

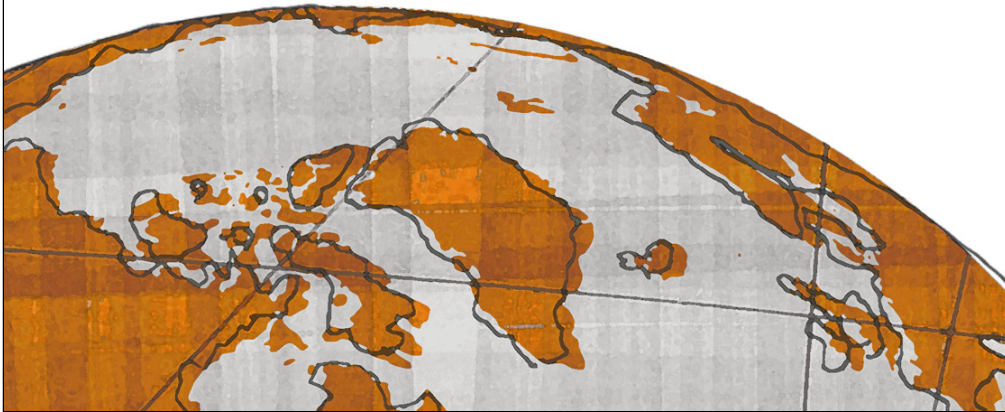


**Eurasian Natural Resources Corporation PLC**  
**2009 Preliminary Results Presentation**  
**24 March 2010**

**Embracing the World**



## **Dr Johannes Sittard, Chairman**



## Disclaimer



*This presentation includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include matters that are not historical facts or are statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on current plans, estimates and projections, and therefore too much reliance should not be placed upon them. Such statements are subject to risks and uncertainties, most of which are difficult to predict and generally beyond the Group's control. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The Group cautions you that forward-looking statements are not guarantees of future performance and that if risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the Group's actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may materially differ from those made in, or suggested by, the forward-looking statements contained in this presentation. In addition, even if the Group's results of operations, financial condition and liquidity and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this presentation, those results or developments may not be indicative of results or developments in future periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, changes in business strategy, political and economic uncertainty. Subject to the requirements of the Prospectus Rules and the Listing Rules or any applicable law or regulation, the Group expressly disclaims any obligation or undertaking publicly to review or confirm analysts expectations or estimates or to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.*

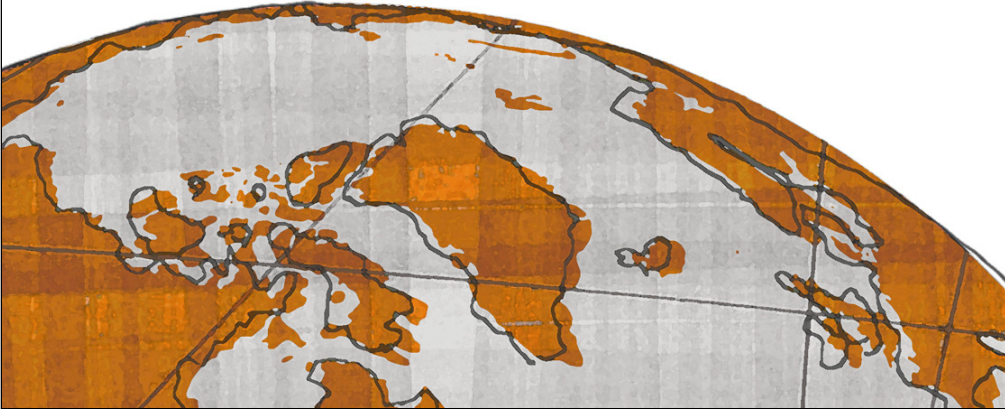
*The information set out in this presentation relates to the twelve months ended 31 December 2009 and, unless otherwise stated, is compared to the corresponding period of 2008, the twelve months ended 31 December 2008.*

*Where applicable in the document all references to 't' are to metric tonnes, to 'kt' are to thousand metric tonnes, and 'mt' to million metric tonnes unless otherwise stated.*



## Overview

**Felix Vulis, Chief Executive Officer**



## 2009 Business Highlights



- 2009 **revenue of US\$3.8bn; Underlying EBITDA<sup>(a)</sup> of US\$1.5bn**
- Strong recovery in **production volumes** through H2 2009 - notably in the **Ferroalloys** and **Iron Ore** Divisions
- Production in **Alumina and Aluminium** and **Energy** Divisions increased on 2008
- Q4 2009 **capacity utilisation** at effective full capacity
- Maintained **labour force** – prepared for the upturn
- **Control of costs** – maintained advantageous cost curve position
- Progress with **diversification strategy** – acquisition of CAMEC
- Review of ongoing **investment programme** in Kazakhstan

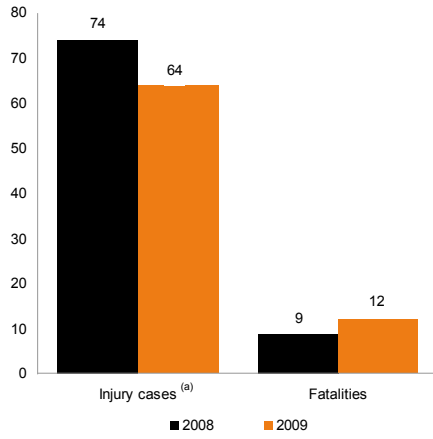
**Note:**

*(a) Underlying EBITDA: profit before finance income, finance cost, income tax expense, depreciation, amortisation and impairment, net gains and losses on derivatives not qualifying for hedge accounting, share of profit or loss of joint venture and associates and the impact of the devaluation of the Kazakhstani tenge.*

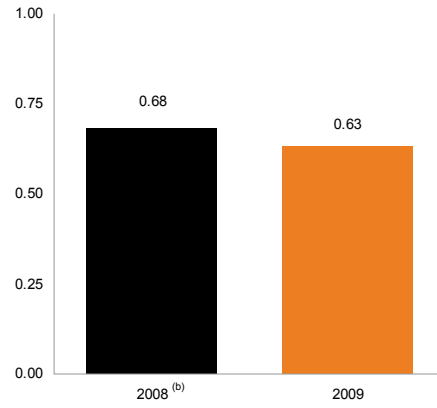
## Health and Safety



### Health and Safety Statistics



### Lost Time Injury Frequency Rate (LTIFR) (c)



**Note:**

(a) Injuries for 2008 excluding Serov since April would total 70.

