19 August 2009

Eurasian Natural Resources Corporation PLC

Announcement of 2009 First-Half Results

Financial Highlights for H1 2009

- ***Performance reflects the Group's success in mitigating the downturn***
  - Revenue of US$1.7 billion (H1 2008: US$3.4 billion), down 51%;
  - Underlying EBITDA of US$0.6 billion (H1 2008: US$2.2 billion), down 71%;
  - Underlying EBITDA margin of 37% (H1 2008: 63%);
  - EPS of US 43 cents (H1 2008: US 104 cents) per share; and
  - Interim dividend of US 6 cents (H1 2008: US 12 cents) per share.
- ***Continued focus on cost control*** – costs (exc devaluation gain) decreased 17%; unit cost of sales (exc MET/Royalties) down (vs FY 2008) for our main products.
- ***Positive operating cash flows and strong balance sheet*** – gross available funds of US$2.0 billion.

Business Highlights for H1 2009

- Rapid and decisive management response to downturn from Q4 2008:
  - Production cut back to match demand;
  - Working capital management - inventories reduced to target levels; no material credit issues; and
  - Tight control of costs.
- Significant increase in ferroalloys and iron ore sales to China versus the comparable period.
- Production has moved up through H1 2009, ahead of the Group's expectations at the beginning of the year:
  - Ferroalloys production Q2 vs Q1 2009 rose 31%; in June 2009 Kazchrome's capacity utilisation for total ferroalloys was 84%; and
  - Primary iron ore concentrate production Q2 vs Q1 2009 rose 35%; in June 2009 capacity utilisation was 91%.
- Acquisition of a 25% stake in Shubarkol, a key supplier of semi-coke and thermal coal.

Outlook for Full Year 2009

- Anticipating further progress in the Group's performance in H2 2009. Product prices will remain below the levels of 2008; some cost increases anticipated.
- Broad improvement in market conditions; progress in supply chain destocking for key commodities and some early signs of restocking.
- Commissioning of 700 ktpa Donskoy chrome pelletiser in July 2009 and an enrichment plant later in H2 2009.
- Increased belief in the sustainability of Chinese domestic demand growth and of an improving outlook for the United States, Europe and Russia.
- Phase 2 production at the aluminium smelter to start no later than Q1 2010.
- Management remain confident of the Group's longer term success, based on its proximity to key markets, its low costs and its growth opportunities.

"Our first-half financial and operational performance, in the face of considerable market pressures, reflected a satisfactory outcome. The Group was positioned effectively to capture the upturn, and particularly the opportunity offered by China, and this has allowed a rapid recovery in production levels. Into the second-half we believe that the recovery will be sustained. Additionally, we continue to pursue value-enhancing capex and acquisition opportunities, underpinned by our strong balance sheet. "

Dr. Johannes Sittard, Chief Executive Officer

Eurasian Natural Resources Corporation PLC

Announcement of 2009 Half Year Results (Unaudited)

Summary Group Financial Information:

In millions of US$	H1 2009	H1 2008	*Change*
Revenue	**1,695**	3,442	*(50.8)%*
Costs[1]	**(993)**	(1,44	*(31.1)%*
Underlying EBITDA[2]	**628**	2,151	*(70.8)%*
Depreciation, amortisation and impairment	**(136)**	(151)	*(9.9)%*
Underlying EBIT [3]	**492**	2,000	*(75.4)%*
Profit before tax	**751**	2,046	*(63.3)%*
Effective tax rate	***25.2%***	*33.2%*	
Net profit attributable to shareholders	**553**	1,343	*(58.8)%*
Earnings per share – basic and diluted (US cents)	**43**	104	*(58.7)%*
Group interim dividend per share – (US cents)	**6**	12	*(50.0)%*
Underlying EBITDA margin [4]	***37.1%***	*62.5%*	
Net cash generated from operations	**503**	1,363	*(63.1)%*
Capital expenditure	**596**	500	*19.2%*
Gross available funds[5]	**1,952**	2,653	*(26.4)%*
Net cash[6]	**1,065**	1,433	*(25.7)%*
Divisional underlying EBITDA			
Ferroalloys	**311**	1,408	*(77.9)%*
Iron Ore	**212**	476	*(55.5)%*
Alumina & Aluminium	**17**	158	*(89.2)%*
Energy	**92**	102	*(9.8)%*
Logistics	**19**	29	*(34.5)%*
Corporate	**(23)**	(22)	*4.5%*
Group	**628**	2,151	*(70.8)%*

(1) Costs: cost of sales; distribution costs; selling, general and administrative expenses; and net other operating income.
(2) Underlying EBITDA: profit before finance income, finance costs, income tax expense, depreciation, amortisation and impairment, net 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 Kazakhstan tenge.
(3) Underlying EBIT: profit before finance income, finance costs, income tax expense, net 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 Kazakhstan tenge.
(4) Underlying EBITDA margin: Underlying EBITDA as a percentage of revenue.
(5) Gross available funds: cash and cash equivalents plus term deposits and current financial assets.
(6) Net cash: Cash and cash equivalents less outstanding debt (non-current and current).

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The information set out in the 2009 First-Half Results Announcement relates to the six months ended 30 June 2009 and, unless otherwise stated, is compared to the corresponding period of 2008, the six months ended 30 June 2008. The CEO's Outlook statement includes an update for the period since 30 June 2009. All references in the 2009 First-Half Results Announcement to 't' are to metric tonnes and to 'kt' to thousand metric tonnes, unless otherwise stated. Production cutbacks/capacity utilisation are referenced to the current estimated production capacities of the relevant businesses or versus the comparable period. The 2009 First-Half Results Announcement should be read in conjunction with: the Q2 2009 Production Report, published on 19 August 2009; the 2008 Annual Report, published on 29 April 2009; and the 2008 Preliminary Results, published on 25 March 2009. Unless stated otherwise, statements relating to market data contained in this announcement are based on external sources, for example research institutes and industry bodies, including: Macquarie, ISSF/Heinz H Pariser, CRU, Metals Bulletin, Agency of Statistics of the Republic of Kazakhstan, Argus Russian Coal, APBE and others, and are derived from actual and/or estimated data relating to 2009 and/or 2008 and prepared in H1 2009 or H2 2008.

Eurasian Natural Resources Corporation PLC ('ENRC') will announce its 2009 First-Half Results on Wednesday 19 August, 2009. There will be a presentation to investors and analysts, commencing at 09.00 BST at the City Presentation Centre, 4 Chiswell Street, Finsbury Square, London, EC1Y 4UP. There will be a simultaneous webcast and audiocast on the ENRC website (www.enrc.com). On the same date, Wednesday 19 August, 2009, ENRC will announce its Q2 2009 Production Report.

Forward-looking statement

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.

Disclosure and Transparency Rules

This 2009 First-Half Results Announcement has been prepared to meet the requirements of the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority ('FSA') to provide additional information to shareholders and should not be relied on for any other purpose or by any other party.

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CHAIRMAN'S STATEMENT

The prevailing economic conditions during H1 2009 proved challenging for many companies. The reduced demand for commodities, and pressure on prices, have had a significant impact on ENRC so far this year. We responded with production cutbacks and the management team worked hard to control costs. Our workforce, particularly in Kazakhstan, have shown fortitude and flexibility in the face of the downturn and their reduced working hours and salary cuts. I would like to thank all our employees for their hard work and loyalty during this difficult period.

