Kazakhmys PLC
2009 Trading Update

4 March 2010

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KAZAKHMYS

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This statement provides operational and unaudited financial results for Kazakhmys' managed businesses. The statement excludes the contribution from ENRC PLC, in which Kazakhmys has a 26% shareholding.

KAZAKHMYS – SUMMARY

January 2009

- Copper price $3,000
- Projects in pre-feasibility stage
- Net debt – $1,628 million

January 2010

- Copper price $7,000
- Projects moving to feasibility stage
- Net debt – $689 million following sale of 50% of Ekibastuz

Future

- Continued focus on efficiency
- Projects progressing with financing
- Copper demand/supply remains tight

2009 HIGHLIGHTS – TRADING UPDATE 4 MARCH 2010

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Decisive response to downturn

- Production ahead of target – 320 kt copper cathode equivalent
- Reduction in net cash cost to 72 USc/lb from 116 USc/lb in 2008
- Net debt[1] reduced to $689 million from $1,628 million at end of 2008
- $428 million capex – below H1 2009 guidance of $500 million
- EBITDA[2] - $1,211 million

Key developments

- $2.7 billion of financing secured for project development
- Bozshakol moved to feasibility stage
- Bozymchak moved to development stage
- Ekibastuz 50% sale completed; MKM held for sale
- Reinstate dividend of $48 million

Notes: 1. Excludes MKM and Kazakhmys Power for 2009.
2. From all managed businesses, both continuing and discontinued operations (excluding special items).

Challenging year – exceeded targets

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Eduard Ogay

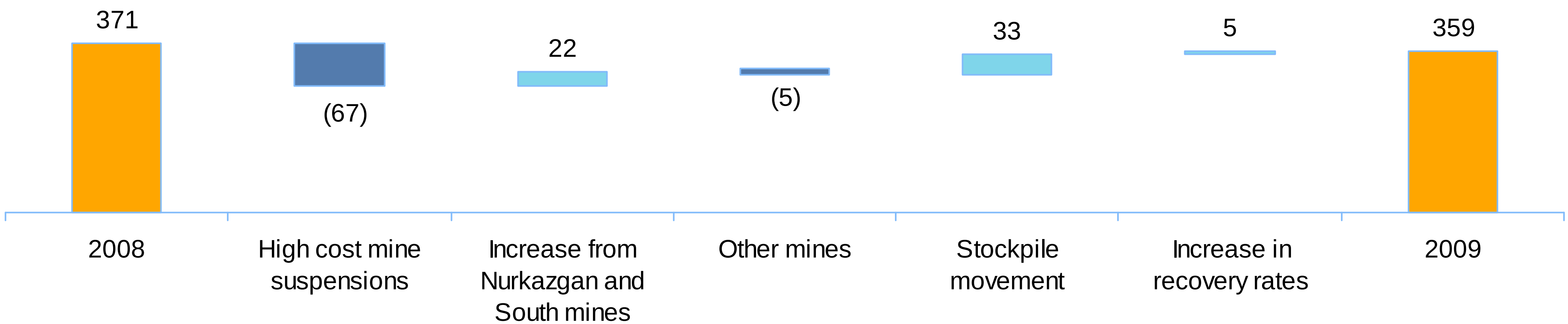
Chief Operating Officer
Kazakhmys Copper

KAZAKHMYS COPPER: OPERATIONAL HIGHLIGHTS

Margin protection and focus on efficiency

Actions	Outcomes
▣ High cost mines suspended	▣ Reduced cash cost
▣ Processing of stockpiled materials	▣ Additional contribution of copper in concentrate in 2009
▣ Concentrator upgrades	▣ Copper recovery increased from 84.6% (2008) to 86.0% (2009)

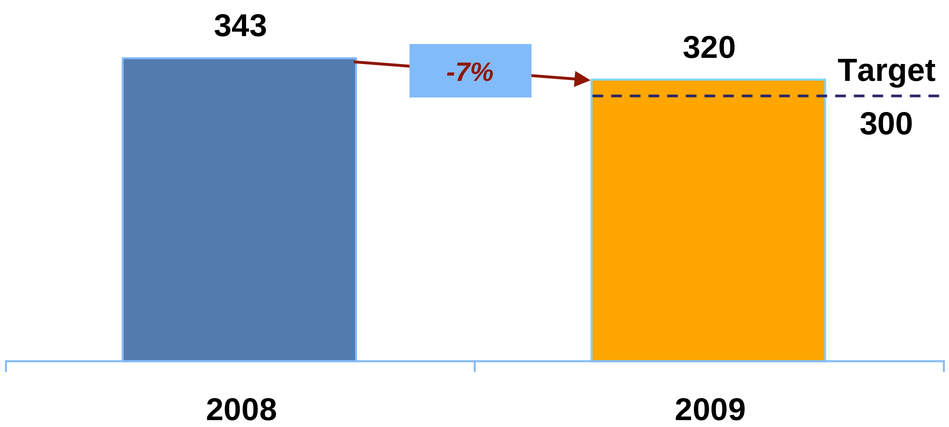
Own copper in concentrate production 2008 vs 2009 (kt)



