



Kazakhmys PLC

2012 Half-Yearly Results Presentation

23 August 2012

Investment for
Growth

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Oleg Novachuk

Chief Executive Officer

Robust operational performance

- Metal production on target for FY 2012
 - Copper cathode production 285 to 295 kt
 - Konyrat mine re-opened in June 2012
 - Accumulated stockpiles to be processed in H2 2012
- Improved demand for power
 - Increase in Ekibastuz GRES-1 power generation and realised tariffs
- Continued focus on Health & Safety

Growth projects progressing well

- Good progress on Bozshakol development
 - Commenced construction ahead of plan
 - Remains on schedule
- Aktogay feasibility study to complete in 2012
 - Long-lead items ordered
- Ekibastuz GRES-1 investment programme proceeding to plan
 - First new unit on track to complete by end of 2012
 - On budget and ahead of schedule



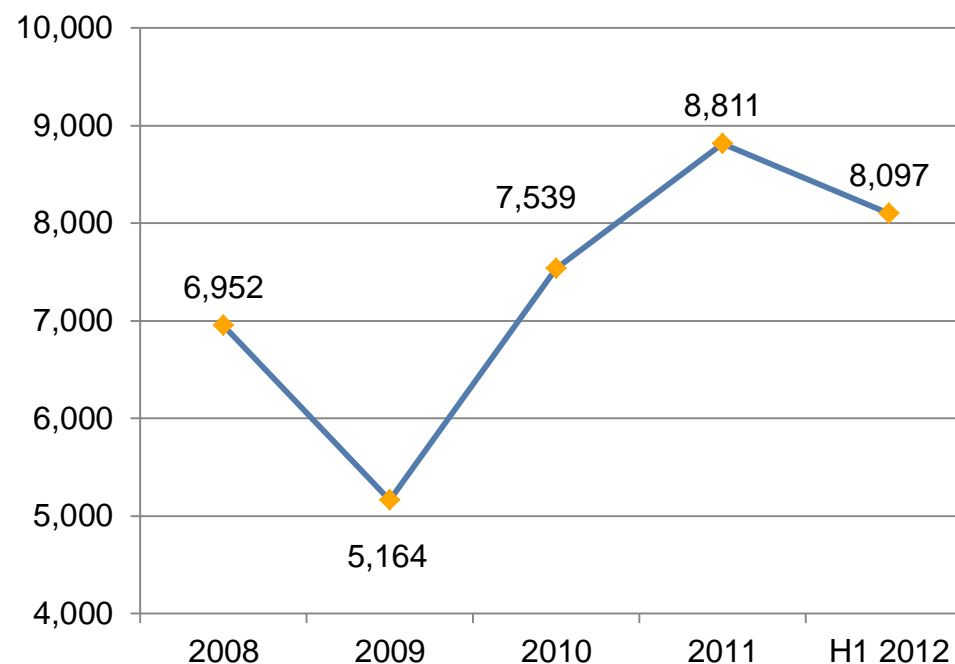
Matthew Hird

Chief Financial Officer

Key financial indicators

\$m (unless otherwise stated)	H1 2012	H1 2011
Group EBITDA ¹	949	1,608
Underlying EPS ² , \$	0.58	1.62
Net cash cost of copper, USc/lb	171	93
Free Cash Flow ³	(129)	554
Net debt ⁴	(418)	(36)

Average LME copper prices (\$/tonne)



Notes: 1. From all businesses, excluding MET and special items.

2. EPS based on underlying profit from all businesses, excluding special items and their tax impact.

3. Cash flows from operating activities less sustaining capital expenditure from all businesses.

4. From continuing operations. Includes current investments with a maturity of 3 to 6 months.

Group EBITDA¹

\$m (unless otherwise stated)	H1 2012	H1 2011
Kazakhmys Mining	516	977
<i>EBITDA margin</i>	<i>34%</i>	<i>54%</i>
Kazakhmys Power²	96	95
<i>EBITDA margin</i>	<i>40%</i>	<i>42%</i>
Ekibastuz GRES-1	92	80
<i>EBITDA margin</i>	<i>66%</i>	<i>68%</i>
Other³	9	(7)
Segmental EBITDA	621	1,065
Share of EBITDA of ENRC	328	543
Group EBITDA	949	1,608

Kazakhmys Mining EBITDA

- ▣ Lower sales volumes
 - ▣ Sales split 40/60 - H1 vs H2 2012
- ▣ Realised copper price decreased by 13%
- ▣ Labour and transportation inflation

Ekibastuz GRES-1 EBITDA

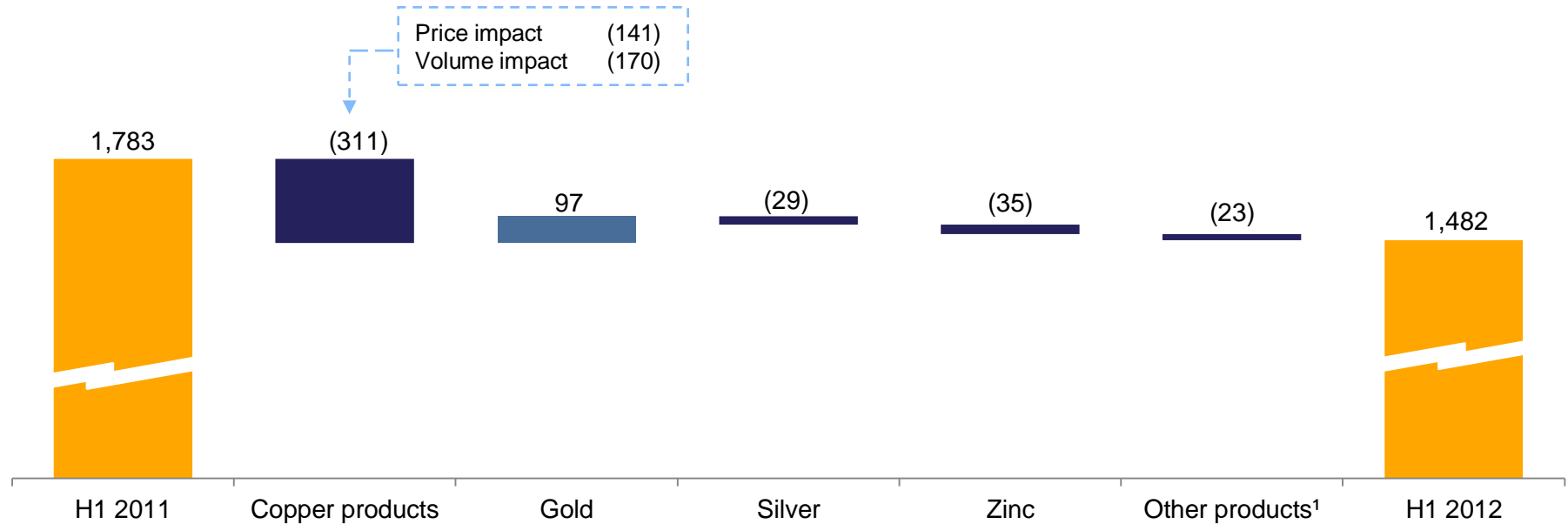
- ▣ Total sales volumes up 10%
- ▣ Realised tariffs increased by 8%
 - ▣ Ceiling tariff raised on 1 April 2012
- ▣ Higher coal input costs