(b) LTIFR for 2008 excluding Serov would total 0.66

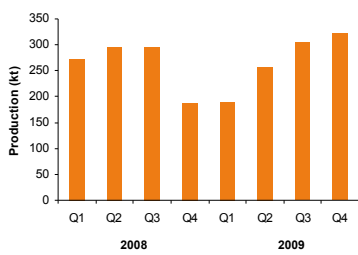
(c) LTIFR – lost time injury frequency rate (number of injuries per one million hours worked)

## Managing the Downturn – Delivering the Upturn

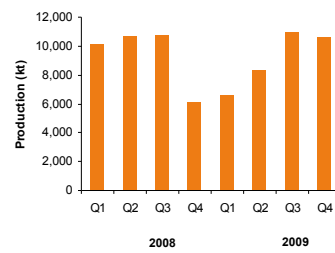


- Swift reaction to the downturn
- Measures to maintain workforce capacity
- Management action to reduce unit costs
- Exploiting competitive advantages – low cost production and proximity to China
- Sharp recovery in capacity utilisation and increased hours worked

2008 - 2009 Quarterly HC FeCr Production



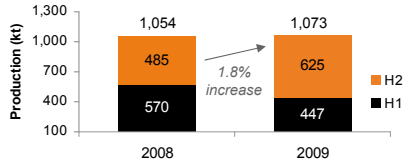
2008 - 2009 Quarterly Iron Ore Extraction



## Production Overview

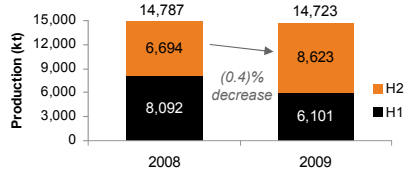


### High-carbon Ferrochrome Production

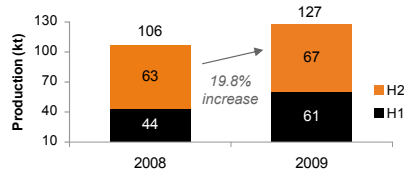


Note: Includes Serov production from Q2 2008 and Tuoli production from Q4 2008

### Saleable Iron Ore Concentrate and Pellet Production

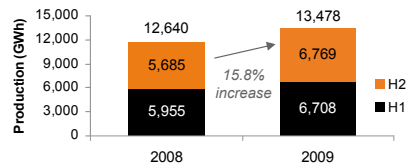


### Aluminium Production



Note: Includes Serov production from Q2 2008 and Tuoli production from Q4 2008  
Full Year production numbers may not sum precisely due to rounding

### Electricity Generation



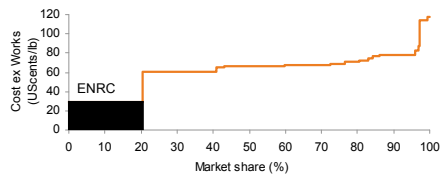
**Full Year 2009 production volumes of our core commodities broadly in line with 2008**





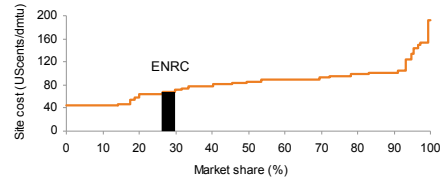
## 2009 Cost Rankings

### Ferrochrome



Source: Heinz H. Pariser, 2010

### Iron Ore Pellets

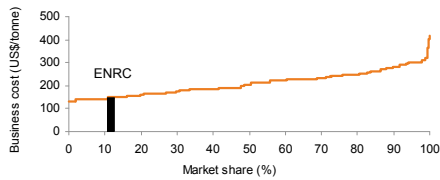


Source: CRU, 2010

Note: Based upon revised data provided by ENRC

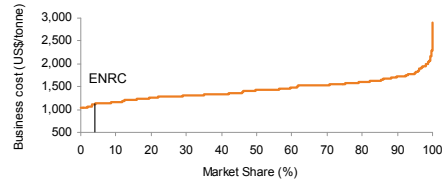
Note: Site costs = royalties + mining + beneficiation + pellet plant + G&A + working capital + freight to FOB point

### Alumina



Source: CRU, 2010

### Aluminium



Source: CRU, 2010

## CAMEC Acquisition



- Significant copper / cobalt resource base with potential lowest quartile costs
- Diversification of asset base - expansion into commodities with attractive fundamentals
- Portfolio of greenfield assets in a range of commodities that represent considerable potential value

### Progress:

- Current copper production capacity 20 ktpa; cobalt production capacity 7 ktpa; copper oxide production targeted to increase to 75 ktpa over three years
- Revised capex spend on main projects – US\$455 million

## Other Non-ferrous Division - Integration



- Management structure in place
- Sales of copper and cobalt integrated into Group's centralised Sales & Marketing function
- Strategy to replicate vertical integration model
- Chambishi asset to be integrated on completion
- Integrated businesses will fast-track copper / cobalt expansion, increase capacity and deploy Capex efficiently.

