10 November 2011

Eurasian Natural Resources Corporation PLC

November 2011 Interim Management Statement and Production Report for the Third Quarter ended 30 September 2011

London – Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group') today announces its November 2011 Interim Management Statement and its Production Report for the Third Quarter ended 30 September 2011.

Highlights for the Nine Months ended 30 September 2011

- Production maintained at effective full available capacity across all of our principal commodities. Increases in copper and cobalt production of 40% and 27% respectively;
- Revenue increased significantly driven by higher prices for our main commodities and increased sales volumes. Overall financial performance partially offset by expected cost inflation;
- Financial position remained strong: gross available funds of US$1.2 billion; total debt of US$1.5 billion;
- Organic growth programme continues on track.

Recent Developments and Outlook for the Full Year 2011

- Production expected to remain at or close to effective full available capacity for the full year 2011;
- Revenue growth to continue in Q4 2011, with annualised unit cost of sales growth in our products expected at approximately 20%, as previously guided;
- An unsecured term loan facility of US$1.0 billion has been signed by the Group in September 2011 for general corporate purposes;
- Planned capital expenditure for the year expected to be approximately US$2.0 billion;
- Significant progress in the African development programme has reinforced the Group's confident view on the future of our business in the region.

"Our performance in the first three quarters of the year has been strong, with production continuing at full capacity and higher revenues driven by the positive pricing environment. Whilst we are focused on managing near-term market volatility and controlling costs to maintain our advantageous low-cost position, our priority is the execution of our extensive growth programme, both in Kazakhstan and internationally. The Group is well positioned for expansion and we remain confident in the positive outlook for the full year."

Felix J Vulis, Chief Executive Officer

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Results timetable

Wednesday, 1 February 2012	Q4 2011 Production Report
Wednesday, 21 March 2012	2011 Preliminary Results Announcement
Thursday, 10 May 2012	May 2012 Interim Management Statement and Q1 2012 Production Report
Wednesday, 1 August 2012	Q2 2012 Production Report
Wednesday, 15 August 2012	2012 Half Year Results Announcement
Thursday, 8 November 2012	November 2012 Interim Management Statement and Q3 2012 Production Report

All future dates are provisional and subject to change.

About ENRC

ENRC is a leading diversified natural resources group, performing integrated mining, processing, energy, logistics and marketing operations. The operations comprise: the mining and processing of chrome, manganese and iron ore; the smelting of ferroalloys; the production of iron ore concentrate and pellet; the mining and processing of bauxite for the extraction of alumina and the production of aluminium; the production of copper and cobalt; coal extraction and electricity generation; and the transportation and sales of the Group’s products. The Group’s production assets are largely located in the Republic of Kazakhstan; other assets, notably the Other Non-ferrous Division, are mainly located in Africa; the Group also has iron ore assets in Brazil. The Group's entities in H1 2011 employed on average 75,050 (H1 2010: 71,090) people. In 2010, the Group accounted for approximately 4% of Kazakhstan's GDP. The Group currently sells the majority of its products to Russia, China, Japan, Western Europe and the United States. For the six months ended June 30 2011, the Group had revenue of US$4,011 million (H1 2010: US$3,045 million) and profit attributable to equity holders of the Company of US$1,166 million (H1 2010: US$902 million). ENRC has six operating Divisions: Ferroalloys, Iron Ore, Alumina and Aluminium, Other Non-ferrous, Energy and Logistics. ENRC is a UK company with its registered office in London. ENRC's shares are quoted on the London Stock Exchange (‘LSE’) and the Kazakhstan Stock Exchange (‘KASE’). For more information on ENRC visit the Group’s website at www.enrc.com.

Forward-looking Statements

This announcement 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 announcement. 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 announcement, 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, the Disclosure and Transparency 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. Nothing in this announcement should be construed as a profit forecast. The forward looking statements contained in this document speak only as at the date of this document.

Disclosure and Transparency Rules

The Interim Management Statement (‘IMS’) and Production Report are prepared to meet the requirements of the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority (‘FSA’) to provide additional information to shareholders. The IMS and Production Report should not be relied on for any other purpose or by any other party.