We have also reviewed our capital expenditure programme and our approved 'in progress' projects amount to US$1.4 billion. Cost reduction and replacement capital expenditure is continuing, whilst expansion projects have largely been deferred until conditions allow for their reinstatement and subject to a reappraisal of their viability. The continuing economic situation means that there are significant opportunities to grow the Group by acquisition, in line with our stated strategy of becoming a leading diversified natural resources company, and we will continue to consider such opportunities as they become available. In February 2009 we announced our acquisition of a 25% stake in Shubarkol Komir JSC, which is an important coal supplier to our operations.

We have agreed with the Government of Kazakhstan that we will not proceed with the China Gateway Project, a rail link with China. We did not reach agreement with the Government on the sharing of risks, and the Group felt unable to proceed with a project that did not appear to offer sufficient value accretion to shareholders. The Government has commenced construction of the railway and we expect to be able to use this link in the future to increase our shipments to China.

Production volumes continued to recover through the first six months of 2009. We believe that the remainder of 2009 will show some improvement on the first half, particularly because of the continuing demand for metals from China. While it is difficult to be certain about the sustainability of global demand, we believe that if maintained this may indicate that the longer term recovery in the metals markets is underway.

We have maintained our dividend policy of a payout ratio of between 15% and 20% of earnings, with a payout of approximately 15% of earnings in the first half of 2009.

In March 2009 Miguel Perry indicated his intention to step down as a Director of the Company and as Chief Financial Officer of the Group. Miguel left with effect from 30 June 2009, and I would like to extend my personal thanks for his significant contribution in bringing the Group to the market in December 2007 and for his work since then in developing the Finance function.

ENRC's Deputy Chief Financial Officer, Zaure Zaurbekova, has agreed to be Acting Chief Financial Officer and will guide the Group's Finance function until such time as a permanent appointment is made.

Last week ENRC announced that, following my appointment as Chairman of UK Financial Investments Limited, I would be stepping down as Chairman and as a Director of ENRC on 20 August 2009. It would not be feasible for me to hold both appointments. Having guided the Group's successful IPO, its entry to the FTSE 100 Index and its positive response to the global downturn, it is an appropriate time for me to be handing over to Dr Sittard with his long experience of the global mining industry. The Board appointed Sir Richard Sykes as Deputy Chairman. He has broad experience as an industrial leader and of the particular requirements of being quoted on the London Stock Exchange.

Sir David Cooksey
Chairman

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CHIEF EXECUTIVE OFFICER'S STATEMENT

During H1 2009 the Group's financial and operational performance, while lower than those achieved in the comparable period last year, reflected the success of management's response to the general downturn that struck in late 2008, which rapidly and dramatically impacted on the demand for our key products. Since Q1 2009 there has been some limited recovery, however, there remain uncertainties as to the future trend of recovery around the world.

Management responded rapidly and decisively by cutting production to match customer demand, on reducing inventories and receivables and controlling costs, in the face of significant pressure on product prices. Steps taken to respond to the downturn included: production cutbacks in the Ferroalloys and Iron Ore Divisions; the reduction of staff expenses, whilst avoiding compulsory redundancies of permanent staff; securing a reduction in raw material input costs; and reviewing our capital expenditure programme.

The actual outturn for the period was that demand for our products consistently ran ahead of our initial expectations, whilst the capacity utilisation we achieved was also better than anticipated. The comparative strength of the period's results against the downturn demonstrates to us the value of the Group's high quality assets and strategic location, low cost position and the benefits of our integrated business capabilities. We feel pleased with the results achieved, which are a particular credit to the operational management in Kazakhstan, and we are grateful for the commitment of the workforce through these challenging times. The Group offers to all of its employees its sincere thanks for their sacrifices and continuing efforts. Despite some evident improvement in market conditions, management have deferred any increase in wage rates and will review this position again at the year end.

I would like to mention that in June the London Metals Exchange ('LME') approved the listing of primary aluminium ingot produced at ENRC's aluminium smelter, Kazakhstan Aluminium Smelter ('KAS'). We believe that approval in such a comparatively short period after the start up of production in December 2007, obtained once the requirements of a rigorous testing process were satisfied, was a reflection on the high quality of our product. In addition we now expect to commission Phase 2 of the aluminium smelter by no later than Q1 2010.

More recently, as mentioned by the Chairman, we withdrew from the concession with the Government of the Republic of Kazakhstan for the construction of the China Gateway Project, for commercial reasons. The Government is going ahead with the project and the link will be an important facility by which we expect to be able to transport additional volumes to China in the future. The Group is now engaged in negotiations with the Government to finalise the legal and financial aspects of this termination.

2009 FIRST-HALF PERFORMANCE

In H1 2009, Group revenue declined 50.8%, to US$1,695 million (2008: US$3,442 million). The full period inclusion of Serov, from Q2 2008, Tuoli, from Q4 2008, and, particularly, new aluminium sales, were more than offset by the decline in revenue from lower sales volumes and prices. Excluding these new businesses, revenue (refer to Note 13) declined 52.8%. The revenue decline reflected both lower average sales prices, notably for ferrochrome, iron ore and aluminium, amounting to US$1,126 million, and lower sales volumes, amounting to US$557 million, again most notably in the Ferroalloys and Iron Ore Divisions. A particular feature was the much greater proportion of sales into China.

Total costs fell 31.1%, to US$993 million (2008: US$1,442 million), however this included a one-off foreign exchange gain of US$210 million in Net other operating income, without which total costs were US$1,203 million, a decline of 16.6%. The fall in like-for-like total costs was partially offset by the first time inclusion of Mineral Extraction Taxes ('MET') amounting to US$80 million (2008: Royalties, US$23 million). Excluding the new businesses, devaluation gain and MET, total costs fell 24.1%, with the impact of reduced business volumes and the benefit of cost control measures.

After accounting for the effect of a currency hedge, around half of the Group's costs base is exposed to the Kazakhstan tenge and, as such, the costs performance in the period benefitted from the 25% devaluation of the tenge in early February. Input materials cost pressures also abated significantly. Further, we took a number of actions to limit labour costs and to maximise our operational flexibility, whilst natural turnover reduced the labour force. Together, the cost measures – and the effects of the devaluation of the Kazakhstan tenge - reduced unit cost of sales (excluding MET and Royalties) against full year 2008 across the Group's main products, notwithstanding reduced production volumes. Underlying EBITDA (excluding the devaluation gain to Net other operating income) fell 70.8%, to US$628 million (2008: US$2,151 million).

Profit after tax declined 58.9%, to US$562 million (2008: US$1,366 million). This includes gains/losses arising from the devaluation of the tenge, with one-off net foreign exchange gains (primarily relating to term deposits and inter-company balances) – including the US$210 million pre tax gain mentioned above - totalling US$239 million. The effective tax rate for the period was 25.2% (2008: 33.2%), reflecting the reduced rate of statutory Corporate Income Tax in Kazakhstan and a shift in the distribution of the overall corporate tax burden to a mix of taxes on profits and on mineral extraction (the latter included in Cost of sales). Earnings per share fell 58.7%, to US 43 cents (2008: US 104 cents) per share. Our half-year dividend amounts to US 6 cents per share (2008: US 12 cents).