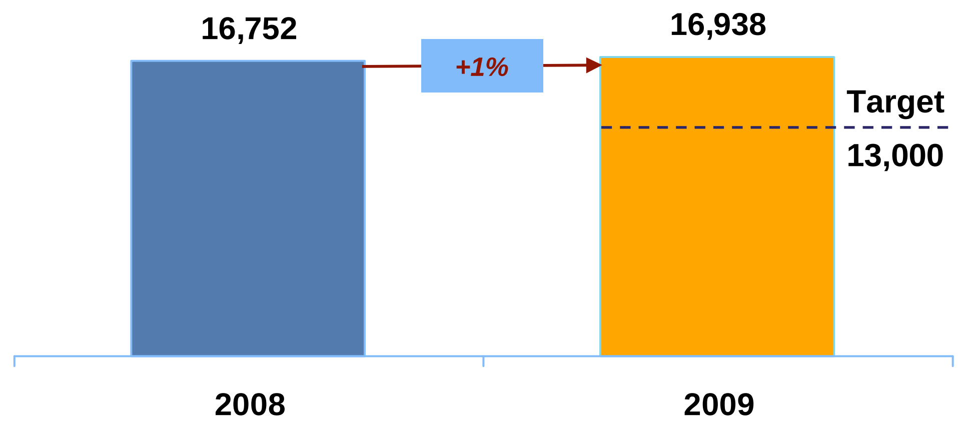
Extracting value

METAL PRODUCTION

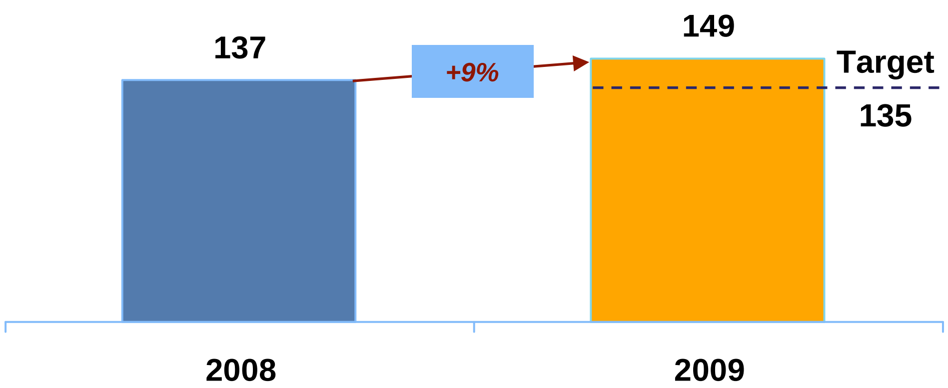
Copper cathode equivalent production[1] (kt)



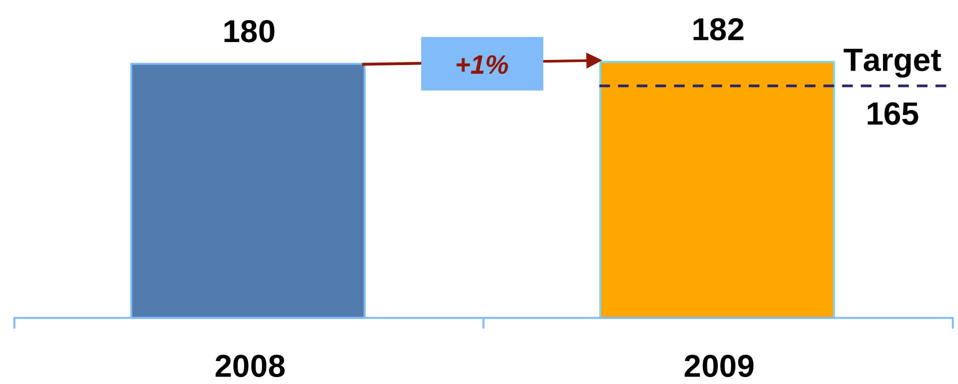
Silver[2] (koz)



Zinc in concentrate (kt)



Gold[2] (koz)



Notes:
1. *Includes copper sold as concentrate and cathode converted into rod (from own concentrate only).*
2. *Includes Copper and Gold division production, excluding tolling.*

Exceeded targets in all metals

CAPEX – RESPONSE TO DOWNTURN

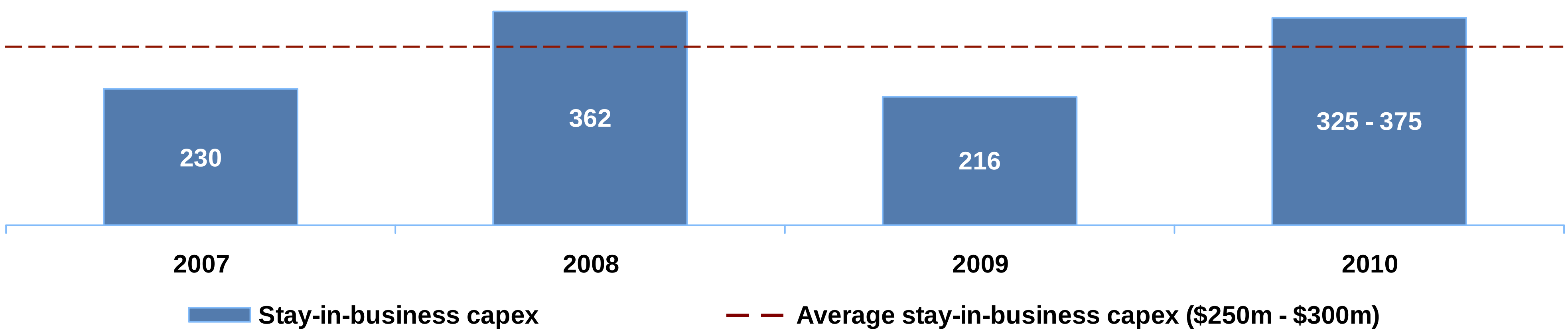
Capex below target for 2009

- New project expenditure deferred
- Utilised equipment relocated from suspended operations
- Renewed equipment supply contracts on more favourable terms

2010 Capex

- Replacement equipment for mining operations
- Repairs at smelters
- Replacement of turbine at captive power station (Karaganda region)
- Maintenance of railway network

Copper division stay-in-business capex ($m)
(excluding projects)



KAZAKHMYS PRODUCTION: 2010 OUTLOOK

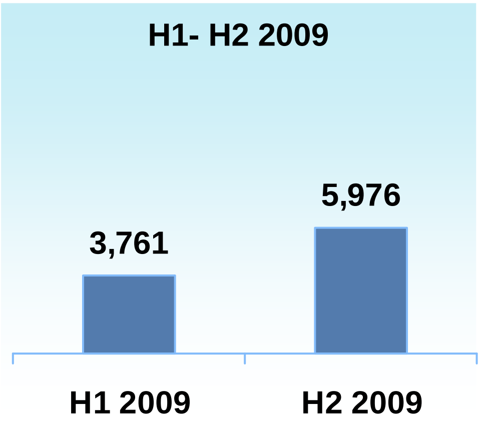
Operations

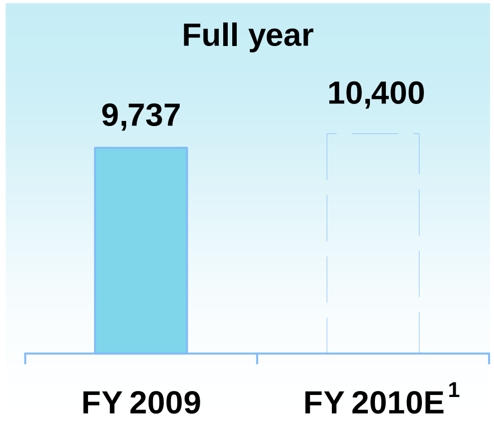
- Ore extraction to increase at existing operations
- Reduction in copper grade
- Suspended mines to remain off line in 2010