A copy of this announcement will be available on the Group’s website at www.enrc.com.

November 2011 Interim Management Statement ('IMS')

The information in the IMS, unless stated otherwise, relates to the nine months ended 30 September 2011, and is compared to the corresponding nine months of 2010. Save as set out in this statement, there have been no material events, transactions or changes to the financial position of the Group since 30 June 2011. The Group's performance trends from 30 September 2011 to date remain broadly consistent with those described herein.

Revenue

Group revenue for the first nine months of 2011 increased significantly against the comparable period of 2010 due to higher selling prices for our main commodities and increased sales volumes for ferroalloys, iron ore pellets, aluminium, cobalt, copper and electricity.

For the first nine months of 2011, the revenue for the Ferroalloys Division was markedly higher than in the comparable period of 2010, reflecting higher realised prices and slightly increased sales volumes. In 2011 the Group strengthened its position in its traditional markets by increasing sales of high-carbon ferrochrome to Japan, Western Europe and North America. Average prices in the reporting period increased by 7% for ferroalloys and 8% for chrome ore. The Division operated at effective full available capacity, approximately at the same level as in the corresponding period of 2010.

In the Iron Ore Division, revenue increased markedly compared to 2010 due to a strong increase in sales prices. Sales volumes were broadly in line with the previous year, however, the proportion of higher priced pellets increased positively affecting revenue. During 2011 the Group increased its sales of iron ore to Russia and within Kazakhstan. Average realised prices increased 44% during the period. Production was slightly lower than in 2010, due to a higher sulphur content of mined ore and repairs undertaken at the pelletising plant.

In the Alumina and Aluminium Division, revenue rose substantially, due to a 20% increase in the London Metal Exchange ('LME') average price for aluminium and higher aluminium sales volumes. Alumina production was slightly higher than in 2010 due to the commissioning of the Alumina expansion project in July 2011, which increased capacity to 1.7 mtpa. Aluminium production was higher as a result of operating the aluminium smelter at full capacity since May 2010.

In our Other Non-ferrous Division, production and sales volumes continued to grow supported by our expansion strategy and the inclusion of Chambishi for the full period, compared to the prior year when it was only included from April. The strong growth in the Division's revenue for the first nine months of 2011 was boosted by a strong rise in copper prices combined with the contribution of Chambishi cobalt sales for the full period. The average realised price for copper for the first nine months of 2011 increased 45% compared to 2010, whilst the price for cobalt metal decreased 10%.

Production in the Energy Division was broadly in line with 2010. Third-party sales of coal were slightly lower due to higher internal consumption, whilst third-party sales of electricity increased during the period. The Division's revenue rose significantly against 2010 as a result of substantially higher realised third-party sales prices on coal and electricity of 38% and 21% respectively.

In the Logistics Division, third-party revenue was higher than in the comparable period of 2010 primarily due to our participation as a contractor in the China Gateway project.

Costs

In line with our expectations, cost of sales for the first nine months of 2011 increased significantly due to higher input materials prices and increased volumes, the addition of Chambishi for the full period, as well as significantly higher depreciation and amortisation charges. Mineral Extraction Tax ('MET') rose markedly in the Ferroalloys and Iron Ore Divisions as a result of higher prices for chrome and iron ore. Distribution costs rose due to an increase in Kazakhstani railway tariffs, higher sales volumes and a shift to longer routes in the Ferroalloys Division, as well as sales increase in the Other Non-ferrous Division. General and administrative expenses increased mainly as a result of additional social investment into the Nazarbayev Fund and expansion of our Africa and Brazil operations.

In the Ferroalloys, Iron Ore and Alumina and Aluminium Divisions, unit costs rose primarily due to higher prices for input materials and energy. Prices for many key input materials, such as coke, diesel fuel, masut and explosives, have risen above our initial expectations in 2011. We continued to implement efficiency enhancement programmes aimed at mitigating the input materials cost inflation.