Notes 1. From all businesses excluding MET and special items.

2. Kazakhmys Power includes 50% of the results of Ekibastuz GRES-1 as an equity accounted joint venture, the Group's captive power stations and the Maikuben West coal mine until its disposal in May 2011.

3. Kazakhmys Petroleum until its disposal in December 2011, Corporate Services and MKM.

Kazakhmys Mining revenue H1 2011 – H1 2012 (\$m)

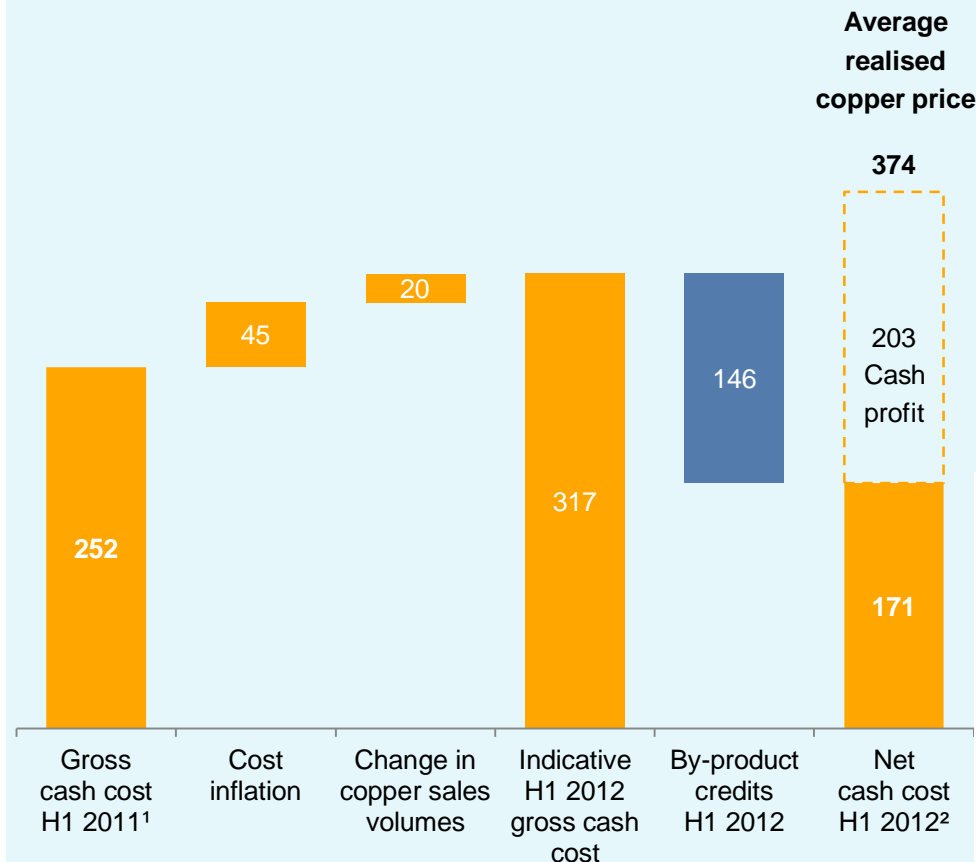


- Lower realised copper price
- Build-up of copper cathode inventory to be sold in H2 2012
 - Logistics issues on Chinese railways now resolved

- Gold inventories brought forward from 2011 sold in H1 2012 to National Bank
- Build-up of gold work in progress to be processed in H2 2012
- Lower silver and zinc prices

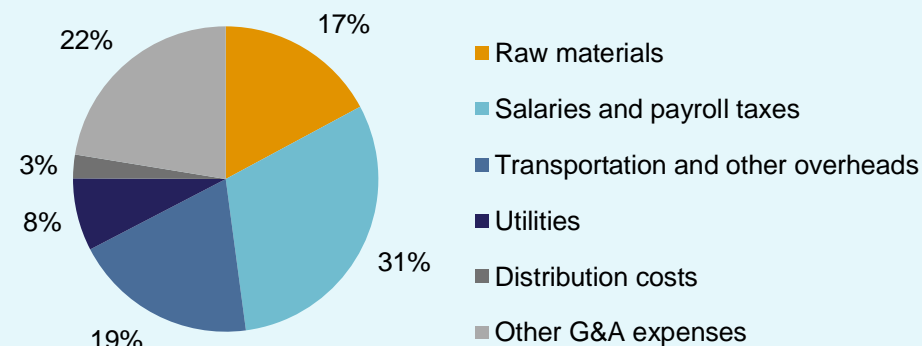
Notes: 1. Other products revenue includes coal, sulphuric acid, lead products and other.