## BML



Good progress on a substantial project:

- 50% interest in BML - acquired May 2008
- Feasibility study complete – 18 million tonnes per annum, c. 2 billion tonnes of resource
- 30 months to completion from construction start-up
- Preliminary Project License in place
- Brazilian Government to build railway

## Capital Expenditure Programme



	Project	Project status	Estimated total cost (US\$m)	Target completion date
Ferroalloys	700ktpa chrome pelletiser	Completed	110	2009
	440ktpa replacement and expansion of smelting capacity (Aktobe)	In Progress	590	2012
	460ktpa expansion of smelting capacity (Aksu)	Deferred	540	TBD
Iron ore	Concentrating factory expansion	Under Review	440	TBD
	Mine expansion (10mtpa)	Under Review	535	TBD
	Pelletiser (5mtpa) & DRI / HBI plant (1.4mtpa)	Under Review	850	TBD
	Construction of conveyor complex at Kachar	Under Review	180	TBD
Alumina & Aluminium	Phase 2 - aluminium smelter (125ktpa)	In Progress	260	2010
	Anode plant	In Progress	240	2011
	Alumina production expansion (to 1.7mtpa)	In Progress	305	2011
Energy	Overburden stripping equipment	Completed	85	2010
	Construction of power unit 2 (325MW)	In Progress	230	2011
	Reconstruction of power unit 6 (325 MW)	In Progress	230	2012
	Construction of 2 x 600MW power units	Under Review	1,260	TBD
	5mtpa mine expansion	Under Review	230	TBD
Other Non-ferrous	Expansion of copper (oxide) production (75ktpa) / cobalt	In Progress	190	2013
	Exploration	In Progress	115	2013
	Expansion of copper (sulphide) production (60ktpa copper contained concentrate)	In Progress	150	2013

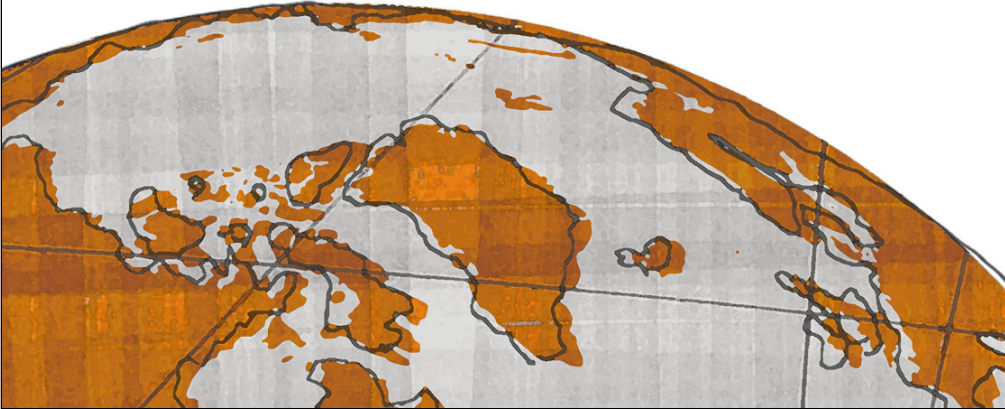
**US\$ 5.8 billion capex programme to both expand operations and enhance productivity and efficiency – key focus on enhancing our position in Kazakhstan**

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## Financial Overview

**Zaure Zaurbekova, Chief Financial Officer**



## 2009 Financial Focus



- Tight control of costs, maintained low cost position
- Strong balance sheet and cash flow
- Financing of key investment programmes
- Integration of newly acquired companies into the Group's financial reporting systems

## 2009 Financial Highlights



- Revenue **US\$3,831m**
- Underlying **EBITDA** <sup>(a)</sup> **US\$1,462m** (Underlying EBITDA margin, 38.2%)
- **Total costs** fell 17.4%
- Effective Tax Rate **26.2%**
- **EPS** US **81 cents** per share
- **DPS** US **12 cents** per share
- **Capital expenditure** US\$1,147m
- Strong balance sheet - gross available funds of **US\$1,021m**; total debt of **US\$428m**

**Note:**

*(a) Underlying EBITDA: profit before finance income, finance costs, income tax expense, depreciation, amortisation and impairment, net gains and losses on derivatives not qualifying for hedge accounting, share of income or loss on joint ventures and associates and the impact of the devaluation of the Kazakhstani tenge*

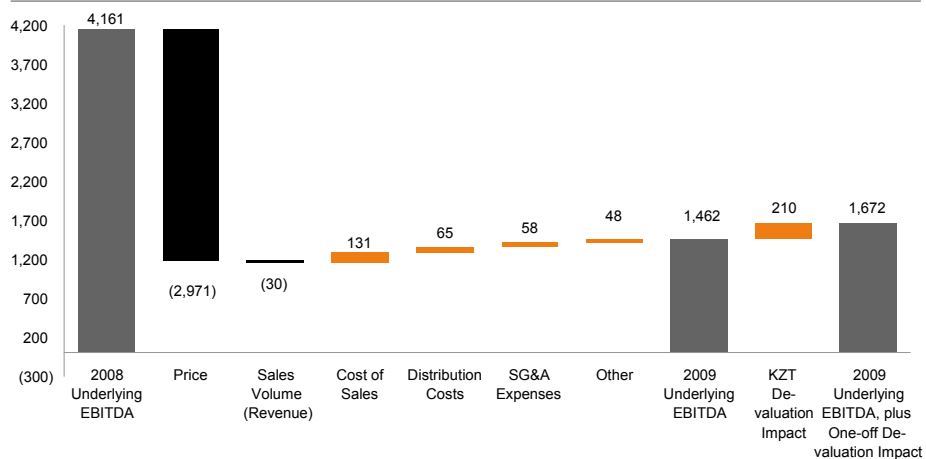
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## 2009 Underlying EBITDA Bridge