Taxation

In line with previous guidance, the Group's effective tax rate for 2011 is expected to be at the higher end of the range of between 26% and 28% of Profit Before Tax ('PBT'). However, the rate is sensitive to market conditions and realised sales prices.

Balance Sheet

The Group's financial position remained strong, with gross available funds as at 30 September 2011 of US$1.2 billion and gross debt of US$1.5 billion.

In March 2011, the Group signed a US$500 million revolving credit facility with a group of international banks, increasing our liquidity and strengthening the relationships with our core banking partners. In September 2011, the Group signed a bilateral unsecured term loan facility for US$1.0 billion for general corporate purposes. As of 30 September 2011, neither facility was drawn.

Capital expenditure and projects update

During the first nine months of 2011 the principal areas of capital expenditure were:

- Ferroalloys Division – construction of the New Aktobe Ferroalloys plant;
- Iron Ore Division – mine expansion;
- Alumina and Aluminium Division – expansion of alumina production completed in July 2011 and the construction of an anode plant;
- Energy Division - commissioning of power unit 2 in June 2011 and reconstruction of power unit 6;
- Other Non-ferrous Division – expansion of copper (oxide) production;
- Logistics Division – increase in Kazakhstani wagon fleet.

For the full year 2011, the Group expects to spend approximately US$2.0 billion including US$0.6 billion for sustaining capital expenditure.

Acquisitions

On 4 November 2011, the Group announced its intention to seek an adjournment of the General Meeting which had been convened for 7 November 2011 to approve the acquisition of the outstanding shares in Shubarkol Komir JSC, a leading thermal coal producer in Kazakhstan. In the light of the current macro-economic uncertainty, ENRC was approached by independent shareholders to reconsider the timing of the transaction. At the General Meeting shareholders voted to adjourn the meeting until further notice.

Litigation update

On 16 September 2011, the British Virgin Islands Commercial Court gave judgment in favour of Highwind Properties Limited, Pareas Limited, Interim Holdings Limited and Blue Narcissus Limited (together, the 'Highwind Entities'), all subsidiaries of ENRC, to strike out certain claims brought by Congo Mineral Developments Limited ('CMD'), a subsidiary of First Quantum Minerals Inc, in relation to the Highwind Entities' interest in the tailings exploitation licence covering the Kolwezi Tailings Site ('KMT'). The court granted the Highwind Entities' application to strike out that part of CMD's claim alleging that the Highwind Entities (at a time before they were owned by the Group) conspired with the Government of the Democratic Republic of Congo to deprive CMD of its interest in PER652 and that the DRC government had wrongfully seized the KMT premises. The court did not grant the Highwind Entities' application to strike out the remainder of the claims brought by CMD (these relate to procuring breach of contract, causing loss by unlawful means and breach of confidence). The Highwind Entities have applied to the BVI Court of Appeal for leave to appeal the decision not to strike out the remainder of the claims brought by CMD. CMD has also applied for leave to appeal from the decision to strike out the conspiracy and seizure allegations.

Magnitogorsk Iron and Steel Works ('MMK') Contract Update

Under the terms of our contract with MMK, MMK is obligated to take 1 million tonnes per month during 2011. MMK has indicated it will take a maximum of 700,000 tonnes per month in Q4 2011. The volume not taken by MMK has been in the main placed at alternative customers and we expect to maintain production at effective full available capacity. We expect to be compensated by MMK via an arbitration process for any negative economic effect as a result of the breach of contract. We reserve our legal rights in this regard. For guidance on the full year, iron ore operations are likely to produce at slightly above the annualised rate of production to date. Sales volume will be slightly lower mainly as a result of repairs at the pelletising plant.

Outlook

Our outlook for revenue and cost growth remains broadly unchanged from our expectations at the time of our half-year results. We aim to keep unit cost of sales growth at approximately 20% for the full year of 2011, in line with expectations. We expect that production for the remainder of 2011 for our principal products will be at or near full capacity.