As anticipated, the Group's performance was impacted by a much reduced level of production versus the comparable period of 2008, following cutbacks initiated by management of ferroalloys and iron ore. However, through H1 2009, the Ferroalloys and Iron Ore Divisions in particular experienced a steady increase in production capacity utilisation and sales, ahead of our initial expectations. In June 2009 total ferroalloys production at Kazchrome – the key Kazakhstani business of the Ferroalloys Division – had a capacity utilisation of 84%; in the Iron Ore Division, primary iron ore concentrate production capacity utilisation was 91%. In the Alumina and Aluminium Division, alumina production was 793 kt, at its capacity run rate (1.6 million tonnes per annum), and 61 kt of aluminium production, with the smelter running at its full capacity (125 kt per annum).

Management focused on working capital and achieved a reduction in inventories to target levels, that better matched the lower sales volumes, and managed credit risk such that we have had no material defaults. We maintained a strong balance sheet with gross available funds of US$1,952 million (31 December 2008: US$2,768 million), including cash and cash equivalents of US$1,650 million (31 December 2008: US$2,493 million). Outstanding debt amounted to US$585 million (31 December 2008: US$727 million), principally a trade finance facility that will be repaid in December 2010. Operating cash flow was very significantly impacted by market conditions, decreasing 63.1%, but we still generated a positive net inflow of US$503 million (2008: US$1,363 million). We see our strong balance sheet and positive operating cash flow as key competitive advantages at the current time and will continue to manage this position prudently. The devaluation of the Kazakhstan tenge also impacted net assets; there was a one-off US$1.3 billion reduction to the currency translation reserve within equity.

HEALTH & SAFETY

Health and safety is a key focus for the Group. In H1 2009 we intensified our efforts with the implementation of a new safety management system following a review by international consultants, DuPont, which has improved the quality and coverage of our reporting. The total number of fatalities was five in H1 2009 (2008: four). Any deaths are regrettable to us and we express our condolences to the families involved. The number of work related injuries decreased to 33 (2008: 45). The Lost Time Injury Frequency Rate (LTIFR) reduced to 0.69 (2008: 0.81) per one million hours worked. Despite the LTIFR, as the fatalities show, we still have some way to go before we can feel satisfied with our health and safety performance. The Group focused on improving its approach to health and safety based on its adoption in 2008 of an aspiration of 'zero injuries'.

CAPITAL EXPENDITURE

Capital expenditure in H1 2009 amounted to US$596 million (2008: US$500 million). Capital expenditure in the period reflected the review of our project plans in Q4 2008 in response to the changed market environment with priority given to replacement and productivity capital expenditure and to spending in the Ferroalloys, Alumina and Aluminium and Energy Divisions.

The project highlights of H1 2009 included progress with the construction of Phase 2 of the aluminium smelter - an additional 125 kt per annum capacity - and the completion of the second chrome pelletiser at the Donskoy mining and processing plant, with a capacity of 700 kt per annum, that went operational on schedule in July.

Progress on Phase 2 of the aluminium smelter has been good and the Group anticipates that the project will be completed ahead of schedule, with the opportunity to start up production no later than Q1 2010. The feasibility study for BML, an iron ore deposit in Brazil, is expected to be completed in H2 2009.

The Group's strategic capital expenditure plan, after our withdrawal from the China Gateway Project, is otherwise unchanged from the 2008 Preliminary Results; currently 'in progress' projects amount to US$1.4 billion. These projects are important to sustaining the Group's relative cost position advantage. The projects that were 'deferred' continue to be a key part of the Group's strategy for our Kazakhstani businesses. With a faster rate of economic recovery we will be able to reappraise the 'deferred' projects, with a view to reinstating some or all of these opportunities.

For the full year 2009, project capital expenditure is expected to amount to approximately US$0.9 billion, with a further US$0.5 billion for capital repairs and other smaller projects.

ACQUISITIONS

On 16 February 2009 we completed the acquisition from a related party of a 25% interest in Shubarkol Komir JSC ('Shubarkol') for a cash consideration of US$200 million less 25% of net debt. We believe that the acquisition of this stake strengthens the integrated business model, through securing a reliable and cost effective supply of semi-coke and relatively high quality thermal coal, enhancing the Group's position as a low cost producer.

Acquisitions are an important element of our strategy and are intended to build further on the low cost base of the business. By leveraging our knowledge of minerals extraction, as well as our integrated energy and logistics capacity where possible, the Group will look to diversify its presence into other natural resources both in the Eurasian region and elsewhere in the world. The Group remains interested in its core products, ferrochrome and iron ore, but is also looking at opportunities in other industrial metals, certain precious metals and in the energy sector, with a focus on low cost opportunities and projects close to being cash generative. We continue to maintain our tight financial discipline in evaluating opportunities.

TAXATION

In December 2008 the Republic of Kazakhstan introduced a new Tax Code which took effect from 1 January 2009. The new Tax Code has three key changes: a phased reduction in the rate of Corporate Income Tax ('CIT') from 30% in 2008 to 20% in 2009, 17.5% in 2010 and 15% from 2011; the abolition of the system of Royalties and introduction of a new Minerals Extraction Tax ('MET'); and revisions to the basis of calculating Excess Profits Tax ('EPT'). The impact of the new Tax Code on the Group is considered to be broadly neutral.

INDUSTRY OVERVIEW

The near-term demand and price outlooks for our core commodities have improved in recent months. In part, this reflects the advanced stages of destocking, the emergence of some restocking and evidence of increased demand in some commodities and markets. In addition it reflects the metal and mining industry's response to the downturn, specifically cutting capacity and planned capital

expenditure to reflect reduced demand and the changed environment, as well as aggressive action on costs. The effects of government stimulus packages are now also being felt, with the greatest progress evident in China. In addition, stability, or even strength, is emerging in the prices of certain commodities.

Stainless steel production in 2009 is currently forecast to be some 22-26 million tonnes worldwide, of which about 8-11 million tonnes will be from China. With limited ferrochrome inventory and strong stainless steel production in China and recovering production elsewhere, we are increasingly optimistic as to the outlook for ferrochrome, where we seek to maximise our cost and quality advantages and our relationships with customers around the world. On the supply side, our position relative to the South African producers strengthened through H1 2009. We benefited from the devaluation of the Kazakhstan tenge in February. The South African producers were adversely affected by higher power prices – both the basic power price increase of 34% and the winter tariff - and the impact of the appreciating South African rand on their US dollar competiveness. These cost factors were key to determining the Q3 2009 ferrochrome benchmark price that increased 29%.

For iron ore, our key advantage is in our low-cost access to North-West China, which has facilitated an increase in our shipments. In addition, an emerging improvement in the Russian steel industry is providing us with a recovery in iron ore sales volumes. Also, due to our low-cost logistic position, shipments of alumina to UC RUSAL in Russia have not been materially affected by market conditions, whilst for aluminium our scale is limited and we aim to utilise our cost advantage. With energy, our low cost position in power generation allowed us to sell greater volumes into the region’s market.

We anticipate that product prices for the full year 2009 will remain below the levels that prevailed in 2008. The recent reduction in the iron ore benchmark prices emerged broadly in line with our expectations and of our previously agreed provisional pricing to MMK. The 29% increase in the ferrochrome price benchmark for Q3 2009 provided a welcome uplift and may indicate the beginning of a trend, although this will likely be constrained by the availability of idled capacity.