Cash costs of copper cathode equivalent (US\$/lb)



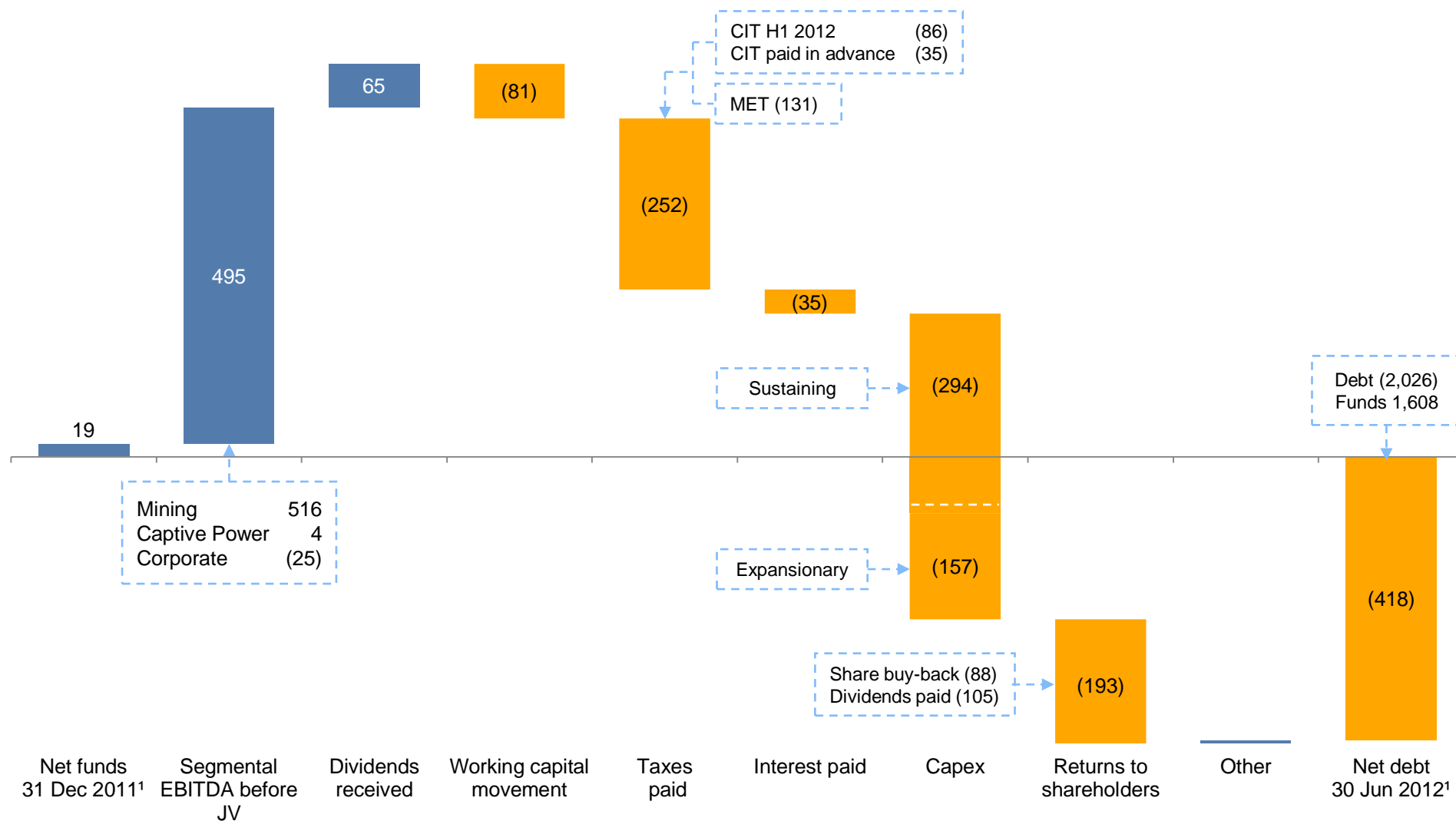
	(US\$/lb)
Indicative H1 2012 gross cash cost	317
Specific items ³	16
b/f 2011 gold inventory	28
Reported gross cash cost H1 2012	361

Gross cash costs H1 2012¹



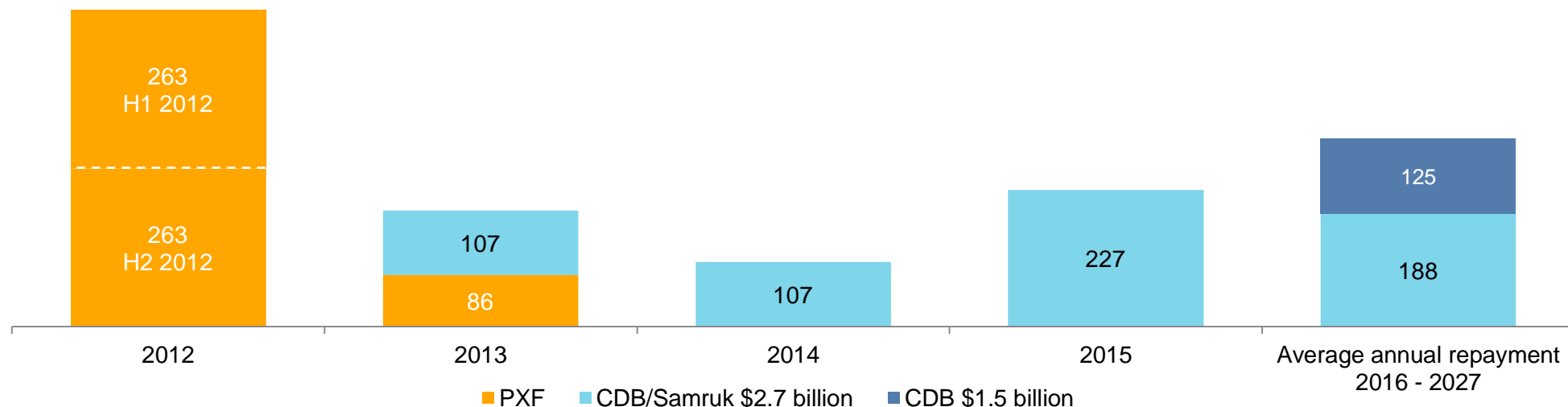
- Notes: 1. Kazakhmys Mining cash operating costs excluding purchased concentrate and MET, divided by the volume of copper cathode sales.
 2. Kazakhmys Mining cash operating costs excluding purchased concentrate and MET, less by-product revenues, divided by the volume of copper cathode sales.
 3. Includes \$79 million for the Group's disability payment obligations in respect of future years offset by the release of a \$38 million provision for environmental levies.

MOVEMENTS IN NET DEBT H1 2012¹



Notes: 1. From continuing operations.