Notes

1. Total costs: cost of sales (including Minerals Extraction Taxes ('MET')); distribution costs; general and administrative expenses; and other operating expense offset by other operating income.
2. Gross available funds: cash and cash equivalents plus term deposits and other financial assets, less investment in unquoted options, non-current available-for-sale financial assets and other restricted financial assets.
3. The Kazakhstani tenge ('KZT') to US dollar ('US$') spot exchange rate as at 30 September 2011 was KZT147.99/US$1.00. The average exchange rate for the nine months ended 30 September 2011 was KZT146.19/US$1.00 (nine months to 30 September 2010: KZT147.31/US$1.00).

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Production Report for the Third Quarter ended 30 September 2011

The information in this Production Report, unless stated otherwise, relates to the three months ended 30 September 2011, and is compared to the corresponding three months ended 30 September 2010.

All Divisions in Kazakhstan operated at effective full available capacity for the quarter, with the exception of the Ferroalloys Division, which was slightly below full capacity. Alumina volumes were higher owing to the completion of the expansion of its alumina refinery to targeted capacity of 1.7mtpa in July 2011. Copper and cobalt contained production also increased significantly compared to Q3 2010.

- **Ferroalloys Division.** Production of saleable chrome and manganese ore increased 3.3% and 11.1% respectively. Volumes for most ferroalloy products decreased versus Q3 2010, with the exception of a 40% increase for medium-carbon ferrochrome and a 9.1% increase for silico-manganese.
- **Iron Ore Division.** Iron ore extraction and primary concentrate production increased 4.3% and 3.4% respectively against comparable period. Total saleable product decreased 1.8% against Q3 2010.
- **Alumina and Aluminium Division.** Bauxite extraction increased 2.2% whilst alumina production increased 3.6% against Q3 2010. The Division produced 63 kt of aluminium, 1.6% higher than Q3 2010.
- **Other Non-ferrous Division**. Production of saleable copper in Q3 2011 and of saleable cobalt increased by 27.7% and 15.4% against Q3 2010.
- **Energy Division.** Coal extraction and electricity generation were broadly in line with Q3 2010.
- **Logistics Division.** The volume of goods transported by railway increased 2.0% from Q3 2010. The proportion of volumes attributable to third parties increased by 3.1%.

The format of the Production Report was revised from Q1 2011 to include additional information, notably in relation to ore grades, the structure of gross and saleable production in the Ferroalloys Division, and around power generation and third-party sales in the Alumina and Aluminium Division. In addition, there were minor changes in the analysis of ferroalloys production in the Ferroalloys Division, with foundry ferrochrome metal excluded from the gross production and internal consumption volumes; the 2010 numbers were restated accordingly. In Q2 2011, further analysis of the revised ferroalloys production data for 2010 and Q1 2011 resulted in some immaterial changes being made to previously published gross production and internal consumption volume numbers, but with no change to the net production numbers.

The information set out in this Production Report, unless stated otherwise, relates to the three months ended 30 September 2011, and is compared to the corresponding three months ended 30 September 2010. Production volumes for Q2 2011 are provided for additional information.

References to ‘t’ in the Production Report are to metric tonnes unless otherwise stated and all references to ‘kt’ are to thousand metric tonnes unless otherwise stated.

Definition of Run of Mine (‘RoM’) extraction: uncrushed ore in its natural state, as when it is blasted.

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FERROALLOYS DIVISION

Ore Mining and Processing

		Q3 2011	Q3 2010	Q3 2011 v Q3 2010 % growth	Q2 2011	Q3 2011 v Q2 2011 % growth
Chrome ore						
Ore extraction (Run of Mine, 'RoM')	000' t	**1,166**	1,185	*(1.6)%*	**1,207**	*(3.4)%*
Grade, % Cr_2O_3		**37.9**	38.5		**37.6**	
Total ore processed		**1,541**	1,375	*12.1%*	**1,558**	*(1.1)%*
Grade, % Cr_2O_3		**36.4**	37.9		**36.4**	
Saleable ore production	000' t	**921**	892	*3.3%*	**959**	*(4.0)%*
Grade, % Cr_2O_3		**48.5**	48.8		**48.4**	
Internal consumption of saleable ore	000' t	**762**	813	*(6.3)%*	**800**	*(4.8)%*
- percentage		***82.7%***	*91.1%*		***83.4%***	
Manganese ore						
Ore extraction (RoM)	000' t	**786**	860	*(8.6)%*	**737**	*6.6%*
Grade, % Mn		**21.0**	20.0		**20.2**	
Total ore processed	000' t	**999**	1,041	*(4.0)%*	**963**	*3.7%*
Grade, % Mn		**19.6**	19.1		**18.8**	
Saleable concentrate production	000' t	**359**	323	*11.1%*	**281**	*27.8%*
Grade, % Mn		**37.1**	35.5		**36.7**	
Internal consumption of saleable concentrate	000' t	**104**	90	*15.6%*	**104**	*0.0%*
- percentage		***29.0%***	*27.9%*		***37.0%***	