### EBITDA Bridge (US\$m)



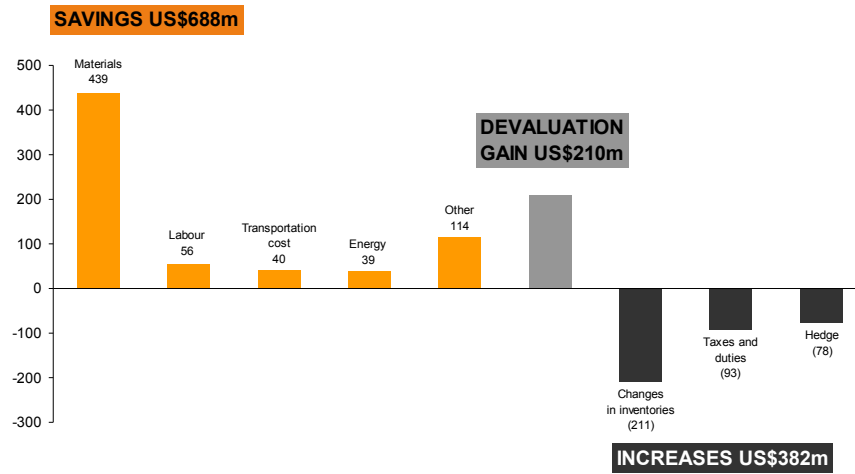
**Note:**

(a) Underlying EBITDA: profit before finance income, finance cost, income tax expense, depreciation, amortisation and impairment, net gains and losses on derivatives not qualifying for hedge accounting, share of profit or loss of joint venture and associates and the impact of the devaluation of the Kazakhstani tenge (KZT).

## Total Costs 2009 vs. 2008



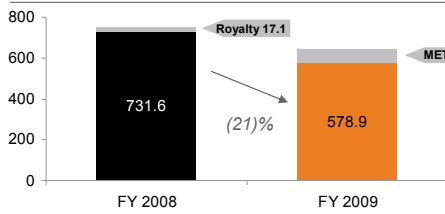
### Total Costs (US\$m)



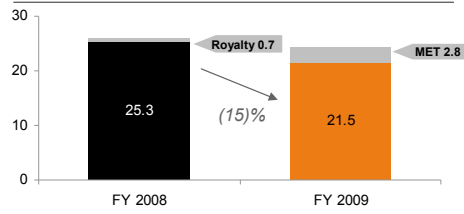
## Unit Cost of Sales Reductions (excluding MET / Royalties)



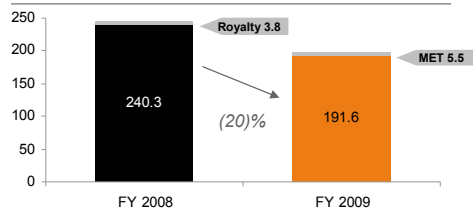
### Ferroalloys (US\$/t)



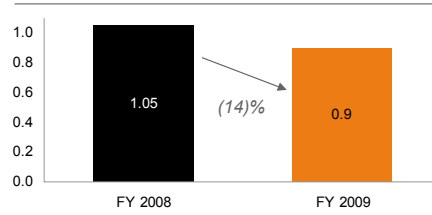
### Saleable Iron Ore Concentrate (US\$/t)



### Alumina (US\$/t)



### Electricity (USc/kWh)

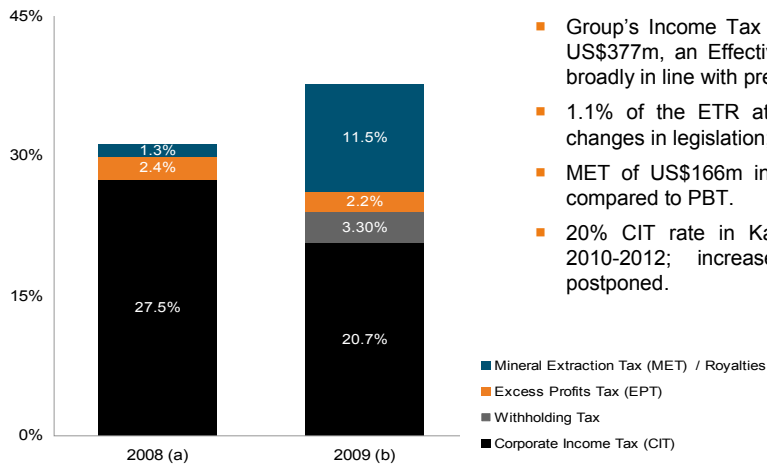


Note: Unit cost of sales excluding MET / Royalties

## Taxation



### Percentage of PBT



### 2009 Overview

- Group's Income Tax expense for the period US\$377m, an Effective Tax Rate of 26.2%, broadly in line with previous guidance.
- 1.1% of the ETR attributable to the latest changes in legislation; adjusted ETR 25.1%.
- MET of US\$166m in Cost of sales; 11.5% compared to PBT.
- 20% CIT rate in Kazakhstan extended to 2010-2012; increase in MET similarly postponed.

**Note:** ETR - Effective Tax Rate

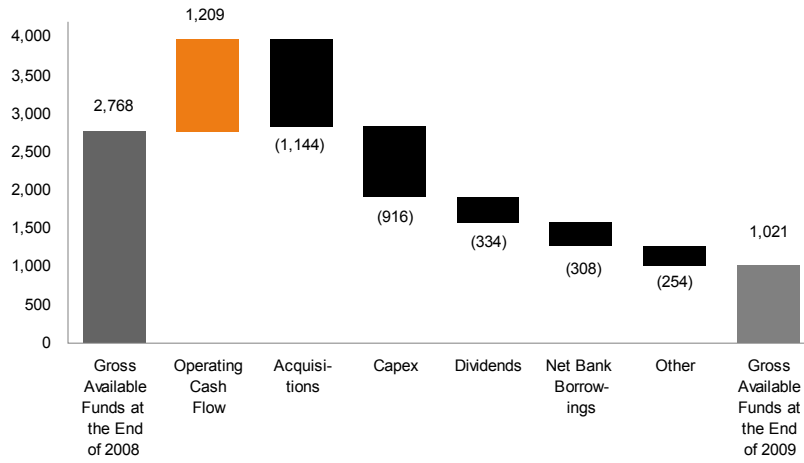
(a) 2008 Corporate Income Tax charge includes a one-off tax Credit on revaluation of Deferred Tax balances reducing the ETR by 4.6%