We remain positive on the long-term growth prospects for the Chinese and Russian economies, and the benefit to ENRC of its strategic location. China in particular, we believe, will be key to rebuilding sustained demand for industrial metals. The potential growth in demand in China and Russia for ferroalloys, iron ore, alumina and aluminium, and in other metals, is significant, based on their demographics, urbanisation and infrastructure requirements. The prospects for ENRC in these markets are enhanced by structural capacity shortages, notably in China, that are expected to emerge with an economic recovery. Kazakhstan, and ENRC as a leading company in Kazakhstan, which combine to offer advantaged low cost production, are well positioned to seize opportunities in these key markets over the longer term.

OUTLOOK

Market conditions are improving from those experienced in Q1 2009. Key to this has been progress with supply chain destocking for our key commodities and some early signs of restocking. In addition, there has been a broadly disciplined approach from much of the metals and mining industry to match supply to demand. Our confidence in the sustainability of Chinese domestic demand growth through 2009 increased, as it appears that the benefits of the Chinese Government’s stimulus package are emerging into the real economy, notably in construction and automobiles. In addition, although mixed, there are signs of stabilisation or even some growth emerging in the United States and Europe, whilst the outlook for Russia, fuelled by the higher oil price, appears to be turning.

Through H1 2009 we have seen demand keep ahead of our initial expectations as we have looked to leverage both our strategic location and also our low cost advantage to recover plant capacity. As a result we have had to progressively increase capacity utilisation through the period and at the end of June 2009 we restarted production at Tuoli. We continually reassess production plans for the business in the light of the economic situation and end customer demand and believe that production

levels may see some further improvement in the second half. Pressure on our products' prices has abated in recent months.

With our existing low cost position and the unit cost reductions achieved in H1 2009, maintaining the present level of savings would anyway be difficult to achieve. Whilst increased capacity utilisation is enabling a better absorption of fixed costs and in H2 2009 we will benefit in full from the devaluation of the Kazakhstan tenge, the downward relief of key input costs is abating. We would anticipate some erosion of the cost savings emerging in H2 2009.

We have increasing confidence in being able to anticipate a sustained general economic recovery in 2010, fuelled by government stimulus packages around the world and by a gradual easing of credit availability. Some caution may be necessary as governments seek to dampen inflationary pressures that may arise. We expect that the Group's production volumes in 2010 will be around the volumes achieved in 2008.

We believe that ENRC has all of the essential ingredients for continuing to manage for long term success, based on our proximity to key markets, our low costs and our growth opportunities. All of our current initiatives are directed towards underpinning the performance of the business, providing a solid platform for growth and delivering value for all our shareholders.

As has been mentioned by the Chairman I will be relinquishing the role of Chief Executive Officer of the Group with effect from tomorrow, 20 August 2009, and will become Chairman. I am pleased that I will be able to retain a close relationship with the Group and contribute to its future development. I pass on the role of CEO to Felix Vulis, with whom many of you will be familiar, whose experience as President of ENRC Kazakhstan and Chief Operating Officer of the Group makes him a natural choice for the role of Chief Executive Officer of the Group.

Save as set out in this announcement, there have been no material events, transactions or changes to the financial position of the Group since 30 June 2009.

Dr Johannes Sittard
Chief Executive Officer

RESULTS OF OPERATIONS (Unaudited)

The following table sets out information about the results of the Group's operations for the six months ended 30 June 2009 and 30 June 2008 respectively:

In millions of US$	**H1 2009**	H1 2008	H1 2009 +/-	vs. H1 2008
Revenue	**1,695**	3,4	(1,747)	*(50.8)%*
Cost of sales	**(91(**	(1,0	141	*(13.4)%*
Gross profit	**785**	2,3	(1,606)	*(67.2)%*
Gross margin, %	***46.3%***	*69.5%*		
Distribution costs	**(15**	(206)	52	*(25.2)%*
Selling, general and administrative expenses	**(14(**	(192)	46	*(24.0)%*
Net other operating income	**217**	7	210	*3,00(*
Operating profit	**702**	2,0	(1,298)	*(64.9)%*
Operating profit margin, %	***41.4%***	*58.1%*		
Finance income	**148**	90	58	*64.4%*
Finance costs	**(12**	(44)	(83)	*188.6%*
Share of profit of joint ventures and associates	**28**	-	28	*100.0%*
Profit before income tax	**751**	2,0	(1,295)	*(63.3)%*
Profit before income tax margin, %	***44.3%***	*59.4%*		
Income tax expense	**(18**	(680)	491	*(72.2)%*
Effective tax rate, %	***25.2%***	*33.2%*		
Profit for the period	**562**	1,3	(804)	*(58.9)%*
Profit margin, %	***33.2%***	*39.7%*		
Depreciation, amortisation and impairment				
Cost of sales	**(13**	(147)	15	*(10.2)%*
Selling, general and administrative expenses	**(**	(4)	-	-
Total depreciation, amortisation and impairment	**(13(**	(151)	15	*(9.9)%*
Underlying EBITDA[1]	**628**	2,1	(1,523)	*(70.8)%*
Underlying EBITDA margin[2]	***37.1%***	*62.5%*		

(1) Underlying EBITDA: profit before finance income, finance costs, income tax expense, depreciation, amortisation and impairment, net 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 Kazakhstan tenge.

(2) Underlying EBITDA margin: Underlying EBITDA as a percentage of revenue.

RESULTS OF OPERATIONS (Unaudited) - Continued

The following table sets out selected financial information of the Group by Division:

In millions of US$	Ferroalloys	Iron Ore	Alumina & Aluminium	Energy	Logistics	Corporate	Intra Group Eliminations	**Total**
Segment revenue								
Six months 30 June 2009	**862**	**469**	**251**	**179**	**64**	**-**	**(130)**	**1,(**
Six months 30 June 2008	2	768	421	229	106	-	(192)	3,4
Segment operating profit								
Six months 30 June 2009	**436**	**220**	**(22)**	**81**	**10**	**(23)**	**-**	**702**
Six months 30 June 2008	'	433	121	87	20	(23)	-	2,(
Segment operating profit margin								
Six months 30 June 2009	***50.6%***	***46.9%***	***(8.8)%***	***45.3%***	***15.6%***	*-*	*-*	***41.4%***
Six months 30 June 2008	*64*	*56.4%*	*28.7%*	*38.0%*	*18.9%*	*-*	*-*	*58.1%*
Underlying EBITDA[1]								
Six months 30 June 2009	**311**	**212**	**17**	**92**	**19**	**(23)**	**-**	**628**
Six months 30 June 2008	'	476	158	102	29	(22)	-	2,'
Underlying EBITDA margin[2]								
Six months 30 June 2009	***36.1%***	***45.2%***	***6.8%***	***51.4%***	***29.7%***	*-*	*-*	***37.1%***
Six months 30 June 2008	*66*	*62.0%*	*37.5%*	*44.5%*	*27.4%*	*-*	*-*	*62.5%*
% of Group revenue excluding inter-segmental revenues								
Six months 30 June 2009	***50***	***27.7%***	***14.7%***	***5.8%***	***1.0%***	*-*	*-*	***100.0%***
Six months 30 June 2008	*61*	*22.3%*	*12.2%*	*3.0%*	*1.2%*	*-*	*-*	*100.0%*
% of Group underlying EBITDA								
Six months 30 June 2009	***49***	***33.8%***	***2.7%***	***14.6%***	***3.0%***	***(3.6)%***	*-*	***100.0%***
Six months 30 June 2008	*65*	*22.1%*	*7.3%*	*4.7%*	*1.3%*	*(0.9)%*	*-*	*100.0%*

(1) Underlying EBITDA: profit before finance income, finance costs, income tax expense, depreciation, amortisation and impairment, net 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 Kazakhstan tenge.