Debt repayment profile (\$m)



- Reduced annual debt repayments from 2013
- PXF facility matures in February 2013
 - Monthly amortisation \$44 million
- Committed debt facilities for major projects
 - Long dated maturity of 12 to 15 years
 - Balance sheet covenants

Net cash cost

- ▣ Underlying cost base in line with guidance
- ▣ Estimated net cash cost range of 160 to 190 USc/lb
 - ▣ Impacted by lower by-product pricing
 - ▣ Additional disability provision charge

Financing

- ▣ CDB/Samruk financing facilities of \$4.2 billion in place
 - ▣ \$1 billion to be drawn in H2 2012
- ▣ PXF facility to be repaid by February 2013
 - ▣ \$263 million to be repaid in H2 2012

Sustaining capex FY 2012

- ▣ Spending reducing in H2 2012
- ▣ Mining Division: \$400 to \$500 million
- ▣ Captive power stations: \$70 million

Expansionary capex FY 2012

- ▣ Spending weighted to H2 2012
- ▣ Bozshakol: \$500 million
- ▣ Aktogay: \$60 million
- ▣ Bozymchak: \$70 to \$80 million
- ▣ Other projects: \$150 to \$200 million



Sergei Diachenko

Chief Operating Officer



Continuing focus on health and safety

- 12 fatalities in first 7 months of 2012 (7m 2011: 16)
- LTIFR of 1.98 in H1 2012 (H1 2011: 1.55)
- 30% reduction in safety incidents in Zhezkazgan Region
- Zero fatalities in Central Region

Safety improvements

- Launched largest domestic health & safety project with DuPont
- Implementation of improved safety standards
 - Equipment upgrades
 - Rock fall prevention
 - Underground equipment maintenance areas
 - Introduced new health and safety analytical software



Copper production

- ▣ Ore volume output up 6%
- ▣ Copper ore grade reduced to 0.99% (H1 2011:1.01%)

By-product production

- ▣ Processing impacted by repair work at precious metal refinery
- ▣ Build-up of work in progress
- ▣ Reduction in grades across all by-products

Copper cathode

H1 2012
135 kt

Zinc in concentrate

H1 2012
72 kt

Gold¹ production

H1 2012
53 koz

Silver production

H1 2012
5,639 koz

Notes: 1. Includes gold doré.

Key drivers for copper production in H2 2012

- Stockpiles to be processed
- Konyrat mine recommenced output in June 2012
- New rail cars delivered
- Increase in ore extraction from Akbastau

Key drivers for by-product production in H2 2012

- Repair work on precious metals refinery complete
- Build-up of work in progress to be processed at precious metals refinery
- Increase in processing of gold bearing Abyz ore

Copper cathode

2012 guidance
285-295 kt

Zinc in concentrate

2012 guidance
150 kt

Gold¹ production

2012 guidance
120 koz

Silver production

2012 guidance
12,000 koz

Mid-term metal production	Unit	Actual	Guidance	Indicative		
		2011	2012	2013	2014	2015
Copper cathode	kt	299	285-295	285-295	285-295	320-330

Notes: 1. Includes gold doré.

Mining initiatives

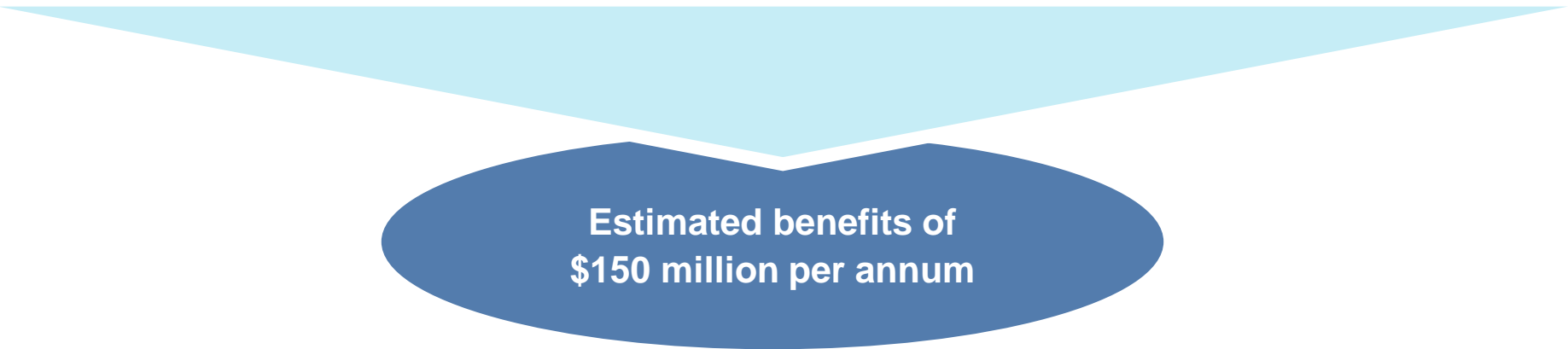
- ▣ Raise asset utilisation in Zhezkazgan
- ▣ Increase contribution from open pit mines from H2 2012

Concentrator initiatives

- ▣ Increase recovery rates at Nikolayevsky concentrator by 12%
- ▣ New reagents at other concentrators to raise copper recovery rates by 1-3%
- ▣ Increased throughput at Balkhash concentrator

Labour

- ▣ Continued improvement in working practices

A diagram consisting of three light blue rectangular boxes at the top, each containing a list of initiatives. A large, light blue downward-pointing arrow connects these boxes to a dark blue oval at the bottom. The oval contains the text 'Estimated benefits of \$150 million per annum'.