(b) 2009 Corporate Income Tax charge includes a one-off tax Debit on revaluation of Deferred Tax balances increasing the ETR by 1.1%

## 2009 Gross Available Funds Bridge



### Flow of Gross Available Funds (US\$m)



## Balance Sheet Strength and Dividend

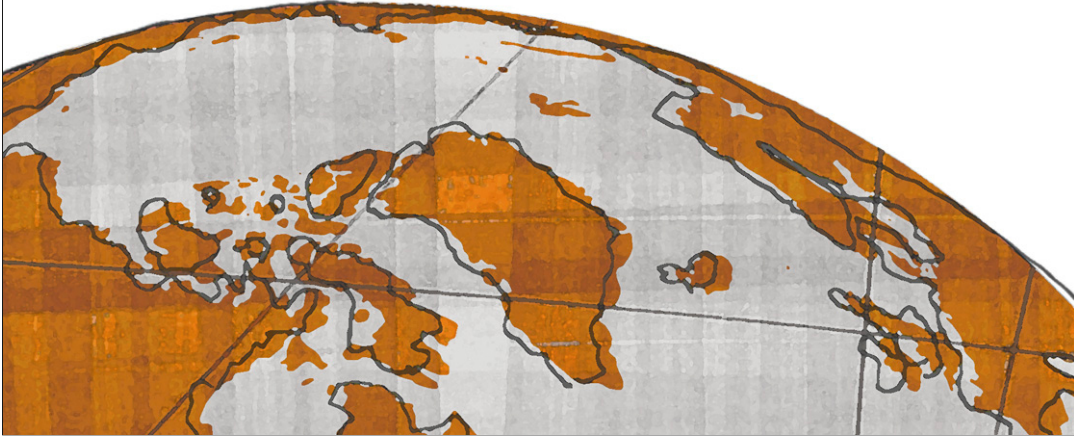


- Gross available funds **US\$1.0bn**
- Strong **focus on working capital management**
- **US\$0.3bn** Trade Finance Facility outstanding; to be repaid by December 2010
- December 2009: announced S&P long-term corporate **credit rating**, BB+; short-term corporate credit rating, B
- **15-20% dividend payout ratio** to be maintained

Eurasian Natural Resources Corporation plc



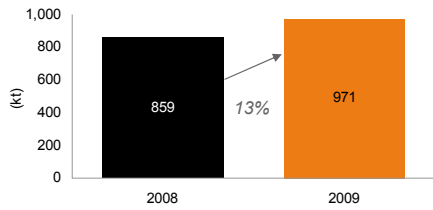
**Market Overview & Outlook**  
**Jim Cochrane, Head of Sales & Marketing**  
**and Business Development**



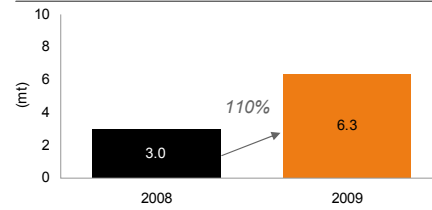
## 2009 Sales Performance



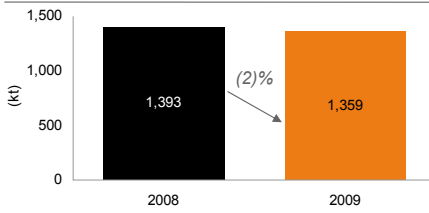
### HC FeCr third-party sales



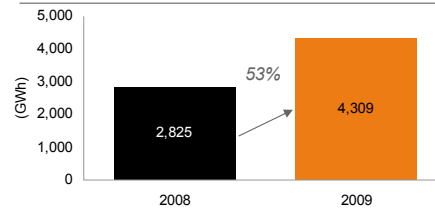
### Saleable Iron Ore Products sales to China



### Alumina third-party sales



### Electricity third-party sales

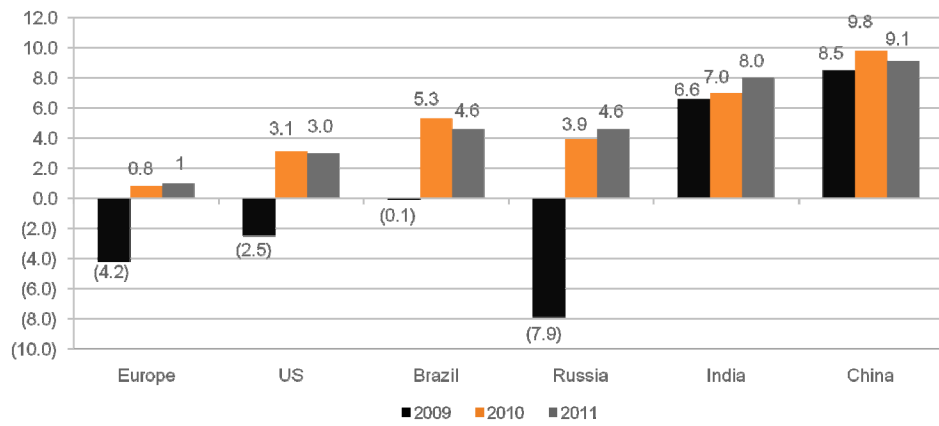




## Economic Forecasts - Positive Outlook for China and India



GDP forecasts (% year-on-year change)