Copper cathode equivalent 2010 estimate	Zinc in concentrate 2010 estimate	Gold production 2010 estimate	Silver production 2010 estimate
300kt	130kt	170koz Includes 40 koz from Gold Division	13,000koz

KAZAKHMYS POWER: OPERATIONAL REVIEW

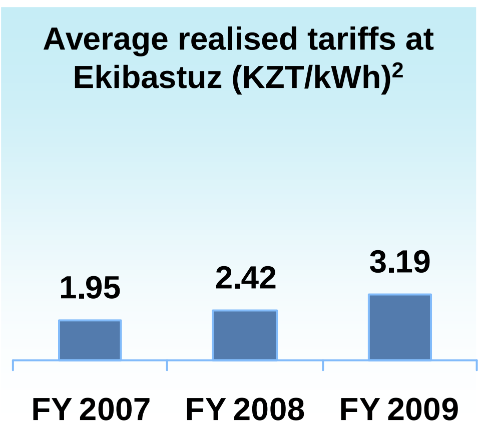
Net power generation (GWh)

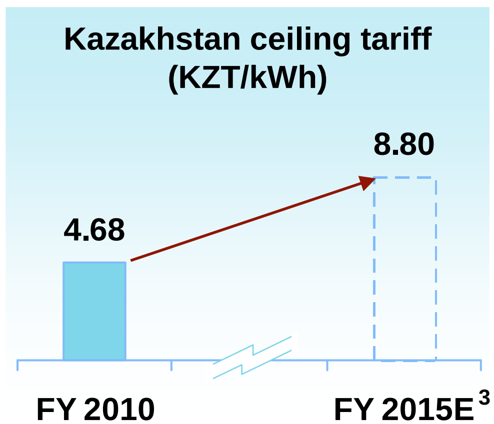




Demand ahead of expectations

- Demand recovered strongly in H2 2009
- Improvement of power grid infrastructure





Pricing and market

- New tariff regime established during the year
- Ekibastuz increased tariffs and market share

Notes:
1. *Internal forecast data.*
2. *Includes sales to Russia, average Kazakhstan realised tariff – 3.30 KZT/kWh for 2009 (2008: 2.59 KZT/kWh).*
3. *Estimated ceiling tariff.*

KAZAKHMYS POWER: MARKET OUTLOOK

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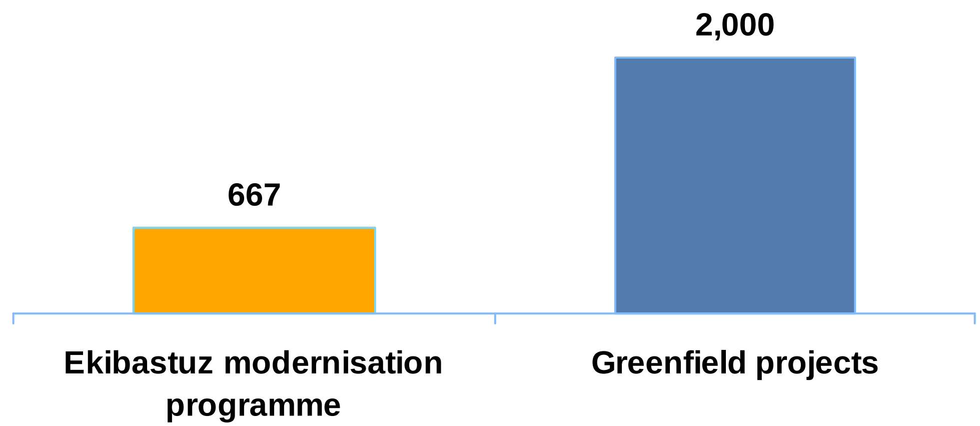
Modernisation

- Restoring capacity to 4,000 MW
- $1.0 billion over 7 years
  - self funding

Construction cost $/kW[1]



Unit 8 – commissioning in 2013

- 500 MW – $160 million project
- Environmental programme - precipitators

Station upgrade programme

Unit	2010	2011	2012	2013	2014	2015	2016
Unit 8							
Unit 2							
Unit 1							
Total capacity (MW)	**2,500**		**3,000**		**3,500**		**4,000**

Notes: 1. Kazakhmys estimated figures.

Low cost capacity increase to meet growing demand

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Oleg Novachuk

Chief Executive Officer

KAZAKHMYS PROJECTS UPDATE

2009

Growth projects – Bozshakol and Aktogay

Delivered projects
- Nurkazgan underground mine
- Concentrator upgrades

Development stage
- Bozymchak gold/copper project
  - Commencement of open pit – end 2010

Scoping study projects
- Akbastau: concentrator construction and deposit development
- Kosmurun: underground extension
- Abyz: underground extension
- Zhomart: extension of the existing underground operations

Exploration projects
- Dedicated exploration team

Growing pipeline of projects

KAZAKHMYS PROJECTS UPDATE

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Financing secured

$2.7 billion from China Development Bank and Samruk

Major growth project	Medium term projects
Development of Bozshakol deposit	Bozymchak development Construction of concentrators New mines and mine extensions
$2,000 million	$700 million