**Estimated benefits of
\$150 million per annum**



Mian Khalil

Head of Projects



Indicative CAPEX (\$m)

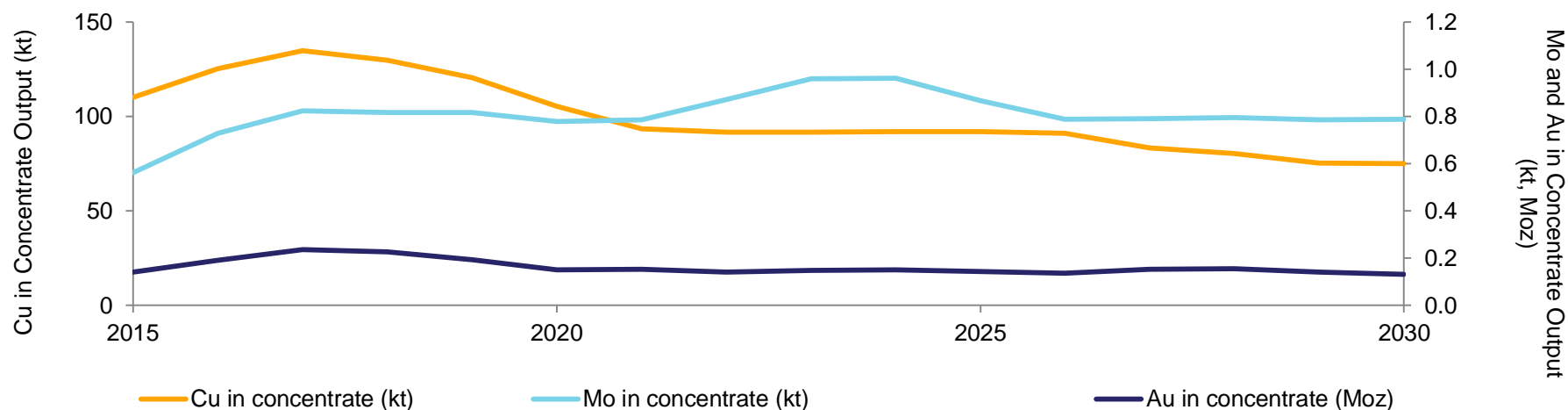
Historic	2012	2013	2014	2015	Initial assessment	Upgrade of clay plant	Total
190	500	630	350	130	1,800	100	1,900

- Clay plant upgraded to enhance the value of the project

Financial projections for first 10 years

- 120 to 140 US\$/lb gross cash cost ¹
- 50 to 70 US\$/lb net cash cost ²
- Sensitivity
 - Greater exposure to copper price
 - Limited exposure to labour costs

Production schedule: Key metals



Notes: 1. Estimated gross cash cost over the first 10 years of the mine's operations expressed in real terms.

2. Estimated net cash cost over the first 10 years of the mine's operations, calculated using a long-term gold price of \$1,000 per ounce, expressed in real terms.

Progress during H1 2012

- ▣ All major mechanical and electrical equipment has been tendered and selected
 - ▣ Purchase orders are progressively being placed
- ▣ Construction equipment delivered on site
- ▣ Utilities for construction completed and tested
- ▣ Temporary office and camp facilities completed

Plan for H2 2012

- ▣ Continue detailed engineering for sulphide plant
- ▣ Complete procurement of all equipment
- ▣ Complete delivery of structural steel for the concentrator building
- ▣ Complete construction of concentrator building shell
- ▣ Purchase mining equipment with emphasis on haul trucks and shovels
- ▣ Complete access road

Overview of concentrator site



Construction camp facilities



Primary crushing excavations



Primary crusher excavations



Concentrator building foundations, first concrete



Rebar fixing for ball mill foundation



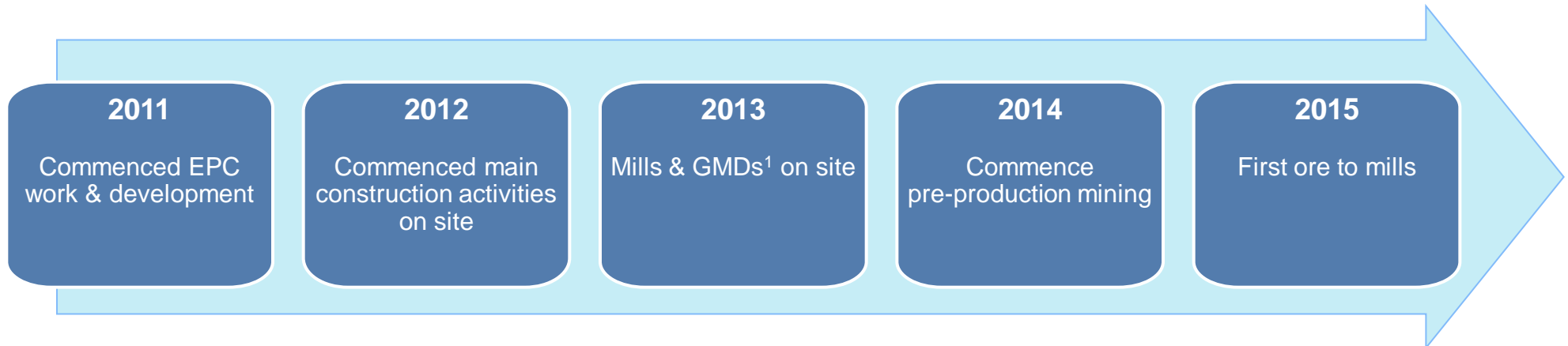
Batch plant



Stockpile tunnel preparation



Ore stockpile blinding



Notes: 1. Gearless Mill Drive.

Aktogay project scope

- Total annual production 100 kt of copper in concentrate

Oxide zone

- Mine life – estimated 10 years
- 119 MT of ore, copper grade 0.37%

Sulphide zone

- Mine life – estimated 40 years
- 1,148 MT of ore, copper grade 0.38%

2012

- Mills & GMDs ordered
- Oxide engineering in progress
- Sulphide feasibility study to be completed
- Approval of feasibility study
- Detailed engineering to commence
- Tender and place orders for mining equipment
- Award construction contract