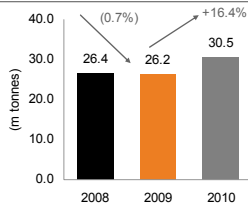


Source: Datastream consensus

# Global Production Outlook

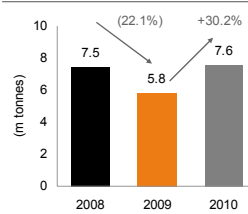


## Stainless Steel



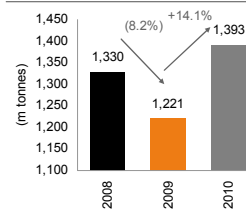
Source: Heinz H. Pariser, March 2010

## High-carbon FeCr



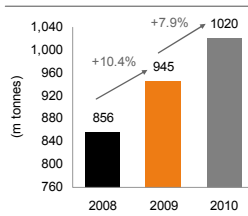
Source: Heinz H. Pariser, March 2010

## Crude Steel



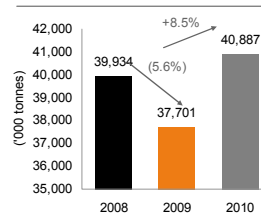
Source: World Steel, Macquarie Research, March 2010

## Seaborne Iron Ore



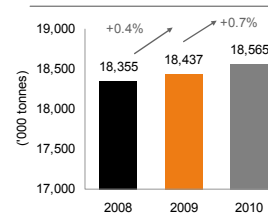
Source: Macquarie Research, March 2010

## Aluminium



Source: Macquarie Research, March 2010

## Refined copper

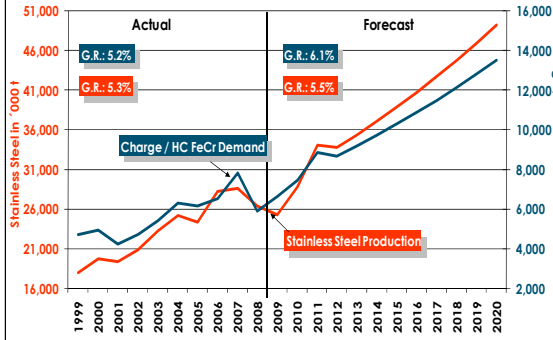


Source: Brook Hunt, March 2010

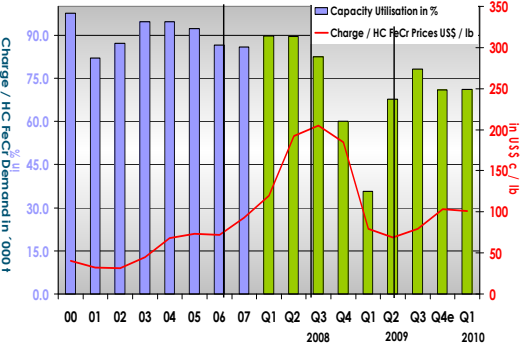
## Improved Stainless Steel Outlook - Increased HC FeCr Utilisation Rates



Charge Chrome / HC FeCr Demand vs. Stainless Steel Melting Production



Charge Chrome / HC FeCr Benchmark Price vs. Capacity Utilisation



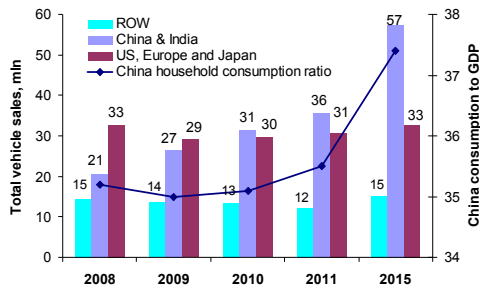
Sources: Heinz H. Pariser, 2010

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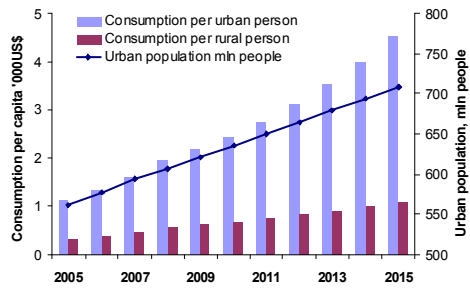
## Sources of Increased Demand



### Auto Sales



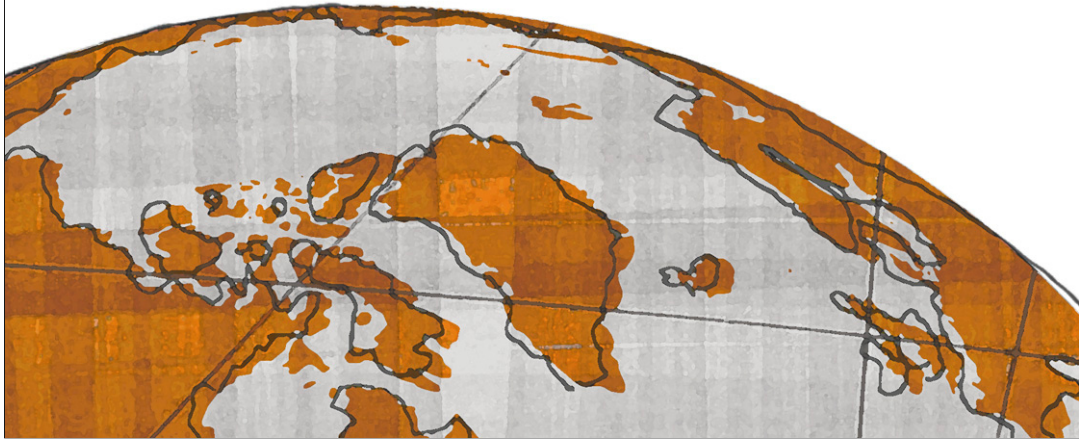
### China Urban / Rural Consumption



Sources: Fairfax IS, Bloomberg



**Outlook**  
**Felix Vulis, Chief Executive Officer**



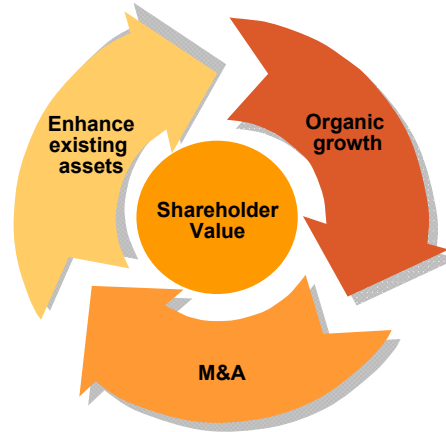
## Group Strategic Overview



### Strategic priorities

- Maintain and improve upon low cost operations
- Continue expansion and development of existing reserves and capacity
- Add value and customer diversity by expanding the product portfolio
- Expand our asset portfolio in natural resources, both within the region and worldwide
- Commit to high standards of corporate responsibility