Chrome ore extraction in Q3 2011 amounted to 1,166 kt, a decrease of 1.6% on Q3 2010 and 3.4% on Q2 2011. The Division produced 921 kt of saleable chrome ore, an increase of 3.3% on Q3 2010, and a decrease of 4.0% against Q2 2011, due to higher volumes of ore being processed from inventory and increased capacity for the processing of fines.

Internal consumption of saleable chrome ore in Q3 2011 decreased 6.3% on the comparable period of 2010 and 4.8% against Q2 2011, reflecting the decrease in ferrochrome production.

Manganese ore extraction decreased 74 kt, or 8.6%, to 786 kt (Q3 2010: 860 kt), but increased 6.6% versus Q2 2011. Saleable manganese concentrate production rose by 11.1% to 359 kt compared to Q3 2010 due to higher volumes of high grade material processed during the period, and increased 27.8% against Q2 2011 reflecting a seasonal increase in processing activity during the summer.

Production at Zhairem GOK, which mainly sells manganese concentrates for export, increased 18.4% to 193 kt (31.6% Mn) from Q3 2010 (163 kt, 33.0% Mn), and 8.4% compared to Q2 2011 (178 kt, 32.9% Mn), due to higher volumes of fine ore and concentrate being processed and produced in the summer months. Production of 166 kt (43.4% Mn) at Kazmarganets, which supplies manganese concentrates to the Aksu ferroalloys plant for use in silico-manganese production, increased 3.8% from Q3 2010 (160 kt, 38.1% Mn) and 59.6% from Q2 2011 (104 kt, 43.4% Mn grade). The proportion of total manganese concentrate production consumed internally was slightly higher in Q3 2011, at 29.0% (Q3 2010: 27.9%) and but decreased by 8% compared to Q2 2011.

Ferroalloys Production

		Q3 2011	Q3 2010	Q3 2011 v Q3 2010 % growth	Q2 2011	Q3 2011 v Q2 2011 % growth
Gross production						
Ferrochrome	**000' t**	**344**	351	*(2.0)%*	**353**	*(2.5)%*
- High-carbon	000' t	**308**	318	*(3.1)%*	**317**	*(2.8)%*
- Medium-carbon	000' t	**14**	10	*40.0%*	**12**	*16.7%*
- Low-carbon	000' t	**22**	23	*(4.3)%*	**24**	*(8.3)%*
Ferrosilicochrome	000' t	**42**	50	*(16.0)%*	**42**	*0.0%*
Silico-manganese	000' t	**48**	44	*9.1%*	**47**	*2.1%*
Ferro-silicon	000' t	**12**	12	*0.0%*	**13**	*(7.7)%*
Total ferroalloys	**000' t**	**446**	457	*(2.4)%*	**454**	*(1.8)%*
Internal consumption of ferroalloys						
High-carbon Ferrochrome	000' t	***28***	*29*	*(3.4)%*	***28***	*0.0%*
Ferrosilicochrome	000' t	***27***	*25*	*8.0%*	***26***	*3.8%*
Other alloys	000' t	***2***	*1*	*100.0%*	***2***	*0.0%*
Total ferroalloys	000' t	**57**	55	*3.6%*	**56**	*1.8%*
- percentage		***12.8%***	*12.0%*		***12.3%***	
Saleable production						
Ferrochrome	000' t	***317***	*322*	*(1.6)%*	***325***	*(2.5)%*
- High-carbon	000' t	***281***	*289*	*(2.8)%*	***289***	*(2.8)%*
- Medium-carbon	000' t	***14***	*10*	*40.0%*	***12***	*16.7%*
- Low-carbon	000' t	***22***	*23*	*(4.3)%*	***24***	*(8.3)%*
Ferrosilicochrome	000' t	***15***	*26*	*(42.3)%*	***15***	*0.0%*
Silico-manganese	000' t	***47***	*43*	*9.3%*	***45***	*4.4%*
Ferro-silicon	000' t	***11***	*12*	*(8.3)%*	***12***	*(8.3)%*
Total ferroalloys	000' t	***389***	*402*	*(3.2)%*	***398***	*(2.3)%*