2013

- Start project development

2011

Start of feasibility study with Ausenco
\$1.5 bn CDB loan facility signed

2012

Feasibility study to complete

2013

Completion of detailed engineering & major procurement

2014-15

Construction activities on site

2016

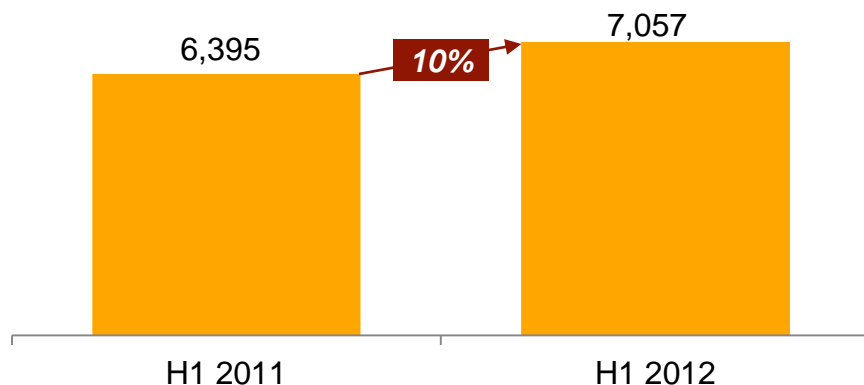
First ore to mills



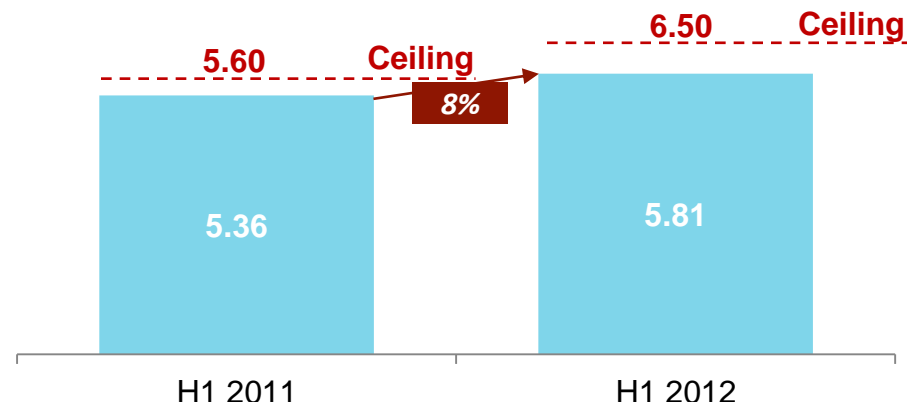
Oleg Novachuk

Chief Executive Officer

Net power generation¹ (GWh)



Average realised tariffs H1 2011-2012 (KZT/kWh)



Generation

- Increased demand for power in Kazakhstan
 - Total sales increased by 10%
 - Domestic sales increased by 23%
- Kazakhstan market share 16.3% (H1 2011: 15.5%)

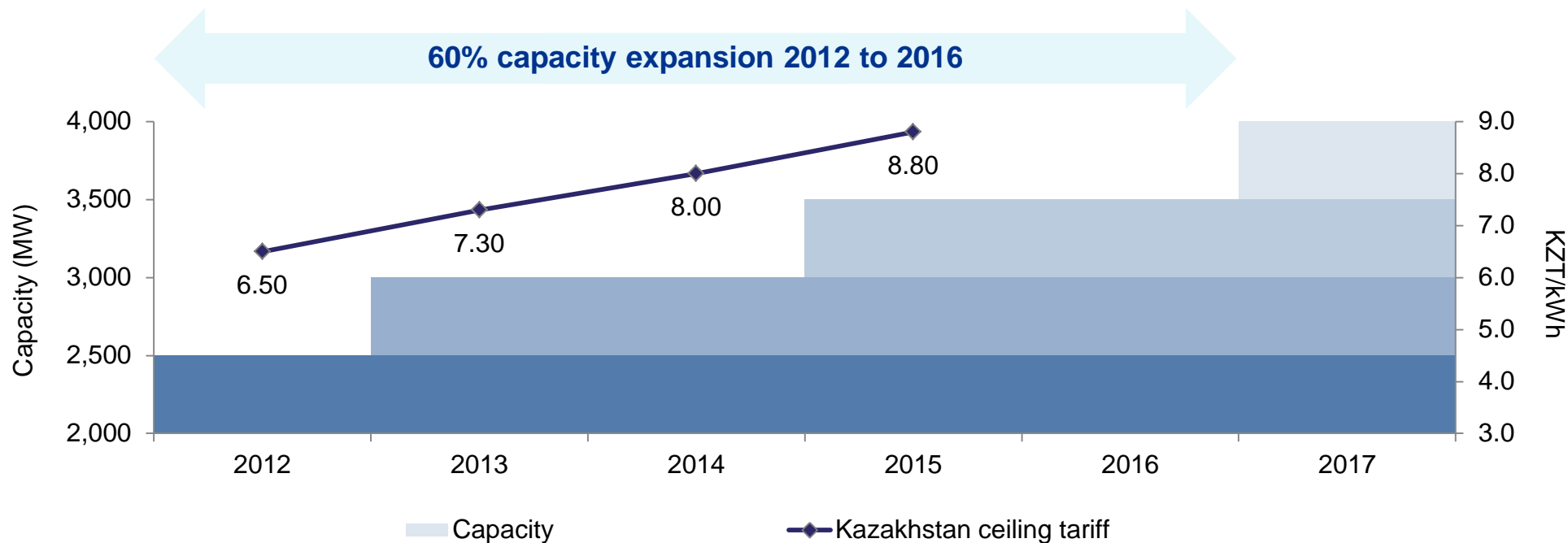
Tariffs

- Realised tariffs 8% higher
 - Ceiling tariff increased 16% in Q2 2012
 - Realised tariff close to ceiling tariff

EBITDA

- \$184 million on 100% basis (H1 2011: \$160 million)
 - Margin of 66% (H1 2011: 68%)

Notes: 1. The results are for 100% of the business.



\$1 billion programme to expand capacity remains on budget and ahead of schedule

- 20% capacity increase with completion of first dormant unit by end 2012
 - Total modernisation cost \$156 million
- Completion of second dormant unit expected end 2014
 - Estimated cost \$410 million

Environmental improvements

- Raising efficiency and improving emission standards
 - Two ESPs installed by end 2011
 - ESP for new unit to be commissioned by end 2012
 - Further ESPs to be installed by end 2016