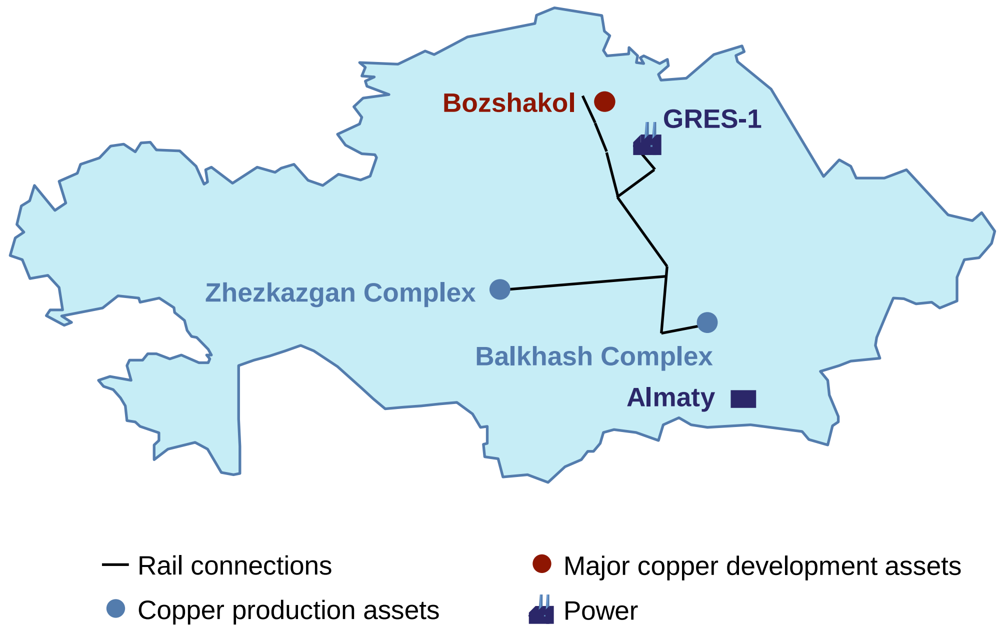
Formation of dedicated project management group

Competitive, flexible and long dated financing

GROWTH PROJECTS - BOZSHAKOL

Bozshakol Polymetallic Deposit

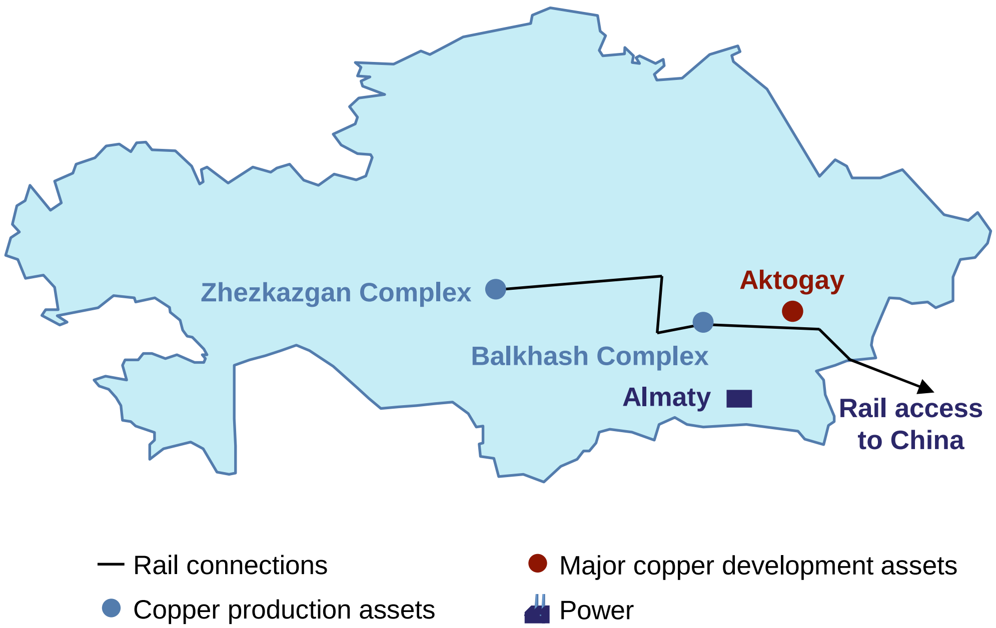
- **Feasibility study commenced January 2010**
  - Completion – Q4 2010
- **Project scope**
  - Mine life – 40 years
  - Processing around 25 MT of ore per year
- 1,169 MT of ore at 0.36% copper grade
  - Potential for further exploration of deposit
  - Gold – 0.21 g/t
  - Silver – 4.9 g/t
  - Molybdenum – 0.008%
- **First production – 2014**
- **Copper in concentrate production around 100 kt**
- **Initial capital cost – $1.5 - $2.0 billion**
  - Attractive position on cost curve



GROWTH PROJECTS - AKTOGAY

Aktogay Copper Deposit

- **Separate Oxide & Sulphide pre-feasibility studies completed**
- **Financing options being considered**
- **Project scope**
  - Mine life – 40 years
  - Processing 29 MT of ore per year
- Total oxide & sulphide resource of Aktogay
  - 1,387 MT of ore, of which:
    - Sulphide deposit – 1,268 MT, copper grade 0.38%
    - Oxide deposit – 119 MT, copper grade 0.37%
- **Initial capital cost – $1.5 - $2.0 billion**



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Matthew Hird

Chief Financial Officer

FINANCIAL HIGHLIGHTS

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Key financial indicators

$m (unless otherwise stated)	**2009**	**2008**
Revenues[1]	3,680	5,151
EBITDA[2]	1,211	1,627
Free Cash Flow[3]	579	715
Net cash cost of copper, USc/lb	72	116
Net debt[4]	689	1,628

MKM and Kazakhmys Power

- Classified as discontinued operations and assets held for sale

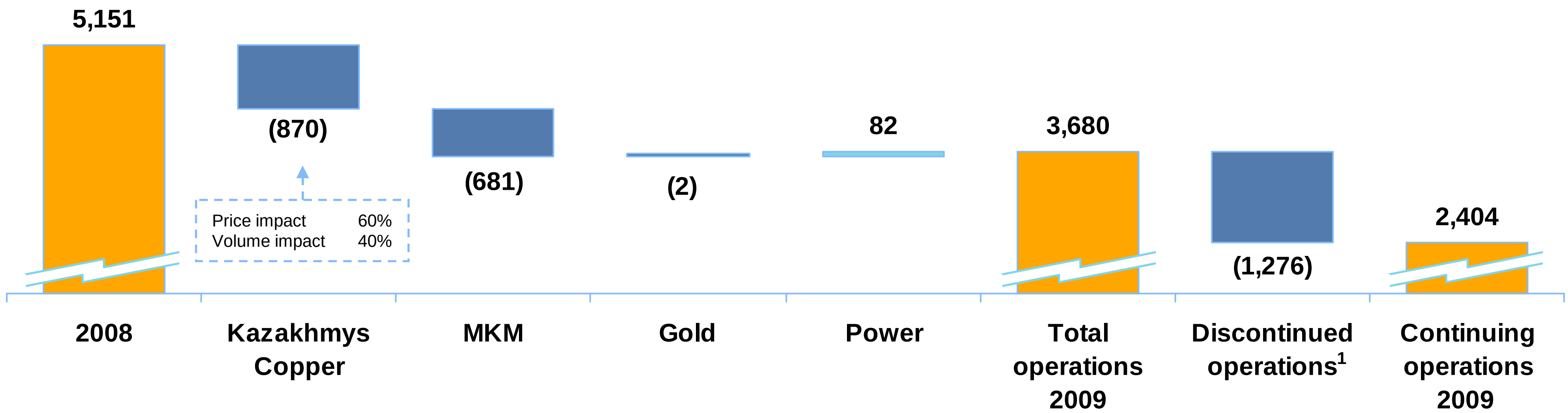
Accounting changes

- Income statement
  - Split into continuing and discontinued operations
- Balance sheet
  - Assets and liabilities classified as held for sale