### Strategy in action



**The Group's mission is to achieve growth as a leading natural resources group and to enhance overall value for its shareholders**

## Outlook



- Improved confidence in sustainability of **Chinese demand growth and growth in other emerging markets**
- Full Year **2010 product prices** anticipated to be ahead of 2009 averages
- **2010 production** of our principal products will be at or near available capacity
- **Costs** anticipated to increase in 2010 - although we expect to retain our advantaged low cost position
- Capex programme – confidence in the future
- Advantageous **cash position, geographical location** and **experienced management team**

## Investment Highlights



High Quality **Assets**

Diversified **Revenue**

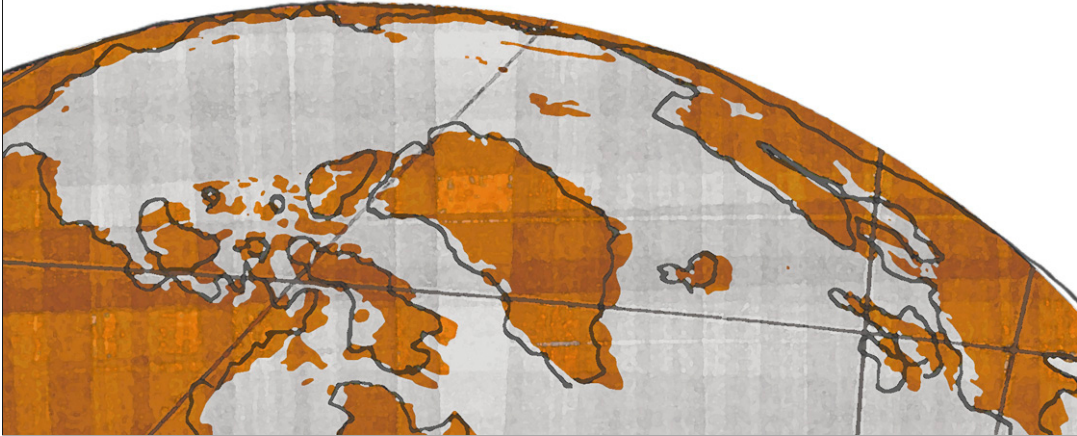
Integrated **Operations**

Growth **Opportunities**

Strong Management **Team**



## Appendix





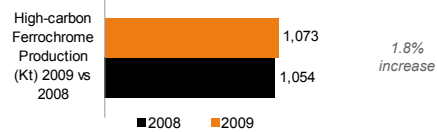
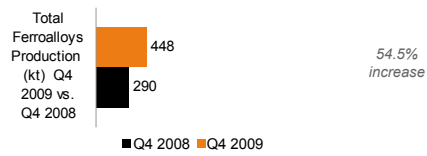
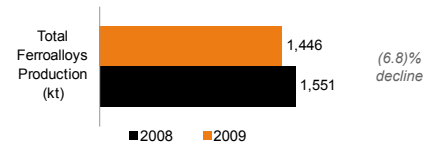
## Ferroalloys Division

### Commentary Highlights

- Steady increase in production from Q2 2009
- High-carbon ferrochrome at full capacity Q4 2009
- Ferroalloys production increased 54.5% in Q4 2009 vs. Q4 2008
- Position as lowest cost producer maintained
- Positive long term outlook for ferrochrome demand

### Capital Expenditure Projects

- Second pelletiser plant at Donskoy GOK with a capacity of 700 ktpa, commissioned in July 2009
- 440 ktpa DC expansion/replacement of smelting capacity (Aktobe) in progress



Note: Includes Serov production from Q2 2008 and Tuoli production from Q4 2008

**The combination of scale, location and quality provides a sustainable competitive advantage**



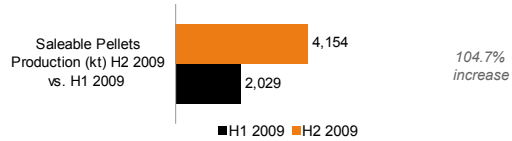
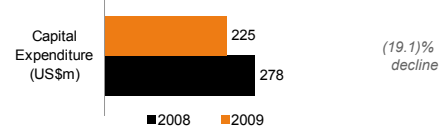
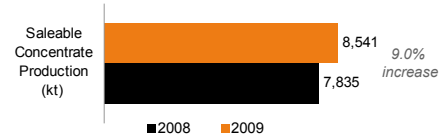
## Iron Ore Division

### Commentary Highlights

- Production volumes increased through 2009
- Q3 / Q4 2009 volumes at full capacity
- Full year 2009 iron ore extraction fell only 3.0%
- Saleable pellet production in H2 2009 increased 104.7% vs. H1 2009
- Total annual production of saleable concentrate and pellets broadly similar to 2008
- Increased demand and sales to China

### Capital Expenditure Projects

- Construction of 5 mtpa pelletiser and 1.4 mtpa DRI / HBI plant under review
- Cyclic conveyor complex at Kacharsky pit under review
- Mine expansion by 10 mtpa and concentrating factory expansion under review