(2) Underlying EBITDA margin: Underlying EBITDA as a percentage of revenue.

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OPERATING REVIEW

OVERVIEW

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 pellets; the mining and processing of bauxite for the extraction of alumina and the production of aluminium; 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. The Group's entities, in the period, employed approximately 64,160 (2008: 67,450) people, including about 3,000 added in H1 2008 with the acquisition of Serov and a further 600 with Tuoli in H2 2008. In 2008, the Group accounted for approximately 5% 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 half-year ended 30 June 2009, the Group had revenue of US$1,695 million (2008: US$3,442 million) and profit attributable to equity shareholders of the Group of US$553 million (2008: US$1,343 million).

In H1 2009 production in the Group's ongoing operations fell sharply against the comparable period of 2008. For the period, production was reduced in the Ferroalloys and Iron Ore Divisions, continuing the production cutbacks in Q4 2008. The Ferroalloys Division included Serov from Q2 2008. Production in the Alumina and Aluminium Division increased, with the benefit of the build up in production at the aluminium smelter which attained its full Phase 1 run rate during Q2 2008. Ore grades remained broadly consistent. In the Energy Division coal production declined in response to the downturn and milder weather, but electricity generation rose with greater available capacity and improved external sales. Logistics Division total shipments fell for the year following the downturn in activity from Q4 2008.

The Group's overall production volumes in Q2 2009 improved on the levels of Q1 2009. Production volumes in the Ferroalloys Division, notably high-carbon ferrochrome, and in the Iron Ore Division, increased significantly compared to Q1 2009. In the Alumina and Aluminium Division, bauxite production increased over the levels of Q1 2009 whilst production volumes for alumina and aluminium were sustained broadly at previous levels. In the Energy Division there was a small decline in electricity generated but a significant improvement in internal sales; coal extraction fell due to a mild winter, lower external demand and seasonal factors.

DESCRIPTION OF ENRC'S BUSINESS

The Group has five operating Divisions:

Ferroalloys Division

The Ferroalloys Division primarily produces and sells ferrochrome, as well as other ferroalloys for use as alloying products in the production of steel, whilst manganese and chrome ore are sold to third party producers of ferroalloys as well as the chemical industry. The Ferroalloys Division's chrome ore reserves are believed to be the largest in the Commonwealth of Independent States ('CIS') (183 million tonnes as at 31 December 2008) and are believed to have a higher grade of chrome content (41.4%) than those of other large scale producers. In H1 2009, the Ferroalloys Division produced: 1,446 kt of saleable chrome ore (2008: 1,914 kt); 327 kt of saleable manganese ore concentrate (2008: 531 kt); and 585 kt of ferroalloys (2008: 817 kt), including 447 kt (2008: 569 kt) of its primary product, high-carbon ferrochrome. For the six months ended 30 June 2009, the Ferroalloys Division had revenue of US$862 million (2008: US$2,110 million), which represented 50.9% (2008: 61.3%) of the Group's consolidated revenue.

In early April 2008 the Group announced the completion of the acquisition of a controlling interest in Serov, a ferroalloy producer in Russia, with potential incremental annual sales, including low-, medium and high-carbon ferrochrome, of approximately 200 kt of ferroalloys. In mid-October 2008 the

Group announced the completion of the acquisition of a 50% interest in Tuoli. Tuoli has a potential annual capacity of 90 kt of high-carbon ferrochrome (equivalent to 120 thousand Chinese base tonnes).

The Ferroalloys Division is vertically integrated, having its own chrome ore and manganese ore mines feeding its ferroalloy production in Kazakhstan, Russia and China. As well as having its own ore, the Division also benefits from competitively priced electricity supplied by the Energy Division, as well as having a gas-fired power station at its Aktobe plant.

Sales and Pricing

The slowdown in stainless steel production in H2 2008 continued into H1 2009, with stainless steel production in H1 2009 of an estimated 11.3 million tonnes, down 25% on the comparable period. With an inventory build up by producers, estimated to be in excess of 600 kt, and stock increases by customers, the ferrochrome industry has operated at significantly reduced levels of capacity in response to the reduced level of economic activity. As a result, the ferroalloys industry worldwide operated at a capacity utilisation level estimated to be less than 45% during the first six months of 2009. This resulted in the quarterly benchmark price, the mechanism by which the global ferrochrome price is set, declining US$1.06 per pound of chrome for Q1 2009 and a further US$0.10 per pound of chrome for Q2 2009, to US$0.69 per pound of chrome for the quarter.

There are signs that the major destocking in the ferrochrome industry has ended. In H1 2009 demand stabilised, albeit at much lower levels in the Western world. In China, the Government stimulus package resulted in a greater recovery, fuelled by automotive and construction demand, with the local stainless steel industry increasing production levels to a level estimated to be in excess of 90% of capacity. The appreciation of the South African rand against the US dollar during H1 2009, coupled with the 34% increase in local power tariffs for the new financial year, resulted in the benchmark price increasing US$0.20 per pound of chrome for Q3 2009, to US$0.89 per pound of chrome for the quarter.

Demand for medium- and low-carbon ferrochrome was adversely affected by the economic slowdown, particularly in the automotive and engineering steel sectors, with prices falling from the high levels seen in mid 2008, returning to the levels seen at the end of 2007. Chrome ore demand, also linked to ferrochrome, declined and prices fell as China reduced its purchases due to excess stocks and due to a downturn in the demand for chemical related products.

Manganese alloys, which are primarily used in the production of carbon steel which is utilised in the construction and automotive sectors, were also affected by the economic downturn, with excess stocks, reduced capacity utilisation and a very significant fall in prices.

In H1 2009, the Ferroalloys Division's top five customers accounted for 36.0% (2008: 13.0%) of the Division’s sales revenue to third parties.

The following table sets out the Ferroalloys Division's volume of third party sales by product for H1 2009 and H1 2008:

Sales volumes		Six months to 30 June **2009**	2008	*2009 vs 2008*
Ferroalloys:				
High-carbon ferrochrome	'000 t	**469**	495	*(5.3)%*
Medium-carbon ferrochrome	'000 t	**15**	29	*(48.3)%*
Low-carbon ferrochrome	'000 t	**30**	34	*(11.8)%*
Ferrosilicochrome	'000 t	**15**	38	*(60.5)%*
Ferrosilicomanganese	'000 t	**85**	86	*(1.2)%*
Ferrosilicon	'000 t	**12**	26	*(53.8)%*
Total ferroalloys	'000 t	**626**	708	*(11.6)%*
Chrome ore	'000 t	**232**	389	*(40.4)%*
Manganese ore	'000 t	**207**	374	*(44.7)%*
Ferromanganese ore	'000 t	**15**	274	*(94.5)%*

Of the Ferroalloys Division's third party sales in 2009: 30.7% (2008: 10.5%) were made to China; 21.3% (2008: 33.3%) in Western Europe; 15.0% (2008: 16.6%) in Japan; 8.4% (2008: 9.9%) in North America; 5.4% (2008: 7.5%) in South Korea and the Far East; 0.1% (2008: 17.9%) in Russia; and 19.1% (2008: 4.3%) in the rest of the world.