Notes:
1. *From all managed businesses, both continuing and discontinued operations.*
2. *From all managed businesses, both continuing and discontinued operations (excluding special items).*
3. *Cash flows from operating activities less sustaining capital expenditure on tangible and intangible assets from all managed businesses, both continuing and discontinued operations.*
4. *Excludes MKM and Kazakhmys Power for 2009 and includes advance proceeds of $681 million from sale of 50% of Ekibastuz GRES-1.*

KAZAKHMYS REVENUE ANALYSIS

Revenue reconciliation 2008 - 2009 ($m)



- Key markets remain Europe and China
  - Annual contracts signed for 80% of 2010 production
  - Contracted volumes split mainly between China and Europe
- Sales in 2009 benefited from a decrease in cathode inventory of 17 kt
  - Concentrate sales – 23 kt sold in 2009
  - Cathode spot sales directed to China

Notes: 1. MKM and Kazakhmys Power.

Well positioned for Chinese and European markets

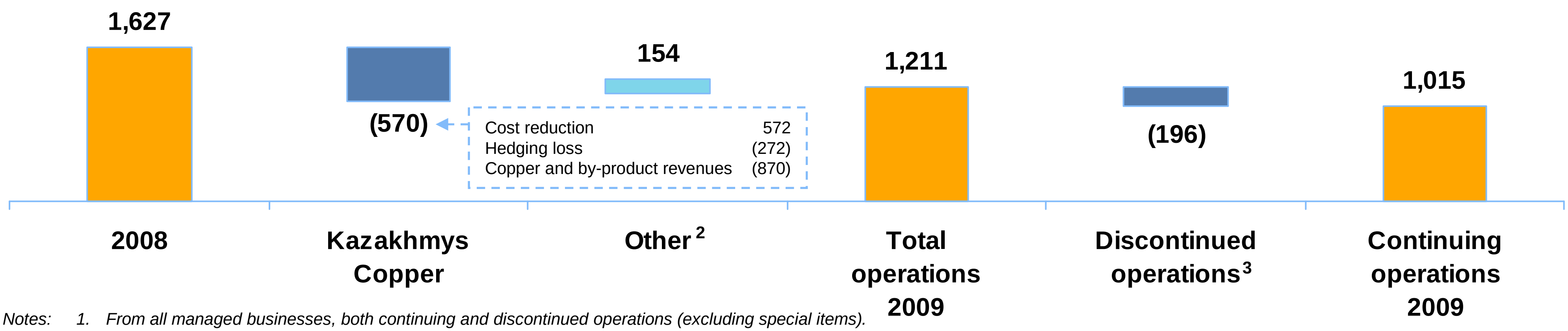
EBITDA

EBITDA[1]

$m (unless otherwise stated)	2009	2008
Kazakhmys Copper	**1,027**	**1,597**
EBITDA margin	*44%*	*49%*
Kazakhmys Power	**120**	**42**
EBITDA margin	*50%*	*27%*
MKM	**76**	**(1)**
EBITDA margin	*7%*	-
Other	**(12)**	**(11)**
EBITDA	**1,211**	**1,627**
EBITDA margin	*33%*	*32%*

- Successful cost reduction
  - partially offset decline in prices
- Full year contribution from Kazakhmys Power

EBITDA reconciliation 2008 - 2009 ($m)

