Kazakhmys PLC

2011 Trading Update

1 March 2012

Investment for
Growth

IMPORTANT NOTICE

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Oleg Novachuk

Chief Executive Officer

2011 HIGHLIGHTS

Strong operational performance

- Metal production on target
- Ekibastuz GRES-1 power generation up 15%
- Completed Group restructuring
- Continued focus on Health & Safety

Strong financial position

- Metal pricing remained positive
- Net cash cost of copper 114 USc/lb
- Segmental EBITDA[1] $1,959 million
- Net funds[2] $19 million
- ENRC value[3] $3,717 million

Growth projects progress

- Bozshakol development remains on target for 2015
- Aktogay feasibility study to complete in 2012 and funding on project secured
- Ekibastuz GRES-1 investment programme on schedule for completion by end 2016

Returns to shareholders

- Final dividend 20.0 USc/share
  - Full year dividend increased 27% to 28.0 USc/share
- $83 million of shares bought back since September 2011 at £8.89 per share
- Total cash returns to shareholders since Listing in October 2005 of $1.64 billion

Notes: 1. From all businesses, excluding ENRC, MET and special items.
2. From continuing operations.
3. As at 29 February 2012.

Strong performance in 2011

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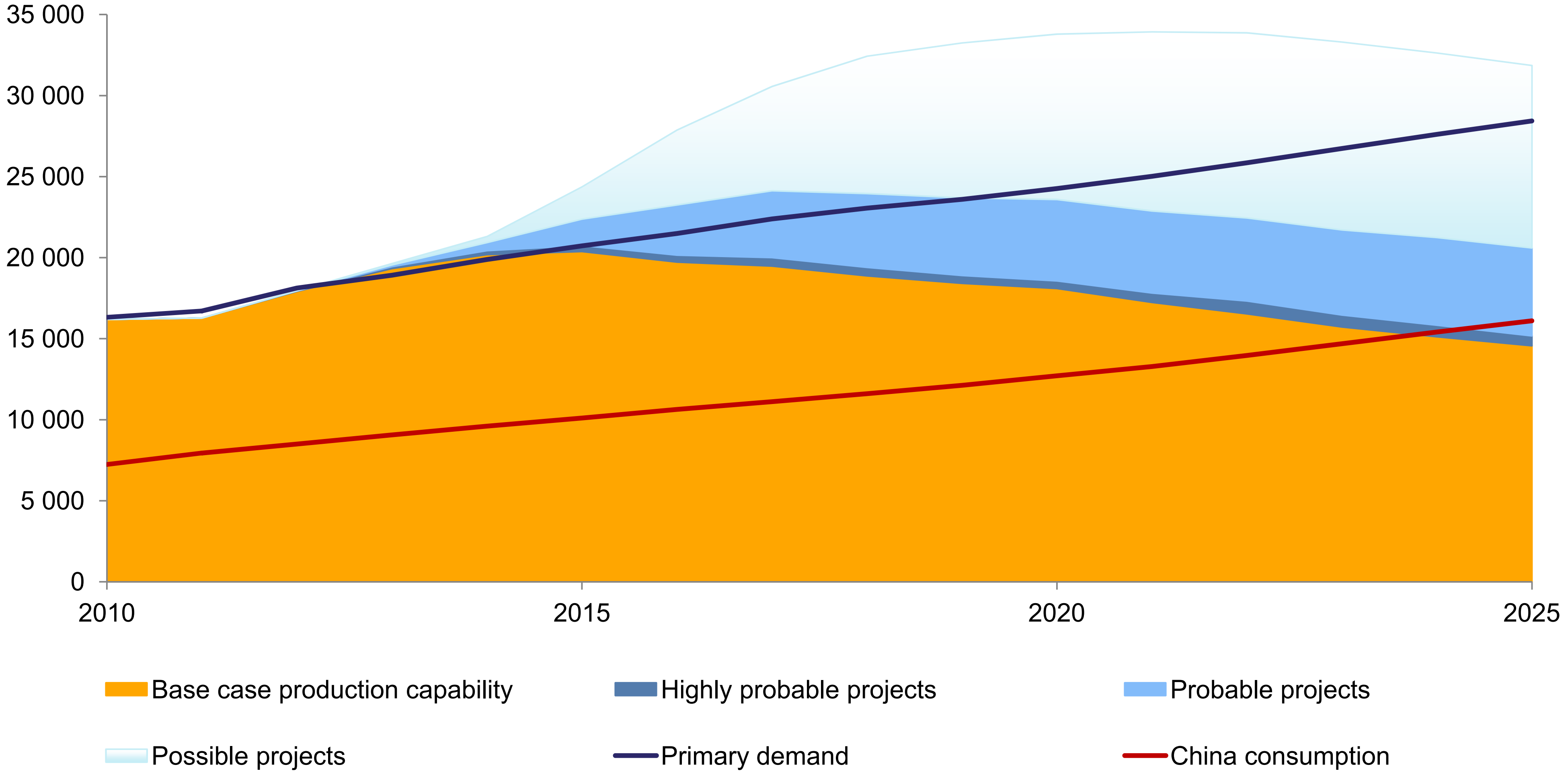
Global copper production and primary demand (kt)



Source: Brook Hunt – A Wood Mackenzie Company December 2011.

Positive outlook for copper

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Matthew Hird

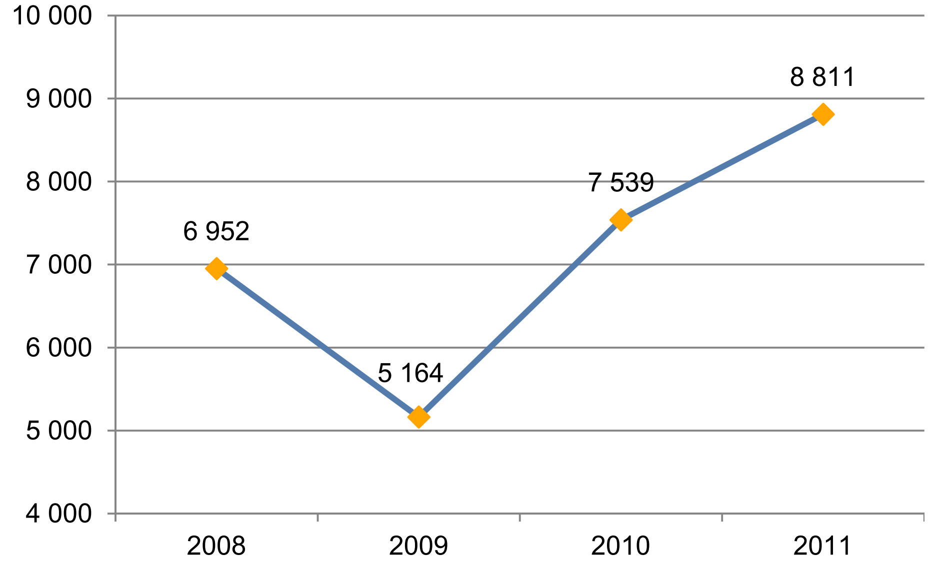
Chief Financial Officer

FINANCIAL HIGHLIGHTS

Key financial indicators

$m (unless otherwise stated)	2011	2010
Segmental EBITDA[1]	1,959	1,932
Free Cash Flow[2]	824	718
Net cash cost of copper, USc/lb	114	89
Net funds/(debt)[3]	19	(350)

