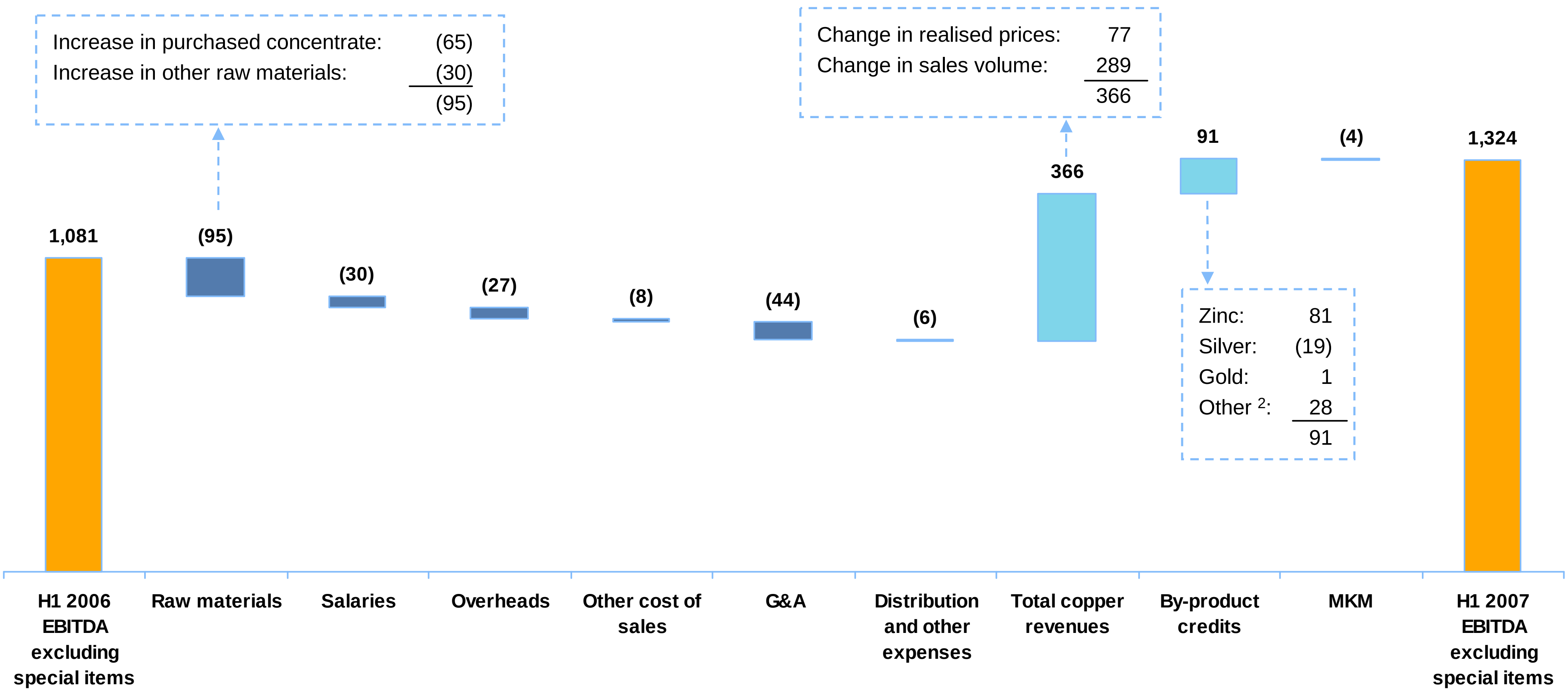


Kazakh Mining H1 2006



EBITDA variance

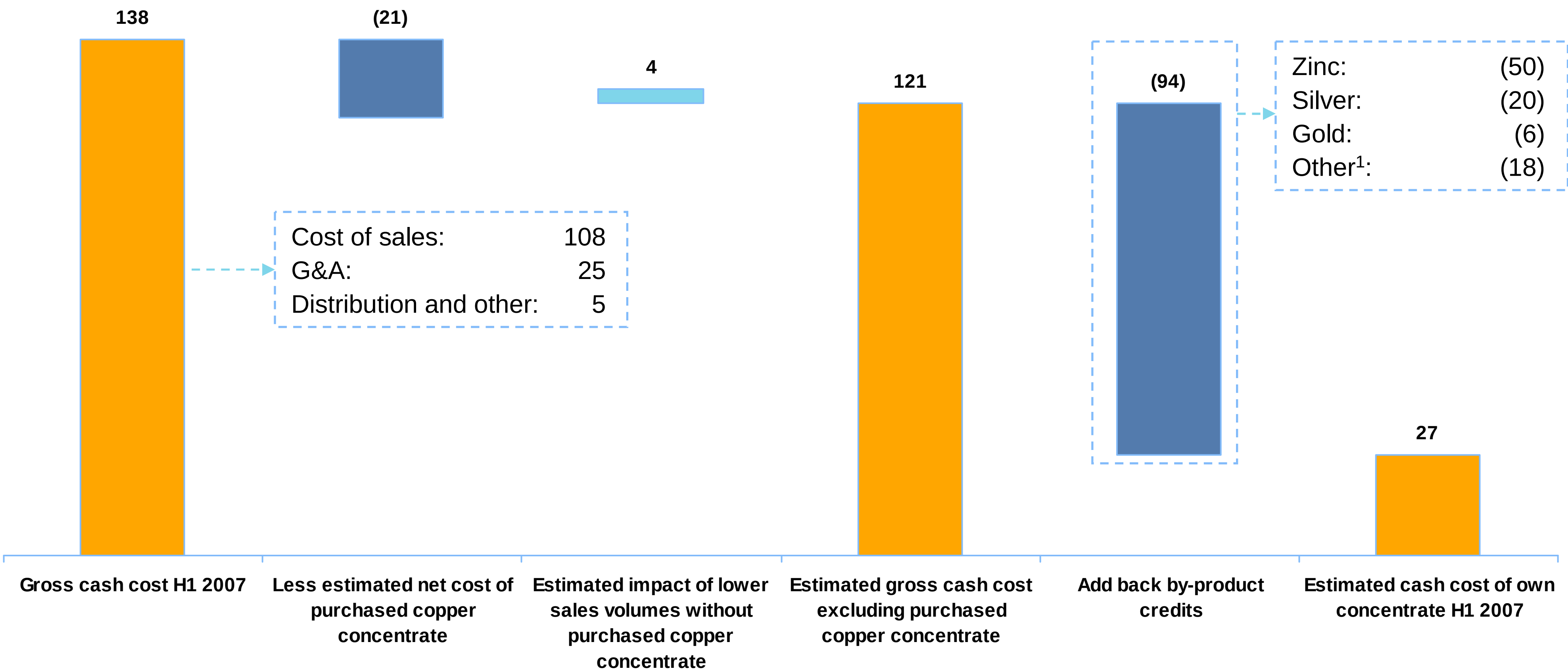
H1 2006 to H1 2007 EBITDA[1] reconciliation ($m)



Notes: 1. EBITDA excluding special items.
2. Includes tolling revenue.