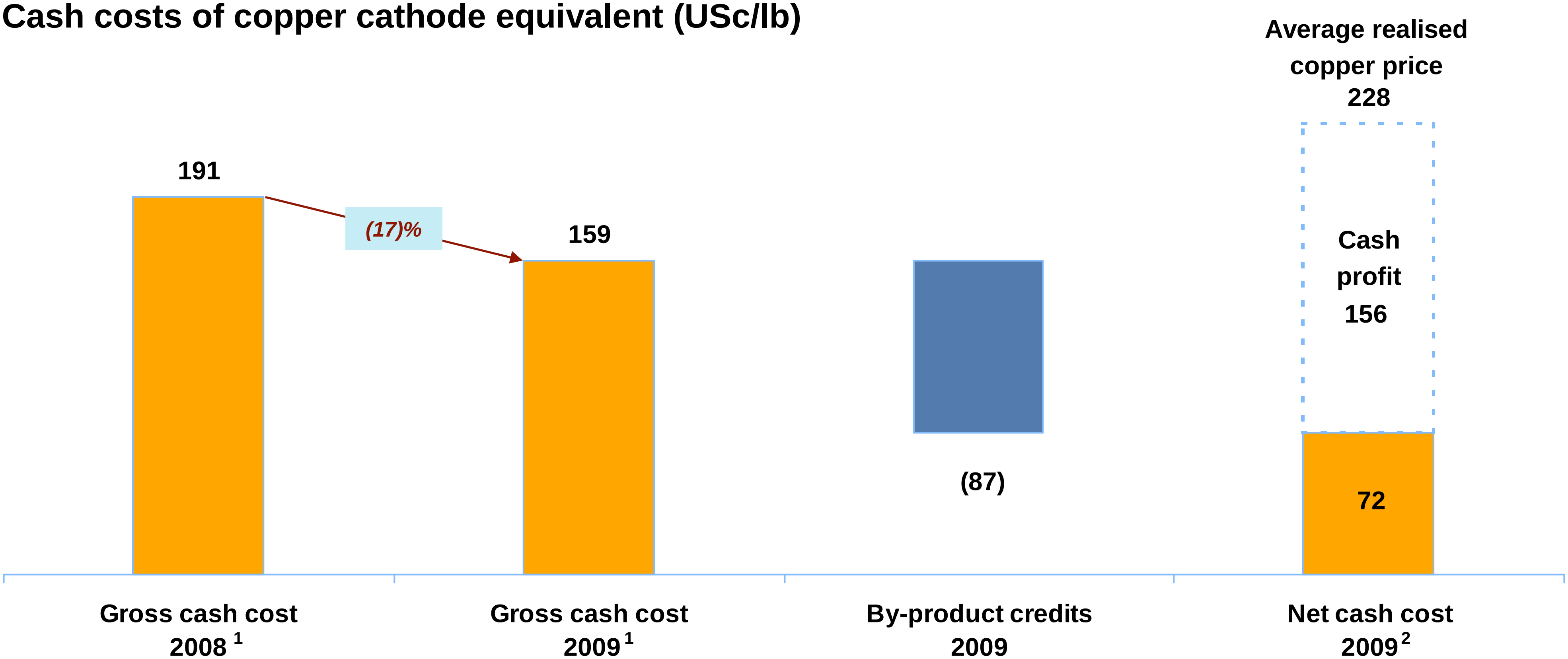


Notes:
1. From all managed businesses, both continuing and discontinued operations (excluding special items).
2. Includes Kazakhmys Power, Kazakhmys Gold, MKM and Corporate unallocated.
3. MKM and Kazakhmys Power.

Robust cash generation from core business

OPTIMISATION: REDUCING COSTS

Cash costs of copper cathode equivalent (USc/lb)



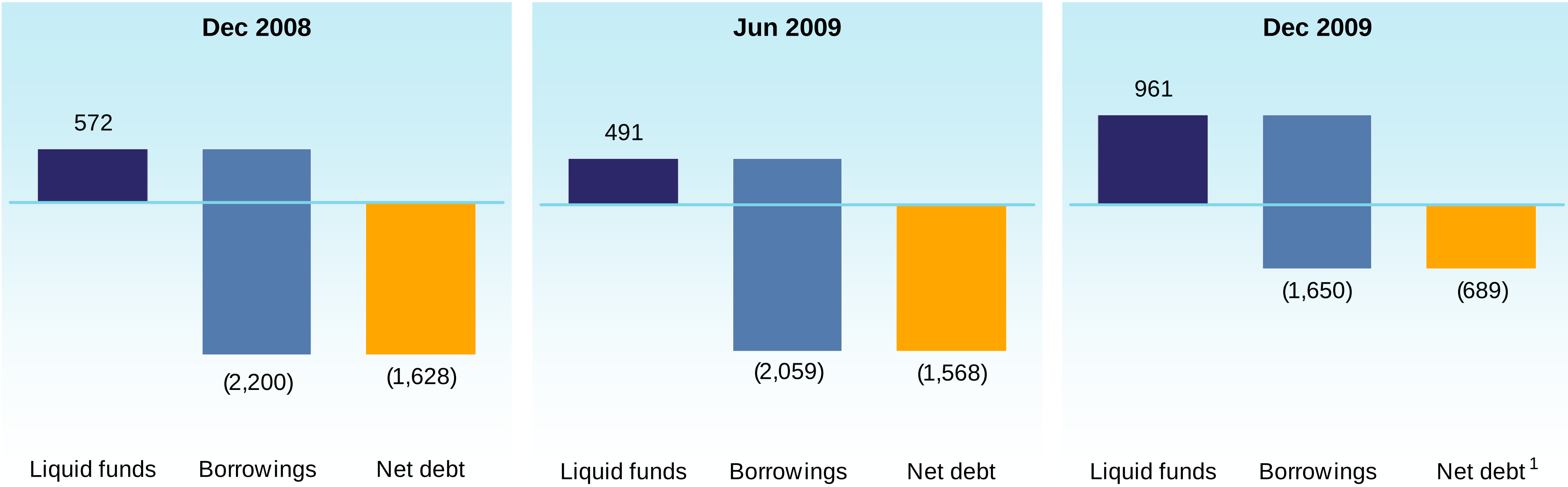
- Gross cash cost in line with targets
- Net cash cost outcome better than expectations in H2 2009
  - Offset by stronger by-product pricing

Notes: 1. Kazakhmys Copper cash operating costs excluding purchased concentrate and mineral extraction tax, divided by the volume of copper cathode equivalent sales.
2. Kazakhmys Copper cash operating costs excluding purchased concentrate and mineral extraction tax, less by-product revenues, divided by the volume of copper cathode equivalent sales.

Successful cost reduction programme

OPTIMISATION: CAPITAL AND DEBT MANAGEMENT

Net debt ($m)



2009

- Improved cash generation by maintaining tight control on discretionary spending
- Sale of 50% of Ekibastuz to Samruk – cash consideration $681 million
- Monthly debt repayments under main debt facility
- Reinstatement of dividend – $48 million (9.0 USc/share)

Notes: 1. Excludes MKM and Kazakhmys Power net debt ($115 million) as at 31 December 2009.

Strong financial position

FINANCIAL OUTLOOK 2010

Capex projection

- Group capex[1] – $600 - 700 million
  - Copper stay-in-business – $325 - 375 million
  - Copper (Projects) – $100 million
  - Bozshakol – $50 million
  - Bozymchak – $100 million
  - Petroleum – $50 million

Taxation

- Tax rates frozen at 2009 level for 2010-2012
  - EPT – not expected
- All-in effective tax rate
  - MET and CIT combined
  - 2010 likely to be lower than 2009

Net cash cost expected to rise in 2010

- Cost inflation
- Lower copper grade production
- Possible tenge appreciation
- 2010 target – 90 USc/lb to 120 USc/lb

Financing

- $2.7 billion loan from CDB and Samruk
  - Semi-annual interest – USD LIBOR + 4.8%
  - Final maturity – 12-15 years

Notes: 1. Group capex excludes Kazakhmys Power ($100 million) and MKM ($20 million).