Average LME copper prices ($/tonne)



Notes: 1. From all businesses, excluding ENRC, MET and special items.
2. Cash flows from operating activities less sustaining capital expenditure on tangible and intangible assets from all businesses.
3. From continuing operations. Includes current investments with a maturity of 3 to 6 months.

Good financial performance in 2011

SEGMENTAL EBITDA

Segmental EBITDA[1]

$m (unless otherwise stated)	2011	2010
Kazakhmys Mining[2]	**1,808**	**1,736**
EBITDA margin	*52%*	*54%*
Kazakhmys Power[3]	**176**	**152**
EBITDA margin	*55%*	*50%*
Ekibastuz GRES-1	**162**	**144**
EBITDA margin	*63%*	*55%*
Captive power stations	**14**	**8**
EBITDA margin	*22%*	*17%*
Other[4]	**(25)**	**44**
Segmental EBITDA	**1,959**	**1,932**

Kazakhmys Mining EBITDA

- Realised copper price up by 16%
- Cost pressures across industry

Kazakhmys Power EBITDA

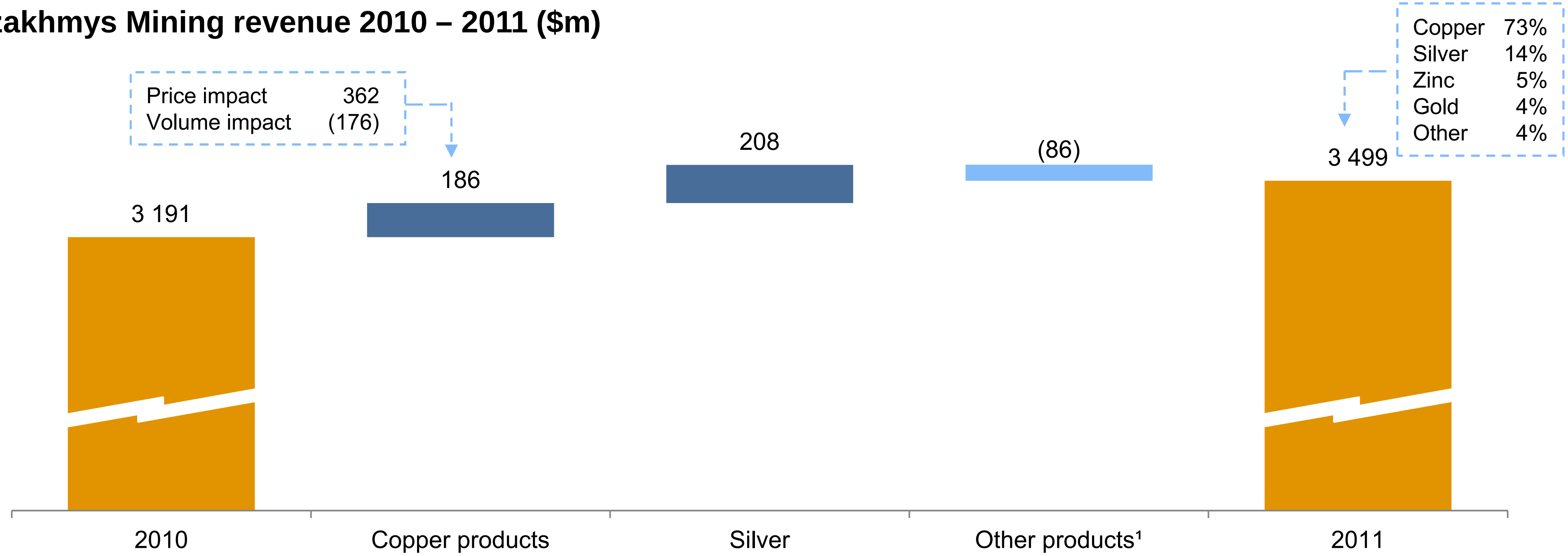
- Higher sales volumes and realised tariffs
- 50% reduction in ownership of Ekibastuz GRES-1 in February 2010

Notes
1. *From all businesses excluding ENRC, MET and special items.*
2. *Kazakhmys Mining incorporates the former Kazakhmys Copper and Kazakhmys Gold divisions and excludes the captive power stations which are now included in Kazakhmys Power.*
3. *Kazakhmys Power includes 100% of the results of Ekibastuz GRES-1 until its 50% disposal on 26 February 2010, 50% of the results of Ekibastuz GRES-1 as an equity accounted joint venture from 27 February 2010, Maikuben coal mine until its disposal on 17 May 2011 and the Group's captive power stations, previously included in Kazakhmys Copper.*
4. *Kazakhmys Petroleum until its disposal in December 2011, Corporate Services and MKM.*

Robust margins across all divisions

MINING DIVISION REVENUES

Kazakhmys Mining revenue 2010 – 2011 ($m)



- Higher realised prices for all major metals
- Sales volumes of 293 kt were below production by 8 kt