Key Initiatives

The key objectives for the Ferroalloys Division are: to expand operations with substantial margins and returns on capital based on the low-cost, large scale and high-grade ore resources available to the Group; reduce production costs by replacing outdated equipment; further strengthen the Group's leading market position in ferroalloys worldwide; and to improve the environmental and safety performance of the Division.

Construction of a second chrome ore pelletising plant at Donskoy GOK, of 700 kt per annum, was completed on schedule and was operational from early July. The pelletising plant will also produce saleable products from the output of an enrichment plant.

The capital expenditure programme for the Division has not been changed from the 2008 Preliminary Results. The main projects and schedule for the Division are:

- Construction of a second enrichment plant at Donskoy GOK, for completion in H2 2009, which will build on the expansion of pellet production, and allow greater control over mining volumes and operational costs while increasing the utilisation of mined ore; and

- Building new Direct Current ('DC') furnaces at the Aktobe processing plant and a mine expansion at a cost of approximately US$590 million and with completion planned for 2012. This project is expected to enhance productivity and generate substantial cost savings, particularly for key input materials such as reductants, including coke. Furthermore, the installation of modern smelting furnaces is expected to result in significant environmental and safety improvements.

Iron Ore Division

The Iron Ore Division operates the largest iron ore mining and processing enterprise in the Republic of Kazakhstan and produces and sells iron ore concentrate and pellets primarily to steel producers. On the basis of 2008 data it is believed to be one of the world's significant exporters of iron ore and to be in the lowest third of the industry cost curve for global iron ore pellet production. The Iron Ore Division's operations include iron ore mines, crushing, beneficiation and pelletising plants and a thermal power station.

In H1 2009, the Iron Ore Division mined 14,985 kt of iron ore (2008: 20,864 kt). This was processed into 6,252 kt of primary iron ore concentrate (2008: 8,525 kt), of which 4,072 kt (2008: 4,130 kt) was sold and the balance was used to produce 2,029 kt (2008: 3,963 kt) of iron ore pellets. For the six months ended 30 June 2009, the Iron Ore Division had revenue of US$469 million (2008: US$768 million), which represented 27.7% (2008: 22.3%) of the Group's consolidated revenue.

Sales and Pricing

With the economic downturn impacting on the business of our principal customer, Magnitogorsk Iron and Steel Works ('MMK'), the Group agreed to temporarily waive the minimum contractual volume of the long term sales contract from Q4 2008. Contractual sales volumes have now been fixed until the end of 2009. The MMK contract price is determined by reference to the published world price benchmarks for iron ore concentrate and pellets; from 1 April 2009 the Group invoiced MMK on a provisional basis and has since invoiced on the basis of the final agreed benchmarks. In 2009 MMK accounted for 49.7% (2008: 66.5%) of the Iron Ore Division's revenue.

Other iron ore markets for the Group are China and Kazakhstan. In H1 2009 the run rate of iron ore sales to China was twice that of the comparable period in 2008, at approximately 6 million tonnes per annum, and close to our maximum logistics capacity. Sales in Kazakhstan were minimal in H1 2009.

The previous tightness in the iron ore market abated in H2 2008, and spot prices fell below contract prices. Spot prices were very significantly below contract between Q4 2008 and Q2 2009, as global steelmakers started a dramatic reduction in production and deferred expansions. In response, iron ore producers restrained production and delayed new capital projects. The benchmark for 2009/10 was finalised in late June between the major iron ore producers and the principal European and Japanese steel makers; the Chinese price settlement remains outstanding. The benchmark price reduced, on average, by around 30% for fines and by around 48% for pellets.

The following table sets out the Iron Ore Division's volume of third party sales by product and compares H1 2009 against H1 2008:

		Six months to 30 June		
Sales volumes		**2009**	2008	*2009 vs 2008*
Iron ore concentrate	'000 t	**4,260**	3,899	*9.3%*
Iron ore pellets	'000 t	**2,120**	4,061	*(47.8)%*

Key Initiatives

The Iron Ore Division's strategic objectives are: to maintain production capacities; utilise the Group's access to low cost, large-scale deposits of iron ore and low cost energy; and to diversify sales geography, product and customer mix.

The Division has no 'in progress' capital expenditure, unchanged from the 2008 Preliminary Results.

The Alumina and Aluminium Division

The Alumina and Aluminium Division produces and sells alumina, to aluminium producers, and the Group's own aluminium. ENRC believes, based on 2008 data, that the Alumina and Aluminium Division is the world's ninth largest supplier of traded alumina by volume and is at the lower end of the global industry cost curve for both alumina and aluminium.

The Alumina and Aluminium Division's vertically integrated operations include two bauxite mines, a limestone mine, an alumina refinery, an aluminium smelter, and a power station. The smelter allows the Alumina and Aluminium Division to process its alumina into aluminium. The smelter presently has an annual capacity of 125 kt, achieved in Q2 2008. The Group will complete construction of Phase 2 of the smelter, which will increase the production capacity of aluminium to 250 kt per annum, and commence production no later than Q1 2010.

In H1 2009, the Alumina and Aluminium Division mined 2,481 kt of bauxite (2008: 2,586 kt) and produced 793 kt of alumina (2008: 796 kt) and 61 kt (2008: 43 kt) of aluminium. For the six months ended 30 June 2009, the Alumina and Aluminium Division had revenue of US$251 million (2008: US$421 million) representing 14.8% (2007: 12.2%) of the Group's consolidated revenue.

Sales and Pricing

In H1 2009 the Group shipped 0.66 million tonnes (2008: 0.71 million tonnes) of alumina to United Company RUSAL ('UC RUSAL') under a long-term supply contract that expires in 2016. The pricing under this contract is linked as a percentage to the London Metal Exchange ('LME') price of primary aluminium; as a result ENRC is not exposed to the alumina spot price. In H1 2009 UC RUSAL, the Division's largest single customer, accounted for 52.2% (2008: 64.4%) of the Division's sales revenue. The balance of alumina production is consumed by the Group in its own aluminium smelter.

The Group shipped approximately 67 kt of primary aluminium in H1 2009, of which 8 kt were delivered to new customers located in Russia and Ukraine. Sales of the remainder of the aluminium by way of a distribution agreement with Glencore International represented 29.9% (2008: 27.6%) of the Division's revenue in H1 2009. The LME spot price serves as the basis for the pricing of all of our aluminium contracts.

In June 2009 the LME approved the listing of primary aluminium ingot produced at ENRC's aluminium smelter, Kazakhstan Aluminium Smelter ('KAS').

The following table sets out the Alumina and Aluminium Division's volume of third party sales by product for the first six months of 2009 and 2008.

		Six months to 30 June		
Sales volumes		**2009**	2008	*2009 vs 2008*
Alumina	'000 t	**665**	711	*(6.5)%*
Aluminium	'000 t	**67**	42	*59.5%*

LME aluminium prices in H1 2009 fell to levels not seen since the beginning of 1999. The economic crisis drove prices lower, particularly in Q1 2009, as demand fell faster than the reduction in production capacity. The Division's average sales price for aluminium in H1 2009 was US$1,418 per tonne (2008: US$2,851 per tonne). The demand outlook is better for H2 2009 but prices may be expected to remain under pressure because of the large quantities of primary aluminium stored at LME warehouses and with aluminium production continuing to exceed consumption.

Key Initiatives

The Alumina and Aluminium Division's principal strategic objectives are; to increase the capacity of

aluminium production in Kazakhstan; to exploit the surplus of low-cost electricity, bauxite and alumina; and to provide internally produced anodes.