Reconciliation of gross cash cost to cash cost of own concentrate H1 2007

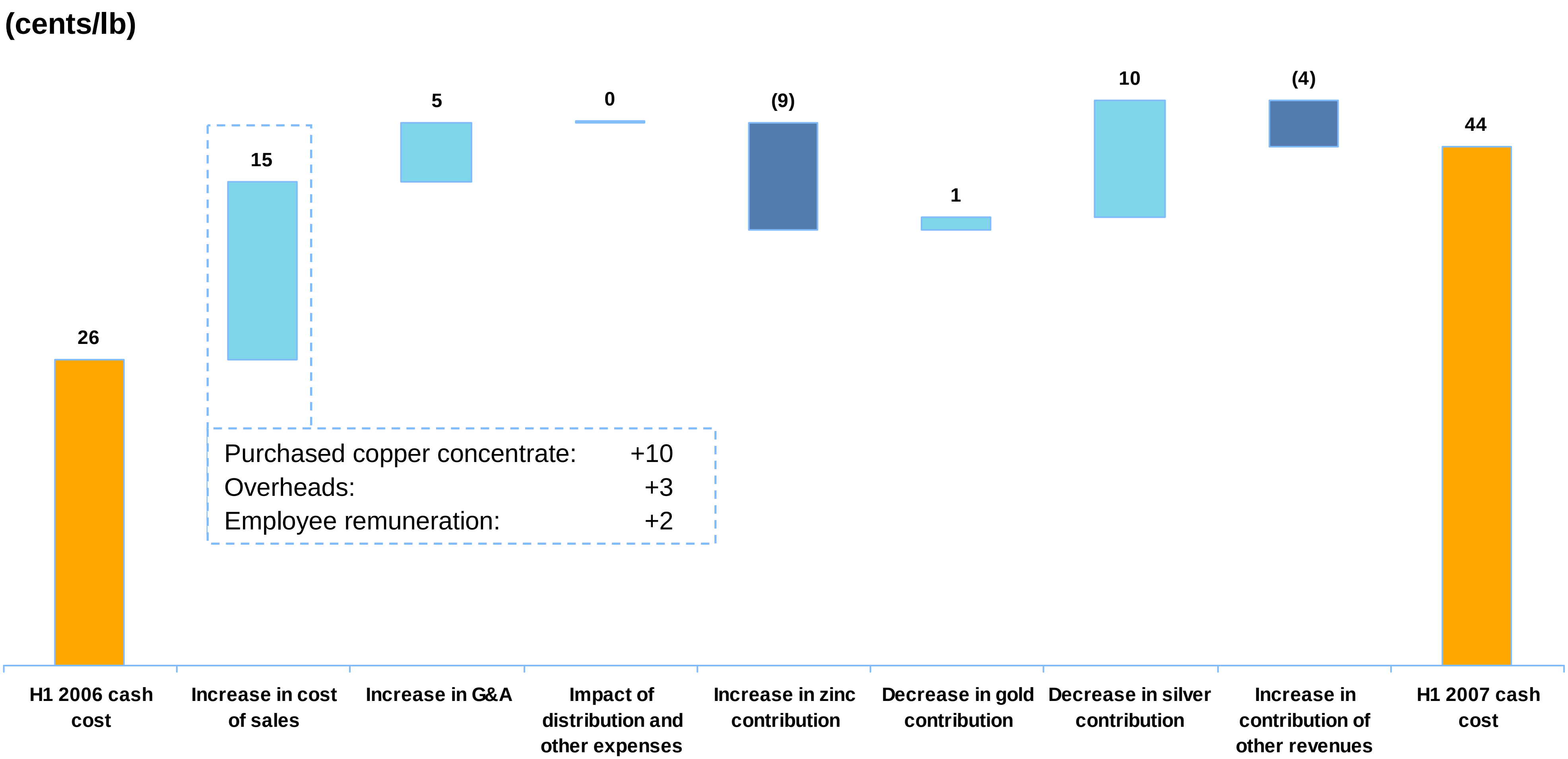
(cents/lb)



2006:	**118**	**(16)**	**1**	**103**	**(92)**	**11**

Note: 1. Includes tolling revenue.

Cash cost variance[1]



Note: 1. Including purchased copper concentrate.