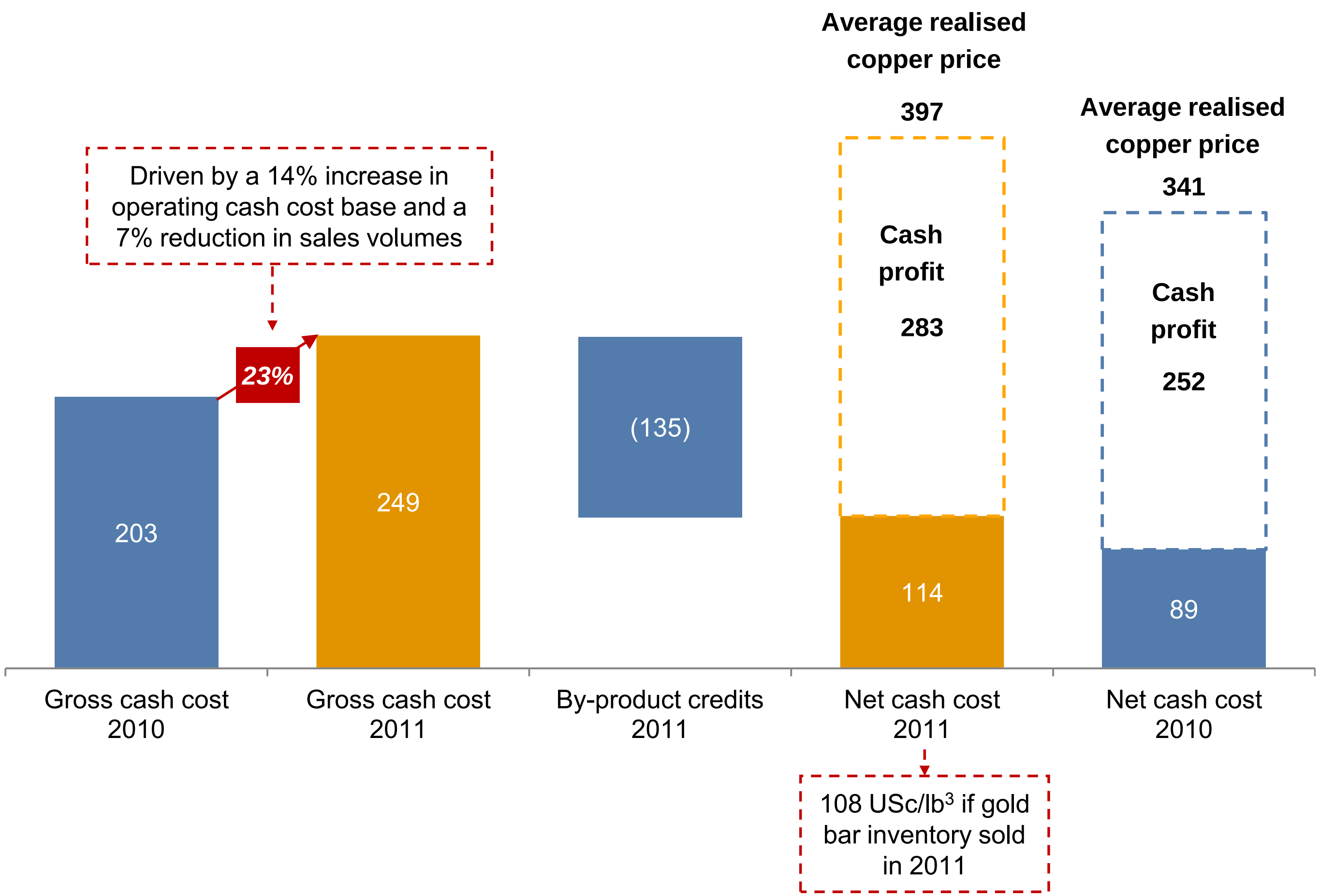
- Gold bar sales disrupted since July 2011 by negotiations with National Bank of Kazakhstan (NBK)
  - 2011 gold inventories to be sold in H1 2012 to NBK for around $122 million[2]

Notes: 1. Other products revenue includes zinc, gold, coal, sulphuric acid, lead products etc.
2. Calculated on 2011 gold inventory using the LBMA gold price as at 29 February 2012.

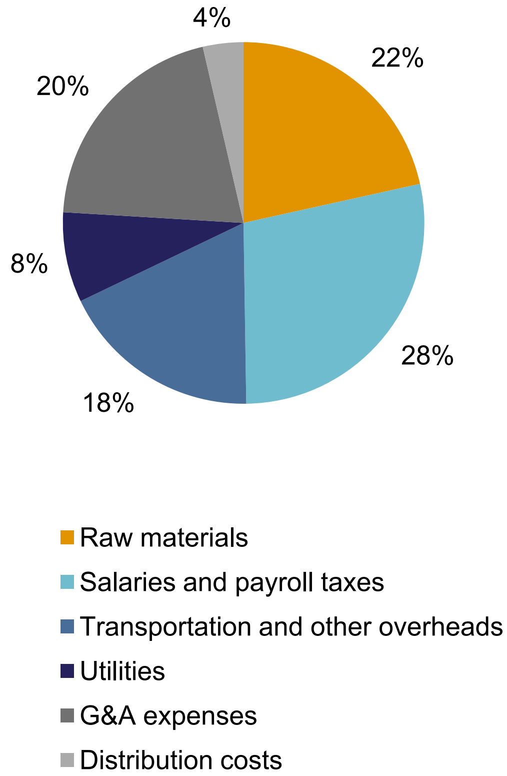
Higher prices for all major metals

COPPER CASH COSTS

Cash costs of copper cathode equivalent (USc/lb)[1,2]



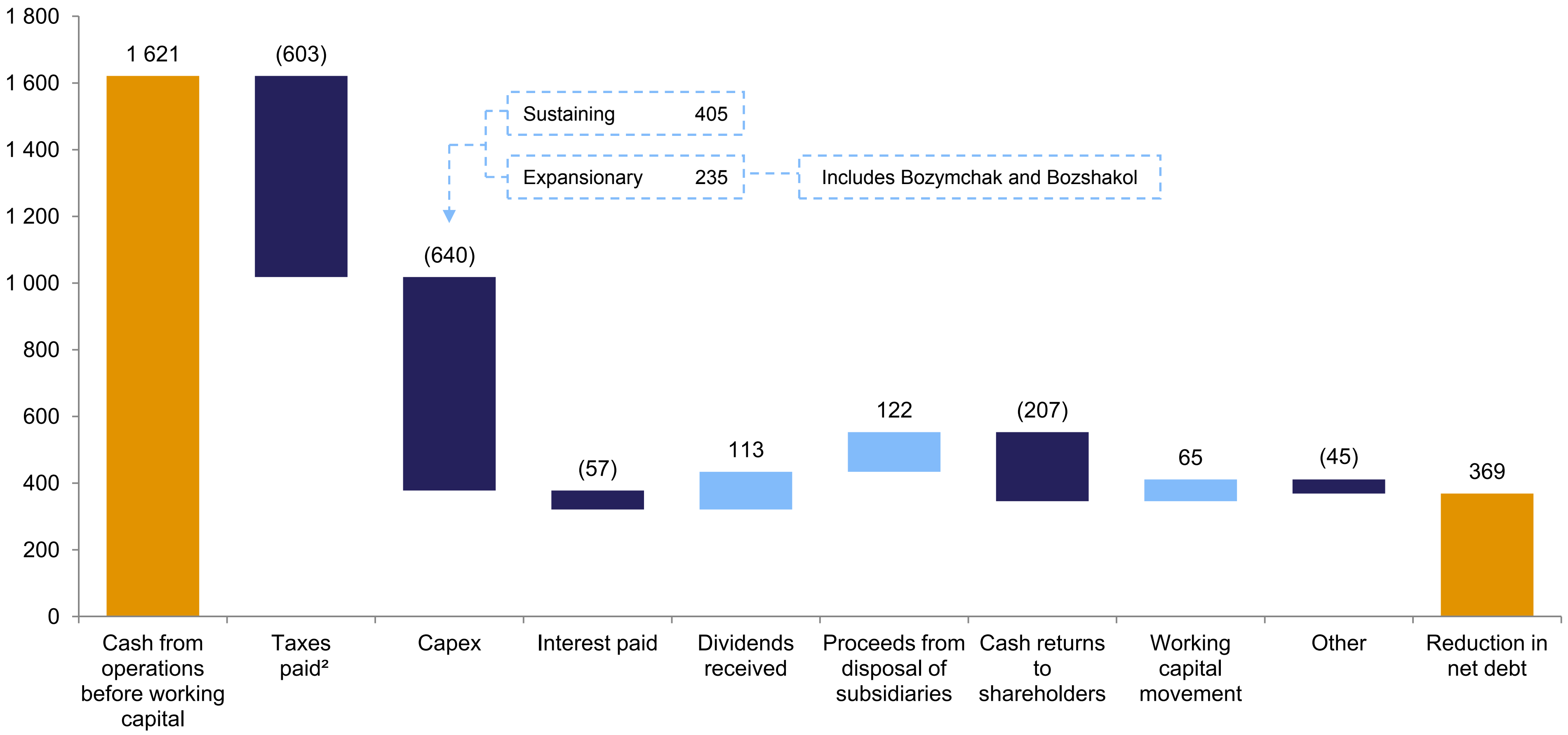
Gross cash costs 2011[1]