The capital expenditure programme for the Division has not been changed from the 2008 Preliminary Results. The main projects and schedule for the Division are:

- Increasing the annual capacity of the aluminium smelter by an additional 125 ktpa to start up no later than Q1 2010 (Phase 2) at a cost of US$305 million; and

- As part of the smelter expansion we are constructing an anode plant at an additional cost of US$200 million, which will allow the Group to be independent of third-party suppliers and, from 2011, to provide enough anodes for the increased aluminium production.

Energy Division

The Energy Division is one of the largest electricity providers in the Republic of Kazakhstan, accounting for approximately 14.5% of the country's recorded electricity production in 2008. The Energy Division provides a cost-effective energy supply to the Group's principal operating divisions as well as producing a surplus for sales to third parties in Kazakhstan. In H1 2009 the Energy Division produced 6,708 GWh (2008: 5,955 GWh) of which 50.4% (2008: 70.1%) was used internally within the Group. The share of internal consumption decreased, despite the new aluminium smelter increasing its production to its full Phase 1 run rate capacity, as a consequence of reduced demand in the Ferroalloys and Iron Ore Divisions. Coal production decreased 7.3% to 9,428 kt (2008: 10,168 kt). In addition to sales of surplus electricity, the Energy Division also sold 3,213 kt of coal to third parties (2008: 4,252 kt) which represented 34.1% of total coal mined (2008: 41.8%), reflecting a milder winter and reduced demand consequent on lower economic activity. For the six months ended 30 June 2009, the Energy Division had revenue of US$179 million (2008: US$229 million) - of which US$99 million was derived from third party sales (2008: US$103 million) - representing 5.8% (2008: 3.0%) of the Group's consolidated revenue.

On 16 February 2009, the Group completed the acquisition of a 25% interest in Shubarkol, a major semi coke and thermal coal producer based in Kazakhstan, for a cash consideration of US$200 million less 25% of net debt. Shubarkol is one of Kazakhstan's largest thermal coal producers, producing some 6.1 million tonnes of coal in 2007 and with 1,419 million tonnes of measured and indicated coal resources within its coal lease, of which there were 365 million tonnes of probable coal reserves. The Group has a right of first refusal and a call option to purchase the remaining 75% of Shubarkol.

Sales and Pricing

The following table sets out the Energy Division's volume of third party sales by product for H1 2009 and H1 2008:

		Six months to 30 June		
Sales volumes		**2009**	2008	*2009 vs 2008*
Coal	'000 t	**3,213**	4,252	*(24.4)%*
Electrical energy	GWh	**2,849**	1,355	*110.3%*

Sales and Pricing - Electricity

Domestic power producers operated with idle capacity amid weak electricity demand in 2009. Electricity generation in Kazakhstan fell 6% for the first six months of 2009 compared with the comparable period in 2008. Market competition increased despite extensive maintenance works on electricity units. Our average sales price to third parties in Kazakhstan tenge increased 5% to KZT 2.72 (US 1.88 cents) per kWh (2008: KZT 2.59 (US 2.15 cents) per kWh).

We anticipate market conditions will remain broadly stable in H2 2009 and that the rate of decline in electricity demand will slow. We believe that total electricity generation in Kazakhstan may contract by between 5% and 7% for the full year 2009 compared with 2008.

Sales and Pricing - Coal

In Kazakhstan, ENRC sold 1.4 million tonnes of coal to third parties (2008: 1.8 million tonnes) at an average sales price of KZT846 (US$5.85) per tonne (2008: KZT729 (US$6.05) per tonne), an increase of 16% to the Kazakhstan tenge price.

The demand for coal declined alongside industrial production and a milder winter in Russia and Kazakhstan. There has been some defensiveness in coal extraction as it accounts for an increasing

proportion of the fuel mix for power generation – currently about 80% - although the demand for steam coal used for municipal heating decreased.

The Energy Division sold 1.8 million tonnes (2008: 2.5 million tonnes) of coal to Russia. The average sales price for Russian customers decreased 20.8% to US$19.8 per tonne (2008: US$25.0). The effects of the economic recession and the downturn in coal markets have become apparent in the Russian coal sector.

Key Initiatives

The Energy Division's principal objectives are: to provide low-cost power and coal for the Group's existing operations, utilising its large scale coal reserves; and a progressive expansion of production in Kazakhstan. Additional energy capacity will ensure power supply to the Group's Divisions and allow it to maintain its presence on the Kazakhstan power market where it sells electric energy into the wholesale market.

The capital expenditure programme for the Division has not been changed from the 2008 Preliminary Results. The main projects and schedule for the Division are:

- Install overburden stripping equipment at a cost of US$85 million, to increase efficiency, by 2010; and

- Invest approximately US$200 million to construct a new turbine and generator by 2011. It is expected that this will increase total installed electricity generating capacity by 325MW.

Logistics Division

The Logistics Division provides transportation and logistics services to the Group's principal operating Divisions and to third parties. The Division's operations include freight forwarding, wagon repair services and railway construction and repair services. The availability of these services within the Group mitigates many of the risks associated with the supply of raw materials and delivery of products to customers. In addition, the Division operates a railway transfer and reloading terminal on the Kazakhstan/China border, facilitating the Group's access to the Chinese market.

For the six months ended 30 June 2009, the Logistics Division transported 26,005 kt of goods (2008: 30,304 kt), of which 91.4% (2008: 85.0%) was intra-Group. Reduced transportation volumes for the year reflected a slowdown in the key commodities; iron ore, chrome ore and ferroalloys. For the six months ended 30 June 2009, the Logistics Division had revenue of US$64 million (2008: US$106 million) - of which US$16 million (2008: US$41 million) was derived from third party sales - representing 0.9% (2008: 1.2%) of the Group's consolidated revenue.

Withdrawal from the China Gateway Project

We have agreed with the Government of Kazakhstan that we will not proceed with the China Gateway Project, a rail link with China. We did not reach agreement with the Government on the sharing of risks and the Group, therefore, felt unable to proceed with a project that was not offering sufficient value accretion to shareholders. The Group is now engaged in negotiations with the Government to finalise the legal and financial aspects of this termination.

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FINANCIAL REVIEW

Six months ended 30 June 2009 compared to the six months ended 30 June 2008

Group

As expected, the financial results of the Group in H1 2009 were significantly lower than in the comparable period. Profit after tax for the six months ended 30 June 2009 amounted to US$562 million (2008: US$1,366 million), a decline of 58.9%, affected by the severe drop in commodity prices and a sharp reduction in overall demand. The Kazakhstan tenge devaluation, effective cost-cutting measures and a progressive recovery of sales volumes through H1 2009 partially offset these pressures.

Although sales volumes increased significantly for the majority of our products from the beginning of 2009, revenue in H1 2009 was well below the level of the comparable period in 2008. The decrease in Revenue of US$1,747 million, or 50.8%, to US$1,695 million (2008: US$3,442 million), was caused largely by lower prices (64.4% of the decline) and sales volumes (31.9%). Like-for-like revenue decreased US$1,660 million, or 52.8%, to US$1,483 million (2008: US$3,143 million). The Ferroalloys Division accounted for a reduction in revenue of US$1,248 million, or 71.4%, and the Iron Ore Division US$299 million, or 17.1%. The inclusion of Serov added revenue of US$99 million (2008: US$179 million).