Summary balance sheet

Assets ($m)	30 June 2007	30 June 2006
Cash and liquid funds	1,961	1,406
Other current assets	1,156	928
Non-current assets	2,627	2,078
Total	**5,744**	**4,412**

Equity & liabilities ($m)	30 June 2007	30 June 2006
Equity	4,702	3,375
Borrowings	221	185
Liabilities	821	852
Total	**5,744**	**4,412**

Net liquid funds ($m)	30 June 2007	30 June 2006
Cash and liquid funds	1,961	1,406
Borrowings	(221)	(185)
Total	**1,740**	**1,221**

Other current assets ($m)	30 June 2007	30 June 2006
Inventory	682	541
Trade and other receivables	336	304
Prepayments and other current assets	138	83
Total	**1,156**	**928**

Summary cash flow

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$m	H1 2007	H1 2006
Profit before taxation	**1,186**	**956**
Net finance income	(40)	(32)
Depreciation and amortisation	115	103
Working capital movements	(173)	(197)
Income tax paid	(427)	(169)
Other movements	37	38
Net cash flows from operating activities	**698**	**699**
Sustaining capital expenditure	(84)	(77)
Free Cash Flow	**614**	**622**
Expansionary and new project capital expenditure	(566)	(95)
Interest received	58	47
Dividends paid[1]	(123)	(170)
Other movements	-	(2)
Cash flow movement in net liquid funds	**(17)**	**402**

Working capital movements	**H1 2007**	**H1 2006**
Kazakh Mining	(189)	(34)
MKM	16	(163)
Total	**(173)**	**(197)**

Capital expenditure	**H1 2007**	**H1 2006**
Kazakh Mining	(197)	(169)
MKM	(3)	(3)
Oil and gas licence acquisition	(450)	-
Total	**(650)**	**(172)**

Note: 1. See appendix for analysis of dividends paid.

MKM

	Sales (kt)		GVA/t[1] (€/t)		GVA[1] (€m)	
	H1 2007	H1 2006	H1 2007	H1 2006	H1 2007	H1 2006
Wire Section	79	82	241	207	19	17
Flat Section	34	31	1,059	1,000	36	31
Tubes and Bars	23	21	1,043	762	24	16
Total	**136**	**134**	**581**	**478**	**79**	**64**

- Turnaround programme progressing with 23% increase in Gross Value Added compared to H1 2006.
- Re-allocation of production toward higher margin products.
- Continued technical progress with Conti M now producing a wider range of copper specifications.
- Improved working capital management and revised payment terms with customers has led to working capital cash improvements.

Note: 1. GVA calculated as: Turnover less the input cost of copper cathode i.e. MKM's 'value add'.

Return of capital to shareholders

($m)	
Gross cash and liquid funds at 30 June 2007	1,961
Returns to shareholders (including interim dividends)	(700)
Eurasia Gold Q3 2007	(270)
Estimate of ENRC option exercise	(810)
Proforma balance	**181**

Kazakhmys intends to return $700 million of capital to shareholders through:

- Interim dividend of $64 million (13.6 cents per share), 7% higher than the 2006 interim dividend payment.
- Special dividend of $235 million (50.0 cents per share).
- Buyback programme of up to $400 million commencing in October 2007.

- Moves Kazakhmys towards a more efficient capital structure:
  - Retain financial capability to meet investment and strategic requirements.
- Continued strong cash generation from business backed by high commodity prices and positive demand from Europe and China.

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Oleg Novachuk

Chief Executive Officer

Kazakh Mining copper overview

Copper production and sales volume

kt (unless otherwise stated)	H1 2007	H1 2006	*Change %*
Ore extraction	17,994	20,127	*(11)*
Copper grade (%)	1.21	1.10	*11 bp*
Copper in concentrate	201.5	202.6	*(1)*
Copper cathodes			
from own concentrate	163.5	169.0	*(3)*
from purchased concentrate	26.9	17.5	*54*
Total copper[1]	**190.4**	**186.5**	***2***
of which copper rod	18.0	14.3	*26*
Copper cathode sales	202.8	162.9	*25*

- Stable copper output:
  - Lower ore extraction volume;
  - Higher copper grades.
- Smelter shutdowns in June 2007 at Zhekazgan & Balkhash reduced output.
- Increase in sales from 49kt of cathode in transit at 2006 year end:
  - 20kt in transit at end of interim period.
- Use of purchased concentrate dependent on availability of material and capacity.

Note: 1. Excluding tolling.