Notes: 1. Kazakhmys Mining cash operating costs excluding purchased concentrate and MET, divided by the volume of copper cathode equivalent sales.
2. Kazakhmys Mining cash operating costs excluding purchased concentrate and MET, less by-product revenues, divided by the volume of copper cathode equivalent sales.
3. Calculated using average gold prices over the period of the NBK restriction on gold bar sales in H2 2011.

Maintaining competitive position on cost curve

2011 reduction in net debt[1]

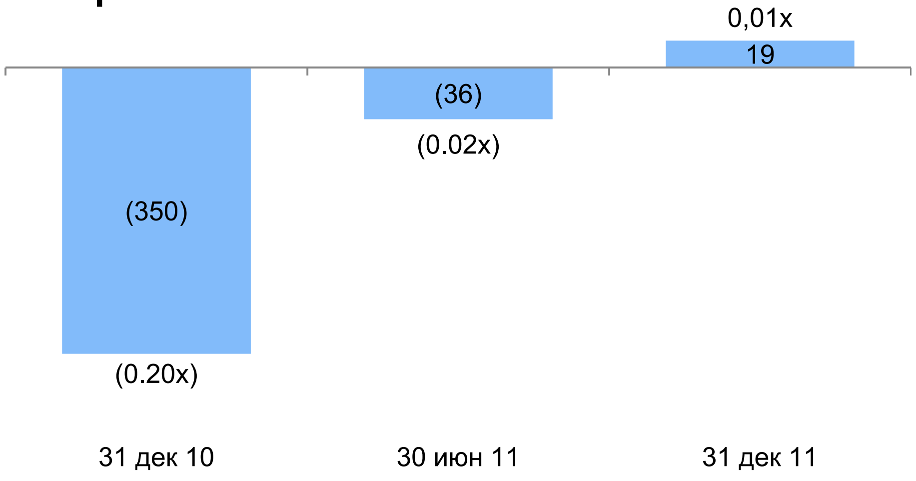


Notes: 1. From continuing businesses.
2. Corporate income tax and MET.

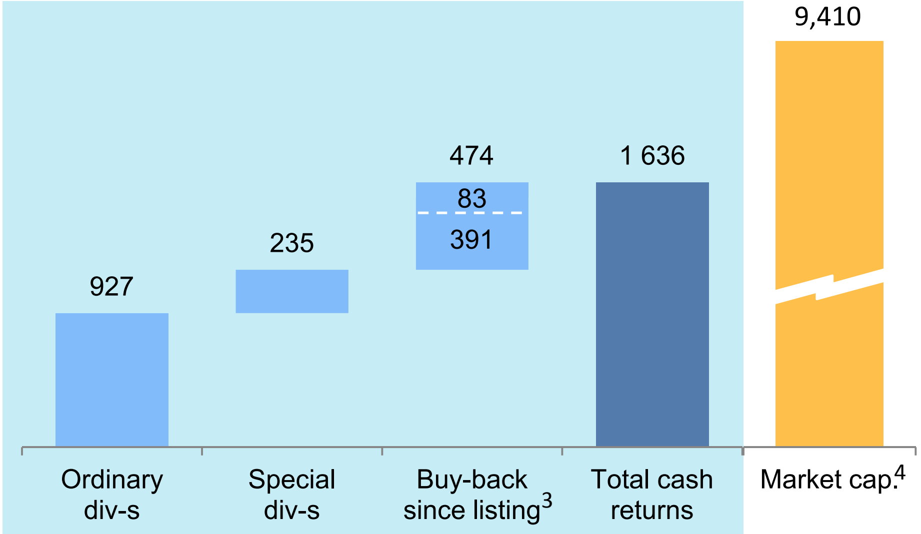
Strong cash flow generation further strengthening financial position

CAPITAL AND DEBT MANAGEMENT

Net funds/(debt)[1] ($m) and net funds/(debt)/EBITDA[2] multiple



Returns to shareholders since listing ($m)



- Net funds of $19 million
- CDB financing line of $2.7 billion
  - $1.3 billion drawn by end 2011
  - $1.4 billion remains available for drawing before end 2012
- Additional CDB facility of $1.5 billion for Aktogay

- Total cash returns since listing $1.64 billion
- Full year dividend increased by 27% to 28.0 USc/share
  - Final dividend 20.0 USc/share ($106 million)
- $83 million of shares bought back since September 2011
  - 5.9 million shares at average price of £8.89 per share

Notes: 1. Includes current investments with a maturity of 3 to 6 months.
2. From continuing operations for the preceding 12 months, including dividends received from ENRC, excluding the 50% share of Ekibastuz GRES-1's EBITDA, the share of ENRC's EBITDA, special items and MET.
3. Includes $391 million of shares bought-back in 2007-2008.
4. As at 29 February 2012.