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Oleg Novachuk

Chief Executive Officer

Low cost operations & continued optimisation of assets

Growth projects funded and progressing

Continued growth of power assets

Strong balance sheet

Reinstatement of dividend

Appendices

PERFORMANCE STATEMENT[1]

Key line items

$m (unless otherwise stated)	2009	2008
Revenues from continuing operations	**2,404**	**3,276**
Kazakhmys Copper	2,357	3,227
Kazakhmys Gold	47	49
Revenue from discontinued operations	**1,276**	**1,875**
Kazakhmys Power	238	156
MKM	1,038	1,719
	3,680	**5,151**
EBITDA[2] from continuing operations	**1,015**	**1,586**
Kazakhmys Copper	1,027	1,597
Kazakhmys Gold	24	19
Other	(36)	(30)
EBITDA[2] from discontinued operations	**196**	**41**
Kazakhmys Power	120	42
MKM	76	(1)
	1,211	**1,627**
EBITDA margin		
Kazakhmys Copper	*44%*	*49%*
Kazakhmys Power	*50%*	*27%*
Kazakhmys Gold	*51%*	*39%*
Operating profits from continuing operations	**549**	**932**
Operating losses from discontinued operations	**(133)**	**(36)**
	416	**896**

Notes:
1. *From managed businesses.*
2. *From managed businesses (excluding special items).*

2009 CASH FLOW

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Summary cash flow

$m (unless otherwise stated)	2009	2008
EBITDA	**867**	**1,245**
Impairment losses	385	400
Dividends from associate	84	38
Working capital movements[1]	(216)	132
Income tax paid	(144)	(621)
Interest paid	(63)	(70)
MET paid	(120)	-
Other	27	(25)
Net cash flows from operating activities	**820**	**1,099**
Sustaining capital expenditure	(241)	(384)
Free Cash Flow	**579**	**715**
Expansionary and new project capital expenditure	(187)	(310)
Acquisition of subsidiaries (net)	-	(1,157)
Proceeds from disposal of Ekibastuz Gres-1	681	-
Acquisition of ENRC shares	-	(918)
Dividends paid	-	(200)
Share buy-back programme	-	(121)
Deferred consideration payment[2]	(185)	-
Other movements	3	54
Cash flow movement in net debt	**891**	**(1,937)**

Working capital movements[1]

$m	2009	2008
Kazakhmys Copper	(94)	16
MKM	(109)	98
Other	(13)	18
Total	**(216)**	**132**

Capital expenditure

$m	2009	2008
Kazakhmys Copper	300	586
Kazakhmys Petroleum	37	42
Kazakhmys Power	61	38
Kazakhmys Gold	14	13
MKM	8	11
Other	8	4
Total	**428**	**694**

Notes: 1. Working capital movements exclude any accruals in respect of mineral extraction tax (MET).
2. Deferred consideration arising from the acquisition of Kazakhmys Power.

SALES AND REVENUE

Kazakhmys Copper sales volumes

kt (unless otherwise stated)	2009	2008	
Copper equivalent sales	**341**	**388**	***(12)%***
Copper cathodes	311	338	*(8)%*
Copper rod	8	47	*(83)%*
Copper in concentrate equivalent	22	3	*633%*
Zinc in concentrate			
Sales	135	98	*38%*
Zinc metal			
Sales	17	49	*(65)%*
Silver			
Sales (koz)	16,397	17,140	*(4)%*
Gold			
Sales (koz)	132	124	*6%*

Group revenues

$m (unless otherwise stated)	2009	2008	
Kazakhmys Copper	**2,357**	**3,227**	**(27)%**
Copper[1]	1,711	2,605	(32)%
Zinc[2]	146	149	(2)%
Silver	251	251	-
Gold	127	109	17%
Other[3]	122	113	8%
Kazakhmys Power	**238**	**156**	
Kazakhmys Gold	**47**	**49**	
MKM	**1,038**	**1,719**	
Total	**3,680**	**5,151**	

Notes:
1. *Copper revenue includes copper cathode, copper in concentrate and copper rod.*
2. *Zinc revenue includes zinc metal and zinc in concentrate.*
3. *Other revenue includes coal, electricity, heat, etc.*

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HSE

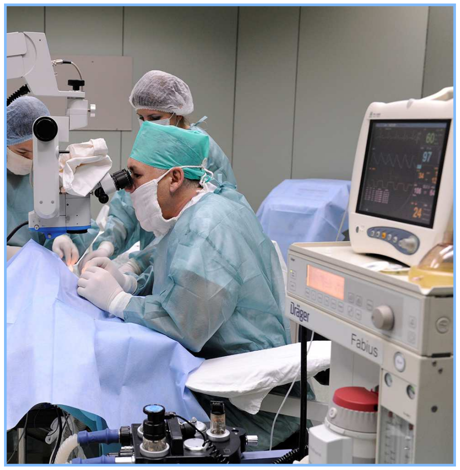
- Fatalities decreased from 32 (2008) to 15 (2009)

Continued work to improve H&S standards

- Investment in technology
- Investing in education

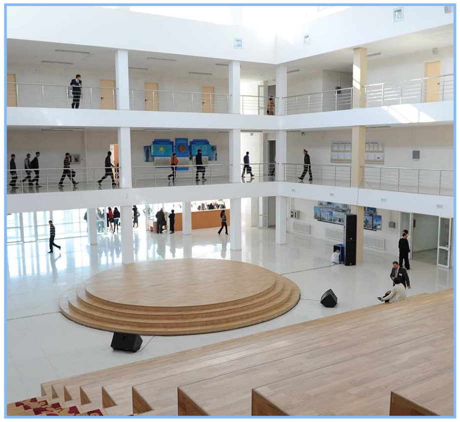
Social spend 2009 ($88million)