**Maintain focus on
health and safety**

**Reduction in fatalities
Safety improvement strategy**

**Zero fatalities
Change in culture**

Optimising production

**Consistent delivery of
production targets**

**Maintain mid-term production of 285-295 kt
Deliver operational initiatives**

**Strong and flexible
balance sheet**

**Long dated financing obtained
for major projects**

**Optimise deployment of capital
on major projects**

**Developing growth
projects**

**Bozshakol construction progressing
Finalising Aktogay feasibility study**

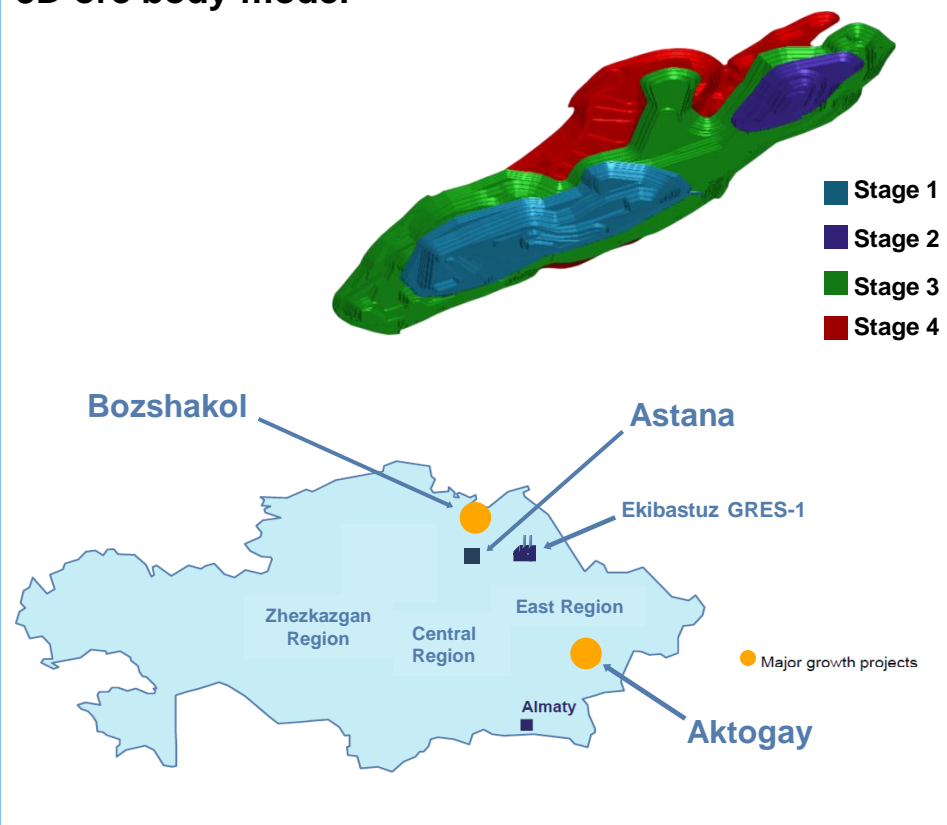
**First Bozshakol production into 2015
Progress to Aktogay construction by end 2012**



Appendices

Overview	<ul style="list-style-type: none"> Green field project entering development Open pit mine First production 2015 Capital costs in the region of \$1.9 billion Funding secured from CDB One of the largest undeveloped copper deposits worldwide
Resources	<ul style="list-style-type: none"> Estimated 1.2 billion tonnes of ore at 0.35% copper Production life over 40 years Significant amount of by-products: <ul style="list-style-type: none"> 5,255 koz of contained gold 57 kt of contained molybdenum
Location	<ul style="list-style-type: none"> 220 km northeast of the capital Astana Rail link to Balkhash smelter Railway connections to China and Europe All power supplied by GRES-1, located in close proximity
Key stats	<ul style="list-style-type: none"> Processing around 30 MT of ore annually Annual copper in concentrate output estimated at 100 kt First quartile cash cost producer Employee numbers estimated 1,500 at full operation <ul style="list-style-type: none"> Transfer of existing employees Stripping ratio estimated at 1.55 Three year production ramp up period

3D ore body model



Resources – JORC compliant

Tonnage (Mt)	Copper grade (%)	Gold grade (g/t)	Silver grade (g/t)	Molybdenum (g/t)
1,173.2	0.35	0.14	0.88	0.004

Note: Includes Indicated and Inferred material. Stated at a 0.2% Cu cut-off grade.

H2 2012 to 2013	After 2015	Future pipeline
<p>Bozymchak - new mine</p> <ul style="list-style-type: none"> First production in 2013, 17 years mine life Gold 35 koz p.a., Copper 7 kt p.a. Under development On-site infrastructure progressing Process plant manufactured and delivered <p>Konyrat - open pit mine</p> <ul style="list-style-type: none"> Restarted production in June 2012, 12 years mine life ~ 7 MT of ore p.a., Cu grade 0.3%, 14 kt of copper cathode p.a. <p>Itauz - open pit mine</p> <ul style="list-style-type: none"> First production H1 2013, 3 years mine life ~ 1.5 MT of ore p.a., Cu grade 0.8%, 10 kt of copper cathode p.a. <p>North Nurkazgan (oxides – heap leaching and sulphides)</p> <ul style="list-style-type: none"> First production in Q4 2013 ~ 1.3 kt, 12 years mine life 4 kt of copper cathode p.a. Construction starts in 2012 <p>Shatyrkul (oxides – heap leaching)</p> <ul style="list-style-type: none"> Full production in 2013 ~ 0.7 kt Construction underway <p>Abyz - extension of existing operations in 2013</p> <ul style="list-style-type: none"> Mine life 5 years Production ~ 0.5 MT of ore, Au grade ~ 3.1 g/t, 38 koz p.a., 3 kt copper cathodes p.a. 	<p>Akbastau & Kosmurun - extensions: open pit at Akbastau and underground mine at Kosmurun</p> <ul style="list-style-type: none"> Akbastau: 2 MT ore p.a., Cu grade 1.21% Kosmurun: 1.5 MT ore p.a., Cu grade 2.08% Akbastau first ore to the plant in 2015 Kosmurun first ore to the plant in 2018 Feasibility study in progress <p>Mizek - extension of existing operations</p> <ul style="list-style-type: none"> Production: ~ 13 MT sulphide ore during 2015 to 2030, Au grade ~ 1.94 g/t Feasibility study in progress <p>Zhomart II - extension of existing underground operations</p> <ul style="list-style-type: none"> Production: from 4 MT to 8 MT of ore p.a., Cu grade 1.71% Concept study and preparation for early access development Ramp up starts in 2018 Feasibility study in progress 	<p>South East Nurkazgan</p> <p>Shatyrkul II</p> <p>Sayak III & IV</p> <p>Artemyevsky II</p> <p>Zhomart III</p>