Balance sheet flexibility and strong returns to shareholders

FINANCIAL OUTLOOK 2012

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Net cash cost

- Estimated range of 150-180 USc/lb
- Continuing cost inflation
  - Increase in ore volumes offset reduction in grades
  - Kazakh inflation on salaries and transportation
  - Global mining inflation on input materials
- Increase in gold sales volumes brought forward from 2011

Financing

- CDB/Samruk financing line of $2.7 billion
  - $1.2 billion to be drawn by end 2012
- CDB financing line for Aktogay of $1.5 billion
  - Available to draw down by end 2012

Sustaining capex

- Mining Division: $350 – $450 million
- Captive power stations: $100 million
- Ekibastuz GRES-1: $100 million

Expansionary capex

- Bozshakol: $500 million
- Aktogay: $60 million
- Bozymchak: $150 million
- Other projects: $100 – $200 million
- Exploration programme: $80 million
- Ekibastuz GRES-1: $200 million

Expected increase in capex fully funded

Sergei Diachenko

Chief Operating Officer

Continuing focus on health and safety

- 24 fatalities in 2011 (2010: 32)
- LTIFR[1] of 1.45 in 2011 (2010: 1.60)
- 40% reduction in safety incidents in Zhezkazgan Region
- Zero fatalities in shaft sinking department

Safety improvements

- DuPont safety training completed for 440 senior managers
  - Internal trainers assigned and leadership seminars conducted
  - Training rolled out to 1,839 line managers
- Improved risk management identification and mitigation
- Enhanced monitoring and recording of incidents

Notes: 1. LTIFR is a standard industry measure for injuries, introduced as a Group KPI in 2010. It measures number of hours lost through injury per 1,000,000 hours worked.

Zero tolerance of non-compliance with safety standards

METAL PRODUCTION 2011

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Copper production

- Major production targets achieved
- Ore output up 2%
- Copper ore grade reduced to 1.01% (2010:1.09%)

By-product production

- Robust output
  - Silver 9% ahead of guidance
  - By-product gold benefited from higher ore volumes
- Reduction in grades across all by-products

Copper cathode 2011 actual	Zinc in concentrate 2011 actual	Gold[1] production 2011 actual	Silver production 2011 actual
299 kt	140 kt	151 koz	13,137 koz

Copper cathode 2011 guidance	Zinc in concentrate 2011 guidance	Gold[1] production 2011 guidance	Silver production 2011 guidance
300 kt	150 kt	140 koz	12,000 koz

Notes: 1. Includes gold doré.

In line with full year targets

PRODUCTION OUTLOOK 2012

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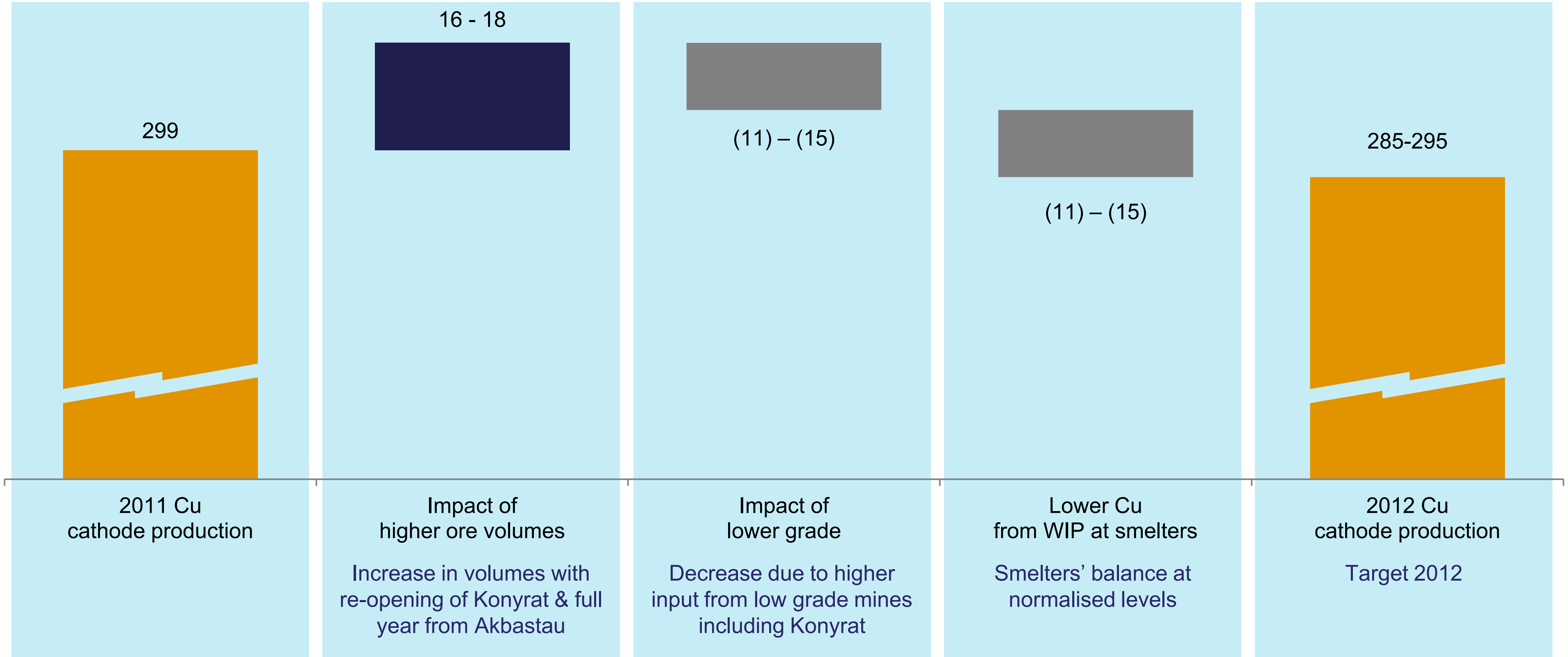
Key indicators

Ore extraction	~ 37,000-40,000 kt
Average copper ore grade %	~ 0.9%
Copper cathode production	~ 285-295 kt

By-products

Zinc	~ 150 kt
Silver	~ 12,000 koz
Gold (by-product and doré)	~ 120 koz

Movement in own copper cathode production (kt)



285-295 kt guidance for 2012

KAZAKHMYS MINING: OPERATIONAL INITIATIVES

Optimising operational efficiency and cost control

- Enhance mine planning capabilities
- Increase recovery rates at Nikolayevsky concentrator by 7%-10%
- Raise Balkhash concentrator throughput to 10.7 MT p.a.
- Focus on asset efficiency
  - Maximise equipment utilisation rates
  - Optimise working schedules
  - Improve fuel management and procurement systems
- Re-engineer mining processes and introduce new equipment

Shareholder Value

Improving operational performance

MEDIUM-TERM PRODUCTION PLAN

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

Key drivers

Volume

- Increased production from existing mines: Konyrat, Zhomart I, Akbastau, Artemyevsky and Nurkazgan West mines
- Bozymchak: new mine commencing early 2013
- Oxide ore mining and heap leaching at Shatyrkul, North Nurkazgan and Aktogay mines
- Bozshakol first production in 2015
- Mid-sized projects will start contributing after 2015

Grade

- Decline in copper grade due to higher output from low grade mines
  - Current producing operations' grade to remain at around 0.85%

By-products

- Remain steady with rising gold output from Akbastau, Bozymchak and Bozshakol mines

Steady output until 2015

MID-SIDED MINE PROJECTS UPDATE

2013

Bozymchak - first production in Q1 2013

Description: New mine

Production: Gold 35 koz p.a., Copper 7 kt p.a.