Kazakh Mining by-products overview

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Major by-products production and sales volume

	H1 2007	H1 2006	*Change %*
Zinc in concentrate (kt)			
Production	71.2	70.6	*1%*
Sales	62.9	34.0	*85%*
Zinc metal (kt)			
Production	27.4	33.8	*(19)%*
Sales	25.1	37.1	*(32)%*
Gold (koz)			
Production [1]	51.4	53.6	*(4)%*
Sales	44.7	47.0	*(5)%*
Silver (koz)			
Production[1]	10,104	10,660	*(5)%*
Sales	7,395	10,835	*(32)%*

- Zinc in concentrate production is in line with H1 2006.
- Attractive pricing for zinc concentrate with strong local demand.
- Producing zinc metal at smelter capacity of around 60 ktpa.
- Gold and silver production is marginally lower.
- Silver stocks high at period end, in anticipation of better pricing – now being sold.

Note: 1. Production excluding tolling.

Delivery of strategic objectives

Acquire interests in existing natural resources businesses in Central Asia

- ENRC.
- Eurasia Gold.

Acquire undeveloped natural resources in Central Asia

- East Akzhar – petroleum block.
- Boschekul – additional licence.
- Shaisan – new exploration asset.
- Eurasia Gold – includes undeveloped assets.

Pursue output growth

- Developing major growth projects:
  - Boschekul & Aktogay.
- Continued investment in core operations:
  - 5 medium term projects.

Improve cost control and efficiencies

- Transport.
- Concentrators.
- Labour.

Delivery of strategic objectives: Exercise of ENRC option

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- Independent Director's of Board approved the exercise of option.
- ENRC restructuring – option converts to 18.8% of ENRC plc:
  - Holding company of ENRC Group.
- Awaiting approval from Government of Kazakhstan:
  - Recommendation will then be presented for approval to independent shareholders of Kazakhmys at an EGM.
- Estimated cost of $810 million:
  - Determined in accordance with the option agreement;
  - Includes initial investment of $751 million, 10% investment return, financing and transaction costs;
  - $95 million less than anticipated due to capital returns paid out by ENRC.

The ENRC Group - large diversified natural resources group with significant, high quality assets in Kazakhstan.

- Leading ferrochrome producer:
  - Kazchrome – one of leading ferrochrome producers in world.
- Large iron ore producer:
  - SSGPO – estimated reserves of 1.5 billion tonnes.
- Kazakhstan's largest producer of alumina:
  - Includes aluminium smelter with potential annual capacity of 250,000 tonnes.
- One of Kazakhstan's largest electricity suppliers:
  - 2.2 GW with coal mine.

Delivery of strategic objectives: Diversification - Gold

Kazakhmys Gold

- Acquisition of Eurasia Gold Inc:
  - Core of established production assets (2006 cathode gold sales of 53.4 koz);
  - 2.0 million oz gold equivalent – likely to increase substantially.
- Portfolio of producing assets:

	2006 Sales (ktr oz)
Mizek Oxides (Kazakhstan)	23.5
Mukur (Kazakhstan)	22.5
Zhaima (Kazakhstan)	6.2
Miyaly (Kazakhstan)	1.2

- Portfolio of growth assets:

	Gold Equivalent (m oz)
Mizek Sulphides (Au & Cu, Kazakhstan)	0.5
Bozymchuk (Au & Ag, Kyrgyzstan)	1.5
Akjilga (Ag & Cu, Tajikistan)[1]	-

- Experienced management team.
- Actively seeking further regional gold opportunities.

Note: 1. No JORC data yet available.

Delivery of strategic objectives: Diversification - Petroleum

Kazakhmys Petroleum – acquired April 2007

- Acquired exploration rights over the 602 km² East Akzhar petroleum block in Western Kazakhstan.
- Recruited a specialist team to carry out prospecting work to confirm reserves prior to commencement of asset development.
- Exploratory drilling about to start, seismic surveys, re-entering of existing wells and establishment of on-site infrastructure: Scheduled to be completed by H2 2008.
- 4 year development programme.