Note: Table may not sum precisely due to rounding.

In Q3 2011, the Ferroalloys Division produced 389 kt of saleable ferroalloys, a 3.2% decrease from Q3 2010 and a 2.3% decrease from Q2 2011. The decrease in total saleable production is comprised of a reduction in high- and low-carbon ferrochrome production as well as a decrease in ferrosilicochrome production. The fall in Ferrochrome production was due to the Aktobe smelter being out of operation for 7 days in July as a result of a fire. Production at Tuoli decreased to 8kt in Q3 2011 (Q3 2010:17kt; Q2 1011: 15kt), due to furnaces being taken offline for repairs. At the end of Q3 2011 all four furnaces at Tuoli were offline. The reduction in Ferrosilicochrome production against Q3 2010 is as a result of planned capital repair works during

September at the Aksu smelter. Saleable silico-manganese and medium-carbon ferrochrome production increased compared both to Q3 2010 and Q2 2011.

Serov contributed 56 kt to saleable ferroalloys production in Q3 2011 (Q3 2010: 54 kt), with volumes 5.1% lower than in Q2 2011 (59 kt) due to capital repair work on a single furnace from end of August. Production was close to full capacity, and at the end of Q3 2011 sixteen out of seventeen furnaces were in operation.

IRON ORE DIVISION

		Q3 2011	Q3 2010	*Q3 2011 v Q3 2010 % growth*	**Q2 2011**	*Q3 2011 v Q2 2011 % growth*
Ore extraction (RoM)	000' t	**11,358**	10,891	*4.3%*	**10,617**	*7.0%*
Grade, % Fe		**32.4**	32.3		**32.5**	
Primary concentrate production	000' t	**4,629**	4,477	*3.4%*	**4,497**	*2.9%*
Grade, % Fe		**65.2**	65.0		**65.1**	
Saleable concentrate production	000' t	**2,550**	2,624	*(2.8)%*	**2,004**	*27.2%*
- percentage of total saleable product		***60.3%***	*61.0%*		***48.9%***	
Saleable pellet production	000' t	**1,677**	1,680	*(0.2)%*	**2,098**	*(20.1)%*
- percentage of total saleable product		***39.7%***	*39.0%*		***51.1%***	
Total Saleable Product	000' t	**4,227**	4,304	*(1.8)%*	**4,102**	*3.0%*

In Q3 2011, the Iron Ore Division extracted 11,358 kt of iron ore, an increase of 4.3% on Q3 2010 (10,891 kt) and 7.0% on Q2 2011 (10,617 kt). The Division produced 4,629 kt of primary concentrate, an increase of 3.4% on Q3 2010 and 2.9% compared to Q2 2011.

Saleable concentrate production (with an iron content of 65.3%) was 2,550 kt, a decrease of 2.8% compared to Q3 2010 (2,624 kt) but an increase of 27.2%, or 546 kt, compared to Q2 2011 (2,004 kt). Pellet production (with an iron content of 62.6%) was at same level as in Q3 2010 but decreased 20.1% versus Q2 2011, due to repairs at the pelletising plant.