Key line items

\$m (unless otherwise stated)	H1 2012	H1 2011
CONTINUING OPERATIONS		
Revenues	1,516	1,817
Operating profit	126	751
Share of profits from associate	97	279
Net finance expenses	(45)	(26)
Profit before taxation	178	1,004
Income tax expense	(63)	(161)
Profit for the period from continuing operations	115	843
DISCONTINUED OPERATIONS		
Profit/(loss) for the period from discontinued operations	7	(468)
Profit for the period	122	375
Non-controlling interests	(1)	(1)
Profit attributable to owners of the Company	121	374
EPS – basic and diluted (\$)	0.23	0.70
EPS – based on Underlying Profit (\$)	0.58	1.62

Reconciliation of Underlying Profit

\$m	H1 2012	H1 2011
CONTINUING OPERATIONS		
Profit attributable to owners of the Company	114	842
Impairments and loss on disposal of assets ¹	172	(6)
Associate's special items	6	-
Tax effect of special items	(13)	1
Underlying Profit from continuing operations	279	837
DISCONTINUED OPERATIONS		
Profit/(loss) attributable to owners of the Company	7	(468)
Loss on disposal of subsidiaries ¹	13	20
Impairment charges ¹	10	482
Tax effect of special items	(2)	(5)
Underlying Profit from discontinued operations	28	29
Total Underlying Profit	307	866

Notes: 1. Treated as special items.

Revenues from continuing operations and joint venture

\$m	H1 2012	H1 2011
Kazakhmys Mining	1,482	1,783
Copper ¹	976	1,287
Silver	191	220
Gold ²	195	98
Zinc concentrate	70	105
Other ³	50	73
Captive power	34	34
Total revenues	1,516	1,817
Ekibastuz GRES-1⁴ (joint venture)	139	117

Kazakhmys Mining sales volumes

kt (unless otherwise stated)	H1 2012	H1 2011
Copper cathode equivalent sales	118	136
Copper cathodes	108	122
Copper rod	10	14
Zinc metal in concentrate	69	75
Silver (koz)	6,091	5,941
Gold ² (koz)	118	66

Notes: 1. Copper revenues includes copper cathode and copper rod.

2. Includes gold doré.

3. Other revenue includes coal, lead, sulphuric acid, etc.

4. Ekibastuz GRES-1 on a 50% basis.

SUMMARY BALANCE SHEET

Assets (\$m)	H1 2012	H1 2011
Non-current assets	8,530	8,208
Cash and liquid funds ¹	1,608	1,622
Other current assets	1,650	1,513
Total	11,788	11,343

Non-current assets (\$m)	H1 2012	H1 2011
Tangible assets	2,913	2,702
Investment in associate	4,598	4,620
Investment in joint venture	869	795
Intangible assets	58	60
Other non-current investments	15	10
Deferred tax asset	77	21
Total	8,530	8,208

Equity & liabilities (\$m)	H1 2012	H1 2011
Equity	8,671	8,597
Borrowings	2,026	1,658
Liabilities	1,091	1,088
Total	11,788	11,343

Net debt (\$m)²	H1 2012	H1 2011
Cash and liquid funds ¹	1,608	1,622
Borrowings	(2,026)	(1,658)
<i>Short-term</i>	(349)	(520)
<i>Long-term</i>	(1,677)	(1,138)
Total	(418)	(36)

Notes: 1. Includes current investments with a maturity of 3 to 6 months.
2. From continuing operations.

Key line items

\$m	H1 2012	H1 2011
Segmental EBITDA before JV and associate	334	509
Special items charge	195	476
Dividends received from JV and associate	65	60
Working capital movements ¹	(141)	(12)
Income tax paid	(121)	(157)
Interest paid	(38)	(29)
MET paid	(131)	(119)
Foreign exchange loss and other movements	5	2
Net cash flows from operating activities	168	730
Sustaining capital expenditure	(297)	(176)
Free Cash Flow	(129)	554
Expansionary and new project capital expenditure	(157)	(157)
Dividends paid	(105)	(86)
Purchase of own shares under share buy-back programme	(88)	-
Other movements	26	7
Cash flow movement in net debt	(453)	318

Working capital movements¹

\$m	H1 2012	H1 2011
Kazakhmys Mining	(126)	(35)
Kazakhmys Power	11	(10)
MKM	(60)	(1)
Other	34	34
Total	(141)	(12)

Capex analysis by division

\$m	H1 2012	H1 2011
Kazakhmys Mining	436	302
<i>Sustaining</i>	279	157
<i>Expansionary</i>	157	145
Kazakhmys Power	13	12
Kazakhmys Petroleum	-	10
MKM	3	9
Corporate	2	-
Total	454	333

Notes: 1. Working capital movements exclude any accruals in respect of MET

EBITDA

\$m	H1 2012
Actual H1 2012 ENRC published results	1,144
MET (not excluded from ENRC's EBITDA) ¹	116
ENRC's EBITDA H1 2012 exclusive of MET	1,260
Kazakhmys' share of ENRC's EBITDA H1 2012 (26%)	328

Profit attributable to equity holders of the Company

\$m	H1 2012
Actual H1 2012 ENRC published results	463
Share of Kazakhmys' holding in ENRC (26%)	120
Amortisation charge ²	(23)
Total equity accounting amount for H1 2012	97

Notes: 1. ENRC's EBITDA includes MET. Kazakhmys reports its EBITDA excluding MET so to be consistent MET is added back when calculating the share of ENRC's EBITDA.

2. Amortisation is charged on the difference between the book and fair value of ENRC on the commencement of equity accounting.

H1 2012 Kazakhmys Mining cash cost

\$m (unless otherwise stated)		H1 2012	H1 2011
Revenue		1,482	1,783
Less: EBITDA excluding special items		516	977
Gross cash cost		966	806
Less: other adjustments		36	51
Gross cash cost of own production		930	755
Sales volumes (own production)	kt	117	136
Gross cash cost of own production	c/lb	361	252
By-product credits		(490)	(476)
Net cash costs of own production		440	279
Net cash costs of own production	c/lb	171	93

▣ Increased gross cash cost driven by general inflation, higher input prices and sale of gold inventory brought forward from 2011

▣ There is a similar adjustment each period to exclude non-copper related social spend and other non-production expense

▣ Build-up of copper cathode inventories will be sold in H2 2012

▣ Includes 2011 gold inventories sold in H1 2012 to National Bank of Kazakhstan for \$114 million