Delivery of strategic objectives: Major growth projects

Boschekul

Pre-feasibility study with Fluor as consultants.

- Feasibility study is estimated to be completed by the end of 2009 with early ore production target by the end of 2011.
- Located 200 km from Astana:
  - Power lines and railway infrastructure are in place.
- Estimated ore reserves of 400 million tonnes containing 2.2 million tonnes of copper, average copper grade 0.51%:
  - Complex metallurgy – 5 ore types;
  - Operating costs are expected in the lowest quartile.
- Estimated production capacity of 20-25 million tonnes of ore per annum.
- Acquired additional licence:
  - Total reserves likely to increase significantly.
- Higher returns makes Boschekul the priority project.

Aktogay

- Good progress on Aktogay oxide project.
- Optimise Aktogay through oxide/sulphide development.

Delivery of strategic objectives:
Medium term mine extensions and developments

Zhezkazgan Complex	▣ Eastern Saryoba, underground mine, pre-feasibility stage, 34 Mt of ore containing 495 kt of copper, early production in 2009. ▣ Itauz, extending mine through transfer underground, pre-feasibility stage, 41 Mt of ore, containing 455 kt of copper, early production in 2010. ▣ Taskura, extension of North Mine, 4 Mt of ore, early production in 2009.
Karaganda Region	▣ North Nurkazgan mine now producing. ▣ West Nurkazgan, mine extension, early production in 2008, 130 Mt of ore containing 1,353 kt of copper. ▣ Akbastau, early production 2008, 13 Mt of ore containing 219 kt of copper.

Delivery of strategic objectives: Cost and efficiency

- New concentrators:
  - Raise capacity and simplify logistics.
- Upgrade of existing concentrators:
  - Improve recovery rates of copper and by-products.
- Reduce transportation costs:
  - Optimise transport routes;
  - Outsource ore transportation.
- Review and improve rail infrastructure:
  - Speed delivery and reduce losses in transit.
- Rationalise maintenance services.
- Labour.

HSE

Remains a key priority

- Focus on staff training:
  - Establishment of new training centre;
  - HSE team visited a number of international mining operations learning best industry practice.

- Key initiatives:
  - Number of roof fall related fatalities decreased from 9 to 2 in H1 2007;
  - Focus on increase of truck and rail related incidents.

Outlook for 2007

- Markets for key commodities remain robust.
- 2007 cathode production from own material will be in line with 2006, total cathode production is expected to be slightly higher.
- Continue with opportunistic approach to purchased concentrate.
- Continued focus on cash cost pressure and improvement in operational efficiencies.
- By-product volumes expected to be in line with 2006.
- Continue to seek further growth opportunities to diversify Group’s asset base and enhance shareholder value.