ALUMINA AND ALUMINIUM DIVISION

		Q3 2011	Q3 2010	Q3 2011 v Q3 2010 % growth	Q2 2011	Q3 2011 v Q2 2011 % growth
Bauxite extraction (RoM)	000' t	**1,385**	1,355	*2.2%*	**1,354**	*2.3%*
Grade, Al_2O_3/SiO_2	%	**42.8/11.6**	42.2/11.2		**41.7/11.1**	
Alumina production	000' t	**428**	413	*3.6%*	**409**	*4.6%*
Internal consumption of alumina	000' t	**121**	121	*0.0%*	**120**	*0.8%*
- percentage		***28.3%***	*29.3%*		***29.3%***	
Aluminium production	000' t	**63**	62	*1.6%*	**62**	*1.6%*
Gallium production	kg	**4,760**	4,743	*0.4%*	**4,691**	*1.5%*
Electricity						
Electricity generation	GWh	**527**	516	*2.1%*	**546**	*(3.5)%*
Alumina and Aluminium Division own electricity consumption	GWh	**378**	357	*5.9%*	**367**	*3.0%*
- percentage		***71.7%***	*69.2%*		***67.2%***	
Electricity supply to other Group Divisions	GWh	**108**	108	*0.0%*	**144**	*(25.0)%*
- percentage		***20.5%***	*20.9%*		***26.4%***	
Third parties electricity supply	GWh	**41**	51	*(19.6)%*	**35**	*17.1%*
- percentage		***7.8%***	*9.9%*		***6.4%***	

In Q3 2011 bauxite extraction was 2.2% higher than in Q3 2010 and 2.3% greater than in Q2 2011. Alumina production increased 3.6% on Q3 2010 and 4.6% on Q2 2011 as expansion of capacity at the alumina refinery to 1.7 mtpa was completed in July 2011.

Internal consumption of alumina amounted to 121 kt, representing 28.3% of total alumina production, in line with Q3 2010 and consistent with the aluminium smelter running at its full 250 ktpa capacity.

Primary aluminium production in Q3 2011 was 63 kt, an increase of 1.6% against both Q3 2010 and Q2 2011.

Electricity generation in Q3 2011 increased 2.1% on Q3 2010, but decreased 3.5% against Q2 2011 reflecting a reduced seasonal load. Supply of electricity to other Group Divisions was broadly in line with Q3 2010, but declined 25.0% from Q2 2011 due to lower seasonally available generation capacity. Third-parties electricity supply decreased by 10 GWh, or 19.6%, against Q3 2010 as a result of increased internal consumption.

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OTHER NON-FERROUS DIVISION

Copper and Cobalt Production

		Q3 2011	Q3 2010	Q3 2011 v Q3 2010 % growth	Q2 2011	Q3 2011 v Q2 2011 % growth
Copper						
Ore extraction ('RoM')	000' t	**486**	365	*33.2%*	**366**	*32.8%*
Grade, % Cu		**2.70**	2.21		**3.15**	
Saleable copper contained [(a)]	t	**7,596**	5,948	*27.7%*	**7,361**	*3.2%*
Cobalt						
Ore extraction ('RoM')	000' t	**242**	273	*(11.4)%*	**245**	*(1.2)%*
Grade, % Co		**1.58**	1.37		**1.40**	
Saleable cobalt contained [(a)]	t	**3,099**	2,686	*15.4%*	**2,666**	*16.2%*

(a) Production numbers for saleable copper and cobalt refer to tonnes of contained metal. Contained metal consists of total units, whether in metal form or metal units contained in concentrate and sludge, net of internal consumption, but excludes copper contained in cobalt concentrate.

Copper ore extraction was 33.2% higher than in Q3 2010 and 32.8% higher than Q2 2011.

Copper grades have reduced as expected in Q3 2011 to be in line with the level achieved for the full year 2010; an average production grade of 2.7%.

Saleable copper production for Q3 2011 was 7,596 t (Q3 2010: 5,948 t), an increase of 27.7% from Q3 2010 and 3.2% higher than Q2 2011. Production grew over the comparative Q3 2010 period due to higher grades and additional installed capacity of 3 tank houses and additional heap leach pads. The 14.3% drop in grade from Q2 2011 was more than offset by a 33.2% increase in ore mined.