- Investing in education
- Public healthcare
- Sport and culture



Zhezkazgan medical centre

Water recycling project, Zhezkazgan



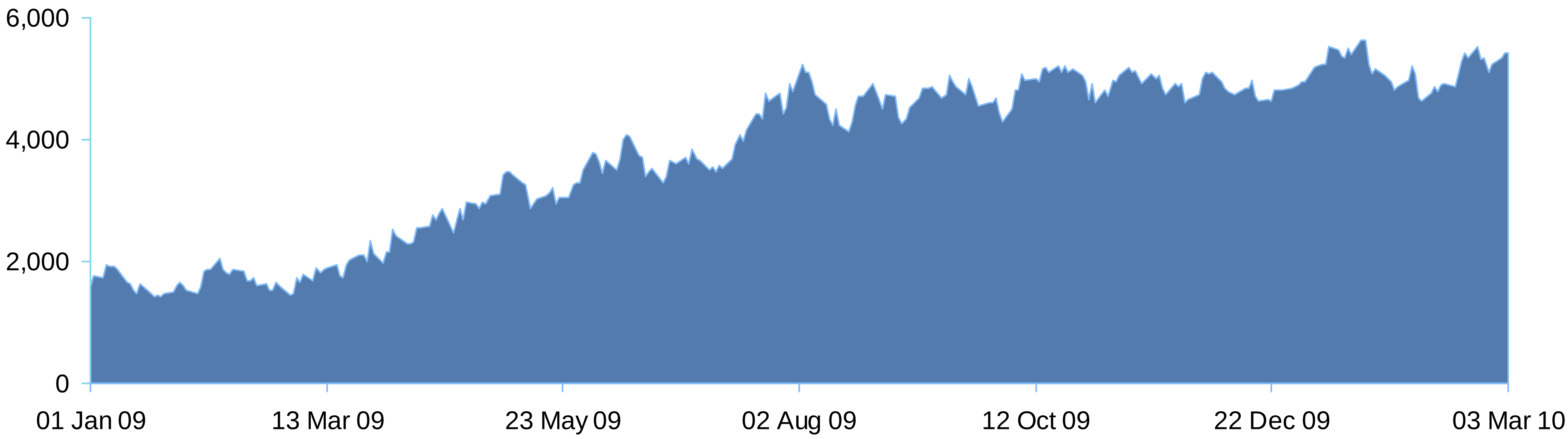
Astana boarding school

Efficient, safe and responsible operations

INVESTMENT IN ENRC

- 26% stake in ENRC
- Value of holding has risen over the year
  - Current value of $ 5.4 billion[1]
- Hold to optimise value for all shareholders
- Diversification of earnings:
  - 26% of ENRC EBITDA
  - Bulk materials, principally in Kazakhstan
  - Moved into base metals in Central Africa

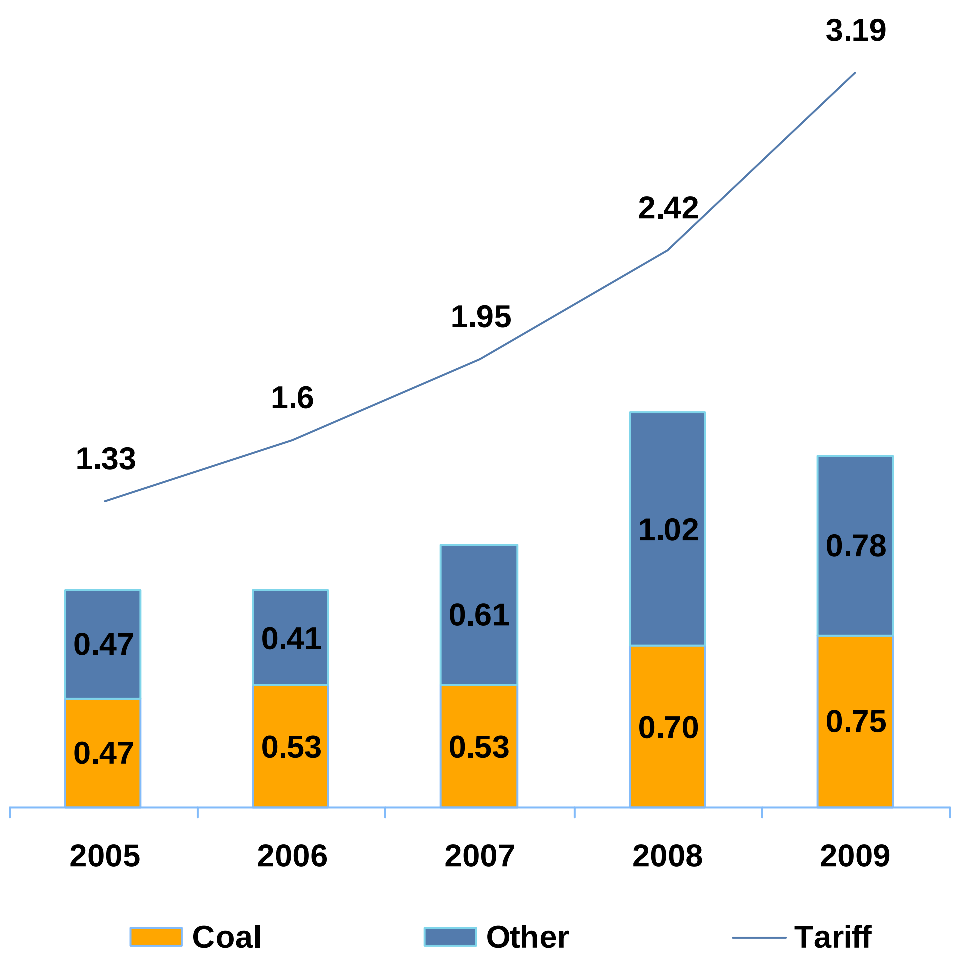
Value of ENRC shareholding ($m)



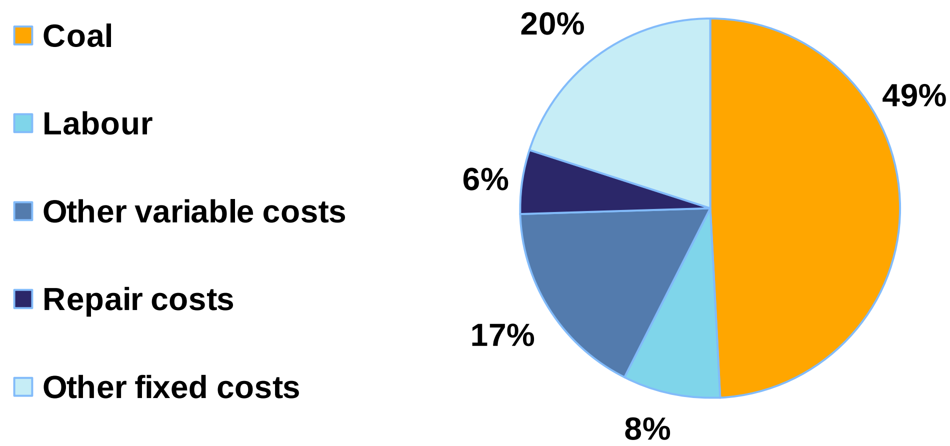
Notes: 1. Value of Kazakhmys 26% stake in ENRC as at 3 March 2010.

KAZAKHMYS POWER: CASH COSTS 2005-2009

Historical cash cost of electricity (KZT/kWh)



Ekibastuz cash costs analysis



Business with healthy margins