**Large, long life business that provides exposure to attractive industry fundamentals**



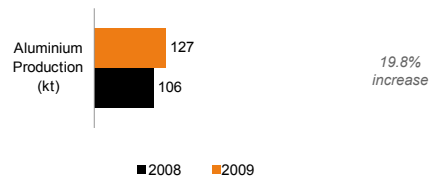
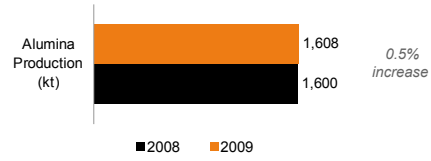
## Alumina and Aluminium Division

### Commentary Highlights

- 2009 extraction of bauxite and alumina production broadly steady on 2008 volumes
- Aluminium smelter operating at 125 ktpa Phase 1 capacity
- Phase 2 partially initiated in December 2009
- In lowest cost quartile of alumina and aluminium producers

### Capital Expenditure Projects

- Construction of Phase 2 of the aluminium smelter on schedule – additional 125 ktpa capacity expected Q2 2010
- Construction of 150 ktpa anode plant - will allow independence from third party suppliers
- Expansion of alumina production to 1.7 mtpa



**Positioned to be one of the lowest cost integrated aluminium producers in the world**



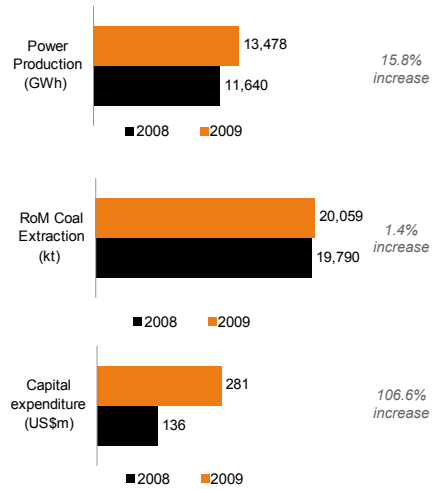
## Energy Division

### Commentary Highlights

- Electricity generation increased 15.8%
- Electricity sales to other Group Divisions increased 2.7% as production recovered
- Third-party electricity sales increased 52.5%
- Coal extraction broadly steady on 2008 levels

### Capital Expenditure Projects

- Installation of overburden stripping equipment to increase efficiency – completed
- Construction of power unit 2 (325 MW)
- Reconstruction of 325 MW power unit at Aksu
- Construction of two 600 MW turbines under review
- 5 mtpa mine expansion under review



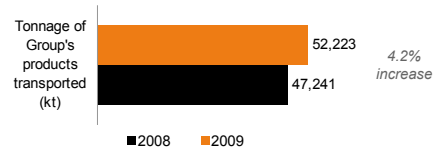
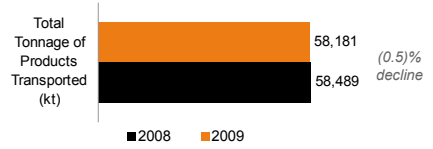
**Self-sufficiency in energy with cost effective supply that supports additional growth options**



## Logistics Division

### Commentary Highlights

- Share of third-party freight forwarding declined to 10.2% (2008: 19.2%) due to increased logistics demand from the Group's own production
- 4.2% increase in tonnage of the Group's products transported, reflecting improved production
- Lower revenues largely reflect reduced volumes and prices for external railroad repair services



**Key advantage for the Group with control over secure transportation and logistics services for its principal operating Divisions in Kazakhstan**



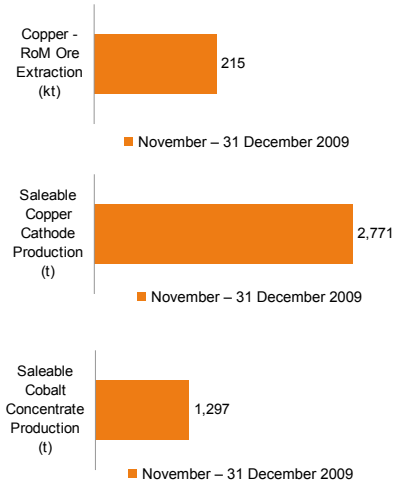
## Other Non-ferrous Division Highlights

### Commentary Highlights

- Significant copper / cobalt resource in DRC, expandable to large-scale, low cost production capacity
- Division also includes logistics business and a number of development projects and prospects
- Prospective acquisition of Chambishi Metals to integrate and accelerate growth in copper and cobalt production

### Capital Expenditure Projects

- Expansion of copper (oxide) production to 75 ktpa
- Construction of SX/EW plant to start cobalt metal production in H2 2010
- Expansion of copper (sulphide) production to produce 60 ktpa of copper contained concentrate
- Additional exploration in DRC and a for a number of the other potential development projects acquired with CAMEC



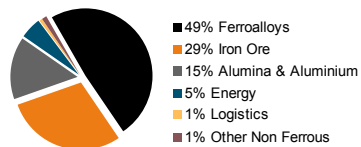
**Integrated copper and cobalt production and processing operations**

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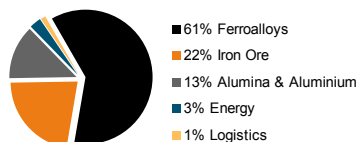
## Diversified Revenues

2009 Revenue Breakdown by Division



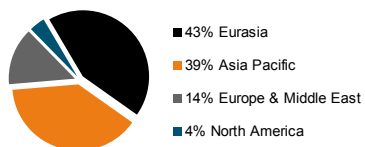
Total: US\$3,831m

2008 Revenue Breakdown by Division



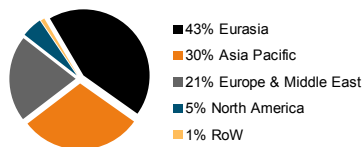
Total: US\$6,823m

2009 Revenue Breakdown by Region <sup>(a)</sup>



Total: US\$3,831m

2008 Revenue Breakdown by Region <sup>(a)</sup>



Total: US\$6,823m

Note:

(a) Eurasia comprises Kazakhstan, Russia and other countries of the former Soviet Union; Asia Pacific comprises China, Korea and Japan





**End**