- Under development
- On-site infrastructure progressing
- Process plant manufactured and delivered

North Nurkazgan (oxides – heap leaching)

- Construction starts in 2012
- First production in Q4 2013

Shatyrkul (oxides – heap leaching)

- Construction underway
- Full production in 2013

After 2015

Akbastau & Kosmurun

Description: Extensions: underground mine at Kosmurun and open pit at Akbastau

Production: Akbastau: 2 MT ore p.a., Cu grade 1.69%
Kosmurun: 1.5 MT ore p.a., Cu grade 3.15%

- Akbastau first ore to the plant in 2015
- Kosmurun first ore to the plant in 2018

Zhomart II

Description: Extension of existing underground operations

Production: from 4 MT to 8 MT of ore p.a., Cu grade 1.56%

- Concept study and preparation for early access development
- Ramp up starts in 2017

Anisimov Klyuch

- Pre-feasibility study in progress
- Early access development starts in Q3 2012

Future pipeline

South East Nurkazgan

Shatyrkul II

Sayak III & IV

Artemyevsky II

Zhomart III

Pipeline of projects for the future

Mian Khalil

Head of Projects

BOZSHAKOL UPDATE

Progress during 2011

- Board approved project development
- Basic engineering completed
- Engineering Procurement Construction awarded to Alsim Alarko
  - Experienced working in cold climates on large-scale infrastructure projects
- Detailed engineering work underway
- Early construction work on power and water lines
- Long lead items for processing plant manufactured and in storage
- Dedicated HSE Manager and HSE team recruited

Commenced development ahead of schedule

BOZSHAKOL OUTLOOK

Plan for 2012

- Commission 35 kW power and water supply lines
- Mobilise main construction contractor to site
  - Commence major earthworks and concrete pouring
- Complete detailed engineering
- Award major equipment packages

2011
Commenced EPC work & development

2012
Commence main construction activities on site

2013
Mills & GMDs[1] on site

2014
Commence pre-production mining

2015
First ore to mills

Notes: 1. Gearless Mill Drive.

Moving towards an additional 100kt of copper in concentrate

AKTOGAY: SECOND MAJOR GROWTH PROJECT

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2011	2012	2013	2014-2015	2016
Start of feasibility study with Ausenco $1.5 bn CDB loan facility signed	Feasibility study to complete	Completion of detailed engineering & major procurement	Construction activities on site	First ore to mills

Aktogay project scope

- Total annual production 100 kt of copper in concentrate

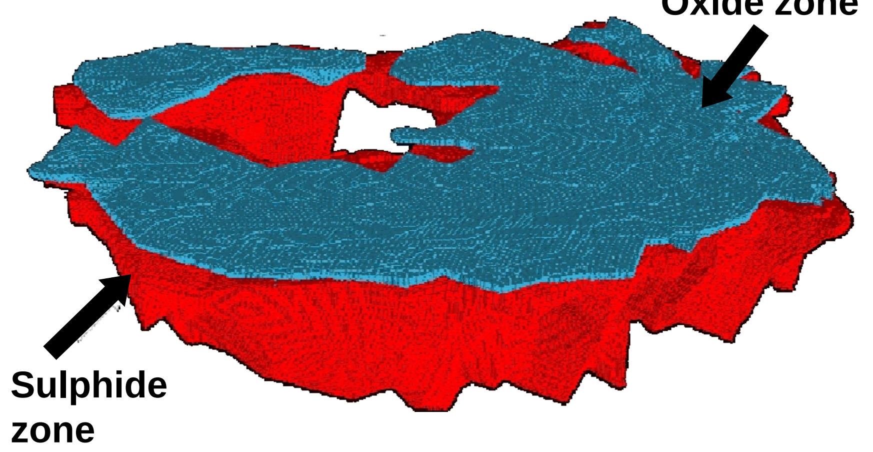
Oxide zone

- 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%

3D ore body model



Bozshakol experience to accelerate Aktogay development

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Oleg Novachuk

Chief Executive Officer

EKIBASTUZ GRES-1: OPERATIONAL REVIEW

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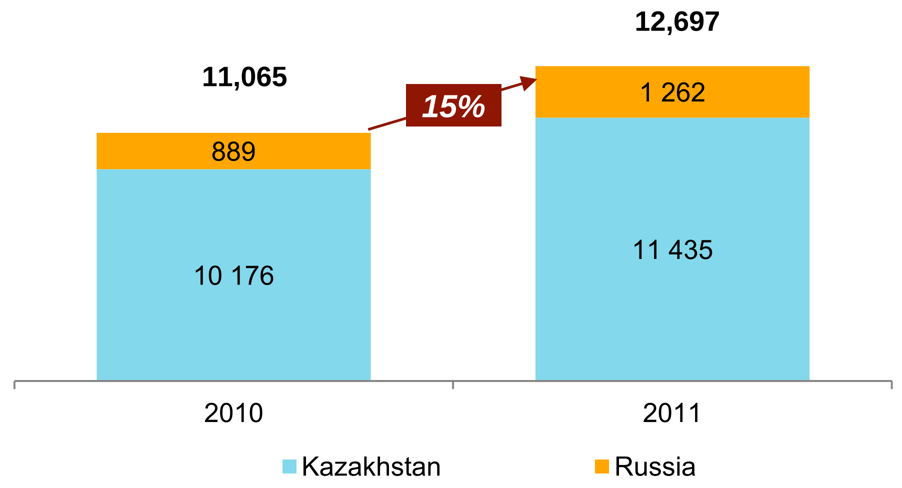
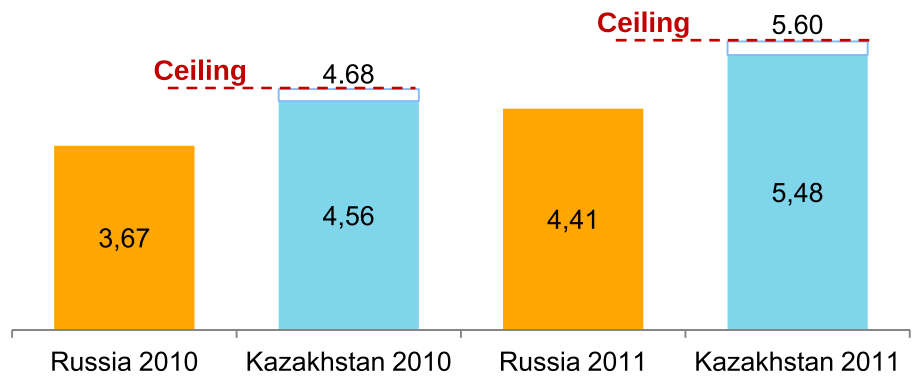
Net power generation[1] (GWh)