In Q3 2011, 1,353 t (Q2 2011: 1,200 t) of the total saleable copper production was copper metal produced at the new cobalt SX/EW plant at Boss Mining. Commissioning of the cobalt SX/EW plant is currently under review.

Progress with the oxide copper expansion at Luita remains on track, with tank house 5 and associated heap leach pads commissioned in Q3 2011, creating incremental additional capacity of 5ktpa of grade A equivalent copper. Tank house 6 is due for commissioning in Q4 2011.

The rate of cobalt ore extraction in Q3 2011 was maintained relative to Q2 2011, but was 11.4% lower than in Q3 2010 due to improved grade control.

Cobalt contained production in Q3 2011 was 3,099 t (Q3 2010: 2,686 t), an increase of 15.4% from Q3 2010, due mainly to improved grade control. There was a 16.2% increase compared to Q2 2011 resulting from higher grades.

ENERGY DIVISION

		Q3 2011	Q3 2010	Q3 2011 v Q3 2010 % growth	Q2 2011	Q3 2011 v Q2 2011 % growth
Coal						
Coal extraction (RoM)	000' t	**4,272**	4,286	*(0.3)%*	**4,363**	*(2.1)%*
Energy Division consumption of coal	000' t	**1,940**	1,982	*(2.1)%*	**1,912**	*1.5%*
- percentage		***45.4%***	*46.2%*		***43.8%***	
Coal supply to other Group Divisions	000' t	**1,183**	1,078	*9.7%*	**1,102**	*7.4%*
- percentage		***27.7%***	*25.2%*		***25.3%***	
Third parties coal supply	000' t	**1,184**	1,136	*4.2%*	**1,419**	*(16.6)%*
- percentage		***27.7%***	*26.5%*		***32.5%***	
Electricity[1]						
Electricity generation	GWh	**3,161**	3,156	*0.2%*	**3,118**	*1.4%*
Energy Division own electricity consumption	GWh	**241**	241	*0.0%*	**242**[2]	*(0.4)%*
- percentage		***7.6%***	*7.6%*		***7.8%***[2]	
Electricity supply to other Group Divisions	GWh	**2,579**	2,595	*(0.6)%*	**2,556**	*0.9%*
- percentage		***81.6%***	*82.2%*		***82.0%***	
Third parties electricity supply	GWh	**341**	320	6.6%	**320**[2]	6.6%
- percentage		***10.8%***	*10.1%*		***10.3%***[2]	

Notes: 1.Electricity consumption and supply numbers may not round precisely due to the purchase of small volumes of electricity from third-parties; 2. Restated as a result of Q2 2011 sales reconciliation

In Q3 2011 the Energy Division extracted 4,272 kt of coal from the Vostochny mine, broadly in line with Q3 2010 and decrease of 2.1% from Q2 2011. The reduction from Q2 2011 was in response to the usual seasonal decrease in coal demand.

Electricity generation in the period was 3,161 GWh, a slight increase of 0.2% on Q3 2010 and 1.4% on Q2 2011.

Electricity supplied by the Energy Division to other Group Divisions was 2,579 GWh, a slight decrease of 0.6% on Q3 2010 and an increase of 0.9% from Q2 2011.

Third party sales of electricity of 341 GWh increased 6.6% compared both to Q3 2010 and Q2 2011 (320 GWh).

LOGISTICS DIVISION

		Q3 2011	Q3 2010	*Q3 2011 v Q3 2010 % growth*	**Q2 2011**	*Q3 2011 v Q2 2011 % growth*
Volume of products transported by railway	000' t	**15,635**	15,326	*2.0%*	**15,200**	*2.9%*
Percentage of products volume attributable to third parties		***15.2%***	*12.1%*		***14.0%***	

Note: the above table does not include SABOT

In Q3 2011 the Logistics Division transported 15,635 kt by railway, an increase of 2.0% compared to Q3 2010 and increase of 2.9% against Q2 2011.

A greater proportion of third-party volumes were transported in Q3 2011 (15.2%) than in the comparable period (Q3 2010: 12.1%).

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