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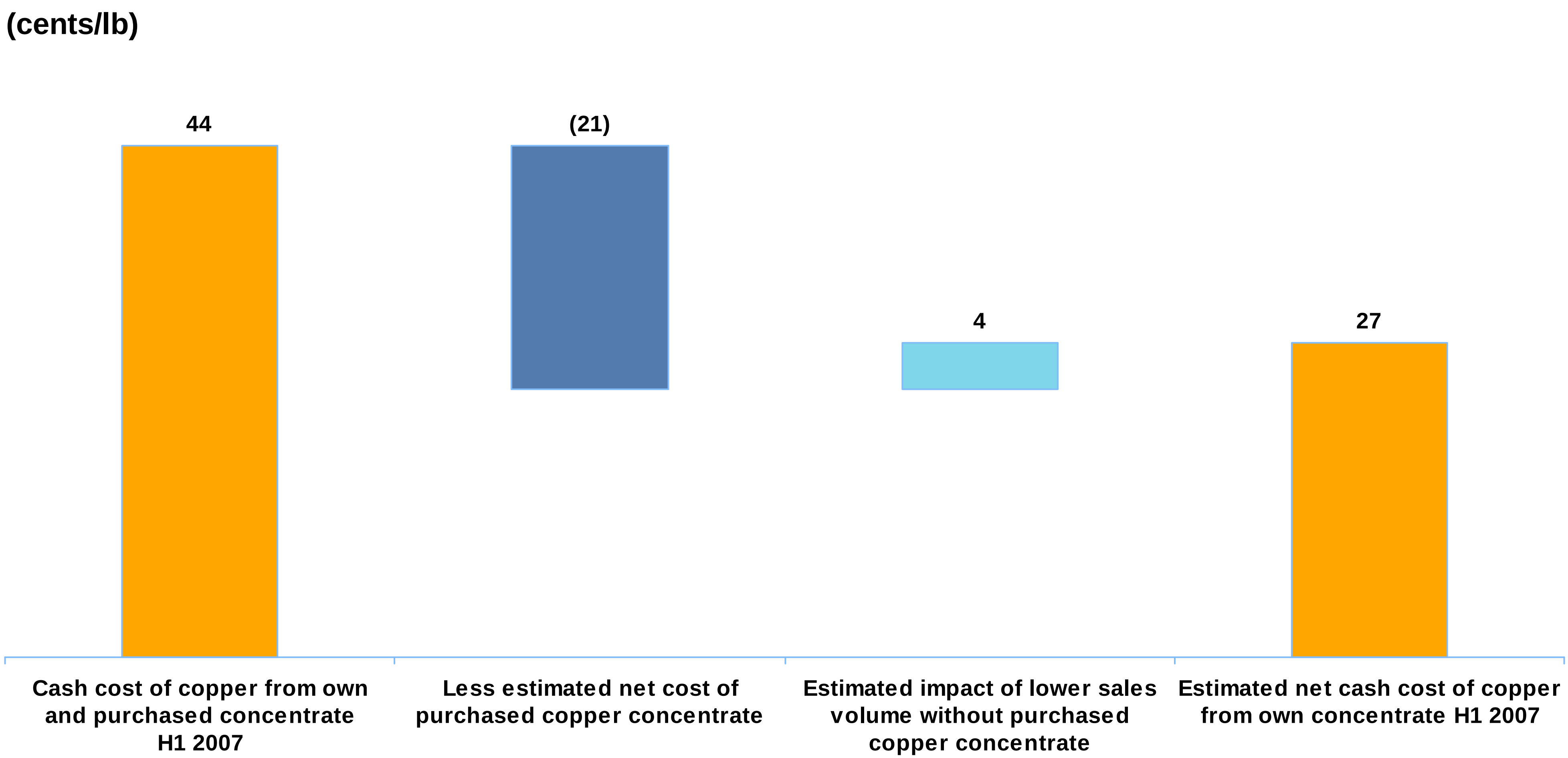
Appendices