Average realised tariffs 2010-2011 (KZT/kWh)



Generation

- 12% increased domestic sales
- Significant growth in sales to Russian market
- Kazakhstan market share 15.5% (2010: 14.2%)

Tariffs

- Kazakhstan tariffs 20% higher as ceiling tariff achieved
  - 2011 tariff level maintained for Q1 2012 as agreed with the Government
- Russian tariffs 20% higher in 2011 benefiting from partial deregulation of power market

EBITDA

- $316 million on 100% basis (2010: $230 million)
  - Margin of 63% (2010: 55%)

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

EKIBASTUZ GRES-1 MODERNISATION PROGRAMME

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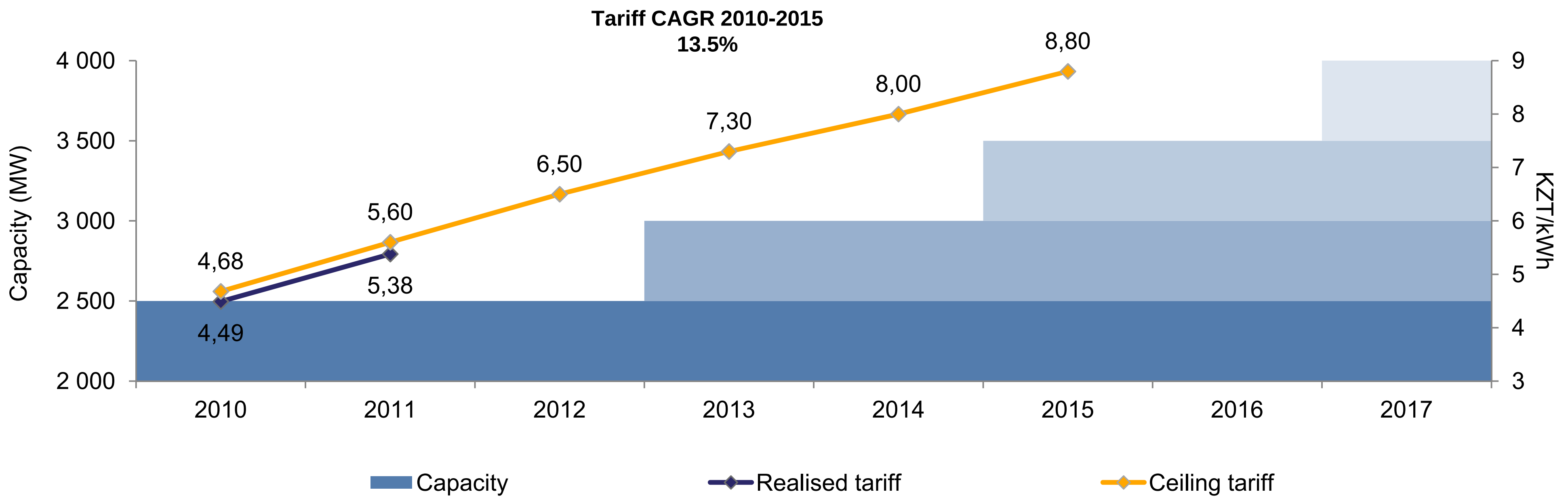
Capacity expansion and ceiling tariff growth



Modernisation programme remains on time and on budget

- Overhaul of one of the operating units completed in 2011
- Completion of first dormant unit expected end 2012
  - Estimated cost $160 million
- Completion of second dormant unit expected end 2014
  - Estimated cost $430 million

Environmental improvement programme

- Raising efficiency and improving emission standards
  - Two ESPs installed by end 2011
  - Further ESPs to be installed by end 2016

Self funded capex programme

- Increase in ceiling tariffs
- Higher generation

Significant tariff and generation growth


Maintain focus on health and safety
Cost management and optimisation
Delivering production
Strong and flexible balance sheet
Developing growth projects

Appendices

BOZSHAKOL PROJECT

Overview

- Green field project entering development
- Open pit mine
- First production 2015
- Capital costs in the region of $1.8 billion
- Funding secured from CDB
- One of the largest undeveloped copper deposits worldwide

Resources

- Estimated 1.2 billion tonnes of ore at 0.35% copper
- Production life over 40 years
- Significant amount of by-products:
  - 5,255 koz of contained gold
  - 57 kt of contained molybdenum

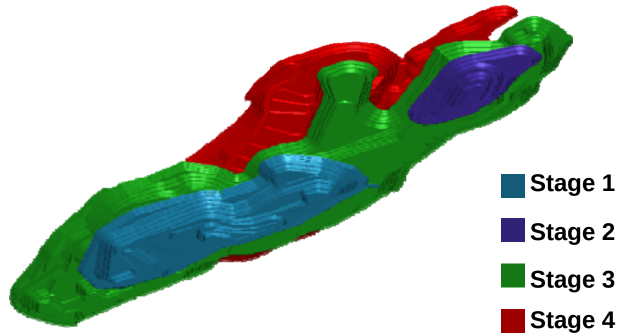
Location

- 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

- Processing around 30 MT of ore annually
  - 25 MT ore annually after 14 years
- Annual copper in concentrate output estimated at 100 kt
- Second quartile cash cost producer
- Employee numbers estimated 1,500 at full operation
- 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)
1,173.2	0.35	0.14	0.88

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

REVENUES, OPERATING PROFIT AND SALES VOLUMES

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Operating profit

$m	2011	2010
CONTINUING OPERATIONS		
Revenues	3,563	3,237
Cost of sales	(1,619)	(1,419)
Gross profit	**1,944**	**1,818**
Selling and distribution expenses	(64)	(55)
Administrative expenses	(751)	(657)
Other operating income	53	44
Other operating expenses	(48)	(37)
Impairment losses	(9)	(14)
Share of profits from joint venture	100	38
Operating profit	**1,225**	**1,137**

Revenues from continuing operations and joint venture

$m	2011	2010
Kazakhmys Mining	**3,499**	**3,191**
Copper[1]	2,570	2,384
Silver	479	271
Zinc	177	193
Gold[2]	133	219
Other[3]	140	124
Captive power	**64**	**46**
Total revenues	**3,563**	**3,237**
Ekibastuz GRES-1[4]	**233**	**138**

Kazakhmys Mining sales volumes

kt (unless otherwise stated)	2011	2010
Copper cathode equivalent sales	**293**	**317**
Copper cathodes	265	282
Copper rod	28	35
Zinc	146	171
Silver (koz)	13,526	13,552
Gold[2] (koz)	86	177

Notes: 1. Copper revenues includes copper cathode and copper rod.
2. Includes gold doré. There were no gold bar sales in H2 2011.
3. Other revenue includes coal, lead, sulphuric acid, etc.
4. Ekibastuz GRES-1 on a 50% basis.

CASH FLOW

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Summary cash flow

$m	2011	2010
Segmental EBITDA before ENRC, GRES-1 and special items	**1,221**	**1,651**
Impairment losses	462	84
Dividends from associate	113	62
Working capital movements[1]	154	(49)
Interest paid	(66)	(50)
Income tax paid	(341)	(365)
MET paid	(264)	(230)
Foreign exchange and other movements	(35)	(5)
Net cash flows from operating activities	**1,244**	**1,098**
Sustaining capital expenditure	(420)	(380)
Free Cash Flow	**824**	**718**
Expansionary and new project capital expenditure	(259)	(286)
Major social projects	(36)	(60)
Dividends paid	(129)	(80)
Purchase of own shares under the Group's share buy-back programme	(78)	-
Cash related to disposal of subsidiaries[2]	111	(107)
Other	4	12
Cash flow movement in net debt	**437**	**197**

Working capital movements[1]

$m	2011	2010
Kazakhmys Mining	131	32
Kazakhmys Power	(9)	(17)
MKM	89	(87)
Other	(57)	23
Total	**154**	**(49)**

Capital expenditure $m

Capital expenditure $m	2011	2010
Kazakhmys Mining	602	555
Sustaining	367	309
Expansionary	235	246
Kazakhmys Power	40	36
Kazakhmys Petroleum	20	37
MKM	16	14
Corporate	1	24
Total	**679**	**666**

Net debt $m[3]

Net debt $m[3]	2011	2010
Cash and liquid funds[4]	1,912	1,469
Borrowings	(1,893)	(1,819)
Short-term	(525)	(519)
Long-term	(1,368)	(1,300)
Total	**19**	**(350)**

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

2. Proceeds from disposal of Maikuben West coal mine in May 2011 and Kazakhmys Petroleum in December 2011, net of cash disposed and cash outflow from deconsolidation of the net funds of Ekibastuz GRES-1 following its 50% disposal in February 2010.

3. From continuing businesses only.

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

CASH COST RECONCILIATION

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Kazakhmys Mining cash cost

$m (unless otherwise stated)		2011	2010
Revenue		3,499	3,191
EBITDA excluding special items		1,808	1,736
Gross cash cost		**1,691**	**1,455**
Other adjustments		(91)	(48)
Gross cash cost of own production		**1,600**	**1,407**
Sales volumes (own production)	kt	291	314
Gross cash cost of own production	**c/lb**	**249**	**203**
By-product credits		(870)	(792)
Net cash costs of own production		730	615
Net cash costs of own production	**c/lb**	**114**	**89**

108 USc/lb[1] if gold bar inventory sold in 2011

- Increased gross cash cost driven by general inflation and higher input prices
- There is a similar adjustment each period to exclude costs related to the former Kazakhmys Gold mines, purchased concentrate, non-copper related social spend and other non-production expenses
- Strong by-product pricing in 2011
- No gold bar sales in H2 2011
- Within 2011 guidance of 100-130 USc/lb

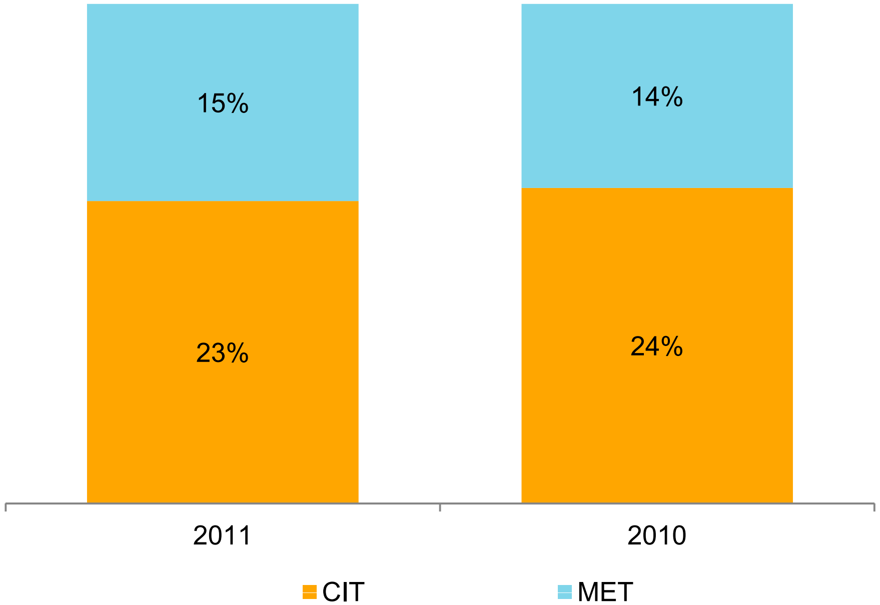
Notes: 1. Calculated using average gold prices over the period of the NBK restriction on gold bar sales in H2 2011.

TAX

All-in effective tax rate[1] (%)

Realised copper price $8,756 per tonne

Realised copper price $7,523 per tonne



Reconciliation of the all-in effective tax rate

$m (unless otherwise stated)	2011	2010
Profit before tax from continuing operations (excluding share of profits from associate)	**1,157**	**1,070**
Add: MET	280	236
Add: special items	131	125
Less: share of profits from joint venture	(100)	(38)
Adjusted profit before tax from continuing operations	**1,468**	**1,393**
Income tax expense	221	203
Add: MET	280	236
Add: tax effect of special items	57	84
Adjusted tax expense from continuing operations	**558**	**523**
All-in effective tax rate (%)	***38.0***	***37.5***

Notes: 1. All-in effective tax rate is calculated as income tax expense plus MET, less the tax effect of special items, divided by profit before taxation, which is adjusted for MET, special items and excludes the share of profits from the joint venture and associate.