Estimated cash cost of copper from own concentrate H1 2007



Estimated cash cost of copper from own concentrate H1 2006

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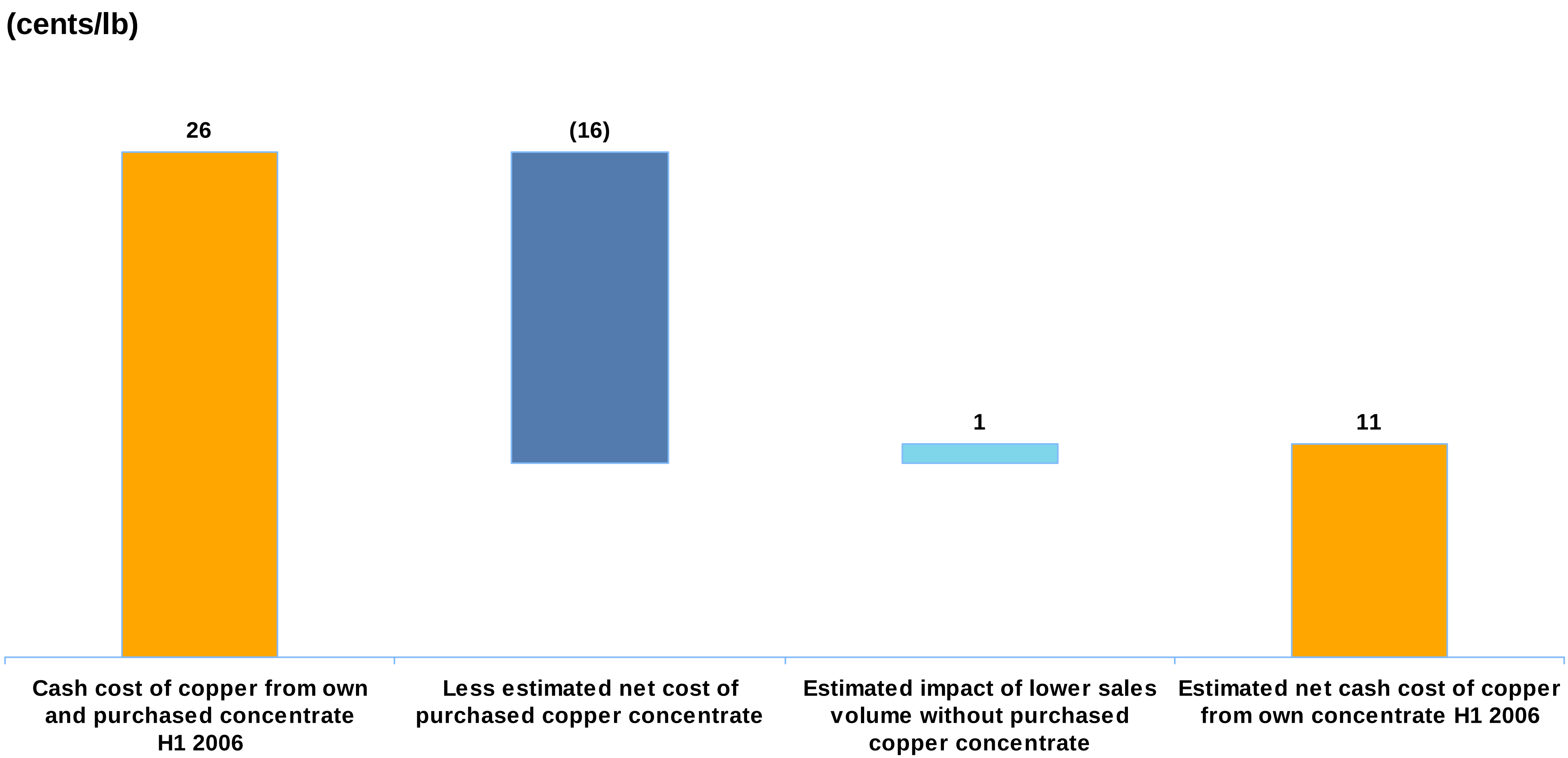

Dividends payments and declarations summary

Declared and Paid

($m)	Declaration year	Cash payments 2007	Cash payments 2006
Full year dividend paid in May 2006 in respect of 2005 earnings (36.0 US c/share)	2006		170
Interim dividend paid in October 2006 in respect of 2006 earnings (12.8 US c/share)	2006		60
Final dividend paid in May 2007 in respect of 2006 earnings (25.7 US c/share)	2007	120	
Dividends paid by KCC to minority shareholders	2006		3
Dividends paid by KCC to minority shareholders	2007	3	
Total cash payments		**123**	**233**

Declared and Payable

Interim dividend to be paid in October 2007 in respect of 2007 earnings (13.6 US c/share):	$64 million
Special dividend to be paid in October 2007 (50.0 US c/share):	$235 million

Group reserves summary

Group reserves as at 31 December 2006

Location	Proved & probable (kt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Zhezkazgan Complex	422,032	0.92	–	–	13.67
Balkhash Complex	2,014,790	0.42	–	0.06	1.69
East Region	76,381	2.71	3.77	0.74	49.76
Karaganda Region	231,679	1.03	0.13	0.46	3.47
Total Kazakhmys	**2,744,882**	**0.61**	**0.12**	**0.11**	**5.02**