The Group maintained good control of operating costs, notwithstanding the introduction of Mineral Extraction Taxes in Kazakhstan impacting the Cost of sales. Cost of sales declined US$141 million, or 13.4%, to US$910 million (2008: US$1,051 million), including US$80 million for MET (2008: Royalties, US$23 million). Excluding the new businesses and MET, the Group's Cost of sales decreased US$197 million, or 21.3%, to US$729 million (2008: US$926 million). Lower materials costs and effective labour management were the main factors supporting this decrease partially offset by inventory destocking. The inclusion of Serov increased cost of sales by US$32 million (2008: US$70 million).

Distribution costs decreased US$52 million, or 25.2%, to US$154 million (2008: US$206 million). There was a decrease of US$67 million in the Ferroalloys Division and US$14 million in the Energy Division. Iron Ore Division distribution costs increased US$14 million, as proportionately more production was transported to China.

Selling, general and administrative expenses declined US$46 million, or 24.0%, to US$146 million (2008: US$192 million), with savings achieved on labour expenses and consulting services.

Net other operating income and expenses benefited from a one-off foreign exchange gain resulting from the devaluation of the Kazakhstan tenge, amounting to US$210 million for H1 2009.

Group Operating profit decreased US$1,298 million, or 64.9%, to US$702 million (2008: US$2,000 million). The Ferroalloys Division accounted for 71.3% of this reduction, or US$926 million. The Iron Ore Division accounted for 16.4%, or US$213 million.

Group Finance income increased US$58 million, or 64.4%, to US$148 million (2008: US$90 million) whilst Group Finance costs increased US$83 million, or 188.6%, to US$127 million (2008: US$44 million). The devaluation of the Kazakhstan tenge - incurred on term deposits and inter-company loans to businesses in Kazakhstan - accounted for US$104 million of the Finance income and US$75 million of the Finance costs.

Ferroalloys Division

In millions of US$	Six months ended 30 June **2009**	 2008	 2009 vs 2008
Revenue	**862**	2,110	*(59.1)%*
Third parties	**861**	2,110	*(59.2)%*
Intercompany	**1**	-	*n/a*
Cost of sales	**(464)**	(552)	*(15.9)%*
Gross profit	**398**	1,558	*(74.5)%*
Gross margin %	***46.2%***	*73.8%*	
Distribution costs	**(72)**	(139)	*(48.2)%*
General and administrative expenses	**(61)**	(68)	*(10.3)%*
Net other operating income	**171**	1	*1,454.5%*
EBIT	**436**	1,362	*(68.0)%*
EBIT margin %	***50.6%***	*64.5%*	
Depreciation, amortisation and impairment	**(43)**	(46)	*(6.5)%*
Devaluation of Kazakhstan tenge	**168**	-	*n/a*
Underlying EBITDA	**311**	1,408	*(77.9)%*
Underlying EBITDA margin %	***36.1%***	*66.7%*	

Key Facts		Six months ended 30 June **2009**	 2008
Sales Volumes			
Ferroalloys	'000t	**626**	708
Chrome ore	'000t	**232**	389
Manganese concentrate	'000t	**207**	374
Ferro-manganese concentrate	'000t	**15**	274
Prices			
Ferroalloys	US$/tonne	**1,209**	2,4
Chrome ore	US$/tonne	**215**	451
Manganese concentrate	US$/tonne	**174**	271
Ferro-manganese concentrate	US$/tonne	**24**	60
Unit Costs[(1)]			
Ferroalloys	US$/tonne	**659**	643
Chrome ore	US$/tonne	**30**	21
Manganese concentrate	US$/tonne	**126**	72
Ferro-manganese concentrate	US$/tonne	**15**	9

[(1)] Unit costs: Cost of sales divided by sales volumes. H1 2009 inclusive of MET; H1 2008 inclusive of Royalties.

Ferroalloys Division

The Ferroalloys Division achieved a satisfactory result for H1 2009, although the Division's performance was adversely affected by the economic downturn impacting prices and sales volumes.

In response to the significant weakening in demand, production was cut back. Chrome ore extraction declined 16.3% to 1,931 kt, or 1,904 kt excluding Serov (2008: 2,307 kt; or 2,253 kt excluding Serov). Manganese ore extraction declined 15.6% to 965 kt (2008: 1,143 kt). Since the beginning of 2009 the rate of chrome ore extraction increased and in June 2009 the volume of chrome ore extracted was proximate to the level of June 2008. This was partly due to the fact that all low grade ore stocks had been processed by the end of 2008.

The internal consumption of saleable chrome ore declined to 68.5% (2008: 73.4%). A very sharp decline, of 24.5%, was evident in the production of saleable chrome ore to 1,446 kt (of which Serov: 17 kt) (2008: 1,914 kt; of which Serov: 34 kt). As a response to the drop in demand there was a very significant fall in saleable manganese ore production, however, there was a recovery in Q2 2009, with production increasing three times compared to the level of Q1 2009, with an improvement in the market.

In H1 2009 the Ferroalloys Division produced 478 kt of ferrochrome, 24.5% lower than in 2008 (2008: 633 kt); including Serov, 23 kt (2008: 46 kt).

In Q2 2009, compared to the prior quarter, there was a 31.2% increase in total ferroalloys production.

The Ferroalloys Division's third party revenue decreased US$1,249 million, or 59.2%, to US$861 million (2008: US$2,110 million). Lower prices led to a US$828 million decline in revenue. Average ferroalloy prices decreased 51.6% to US$1,209 per tonne (2008: US$2,496 per tonne). In addition, chrome ore prices fell 52.3% to US$215 per tonne (2008: US$451 per tonne). An 11.6% drop in ferroalloys sales volumes and a 40.4% decrease in external chrome ore sales volumes accounted for a US$330 million fall in revenue. Serov's revenue was US$99 million (2008: US$179 million).

Cost of sales decreased US$88 million, or 15.9%, to US$464 million (2008: US$552 million). Serov cost of sales accounted for US$32 million (2008: US$70 million). The average unit cost of high-carbon ferrochrome was US$0.41 per pound of chrome (2008: US$0.37 per pound of chrome). This mainly reflected the introduction of a Mineral Extraction Tax, which increased the unit cost by US 6 cents per pound of chrome (2008: Royalties, US 2 cents per pound of chrome). The Kazchrome unit cost rose 11.2%; Serov reduced its unit cost 37.9%, by improving the mix of chrome ore used in production process and with the benefit of lower chrome ore prices.

Distribution costs decreased US$67 million, or 48.2%, to US$72 million (2008: US$139 million) as sales volumes fell and a greater share of sales went to China.

Selling, general and administrative expenses decreased US$7 million, or 10.3%, to US$61 million (2008: US$68 million).

The Division's Operating profit decreased US$926 million to US$436 million (2008: US$1,362 million). Serov's Operating profit amounted to US$55 million (2008: US$101 million).

Iron Ore Division

In millions of US$	Six months ended 30 June 2009	2008	2009 vs 2008
Revenue	**469**	768	(38.9)%
Third parties	**469**	768	(38.9)%
Intercompany	**-**	-	n/a
Cost of sales	**(209)**	(243)	(14.0)%
Gross profit	**260**	525	(50.5)%
Gross margin %	***55.4%***	*68.4%*	
Distribution costs	**(67)**	(53)	26.4%
General and administrative expenses	**(25)**	(40)	(37.5)%
Net other operating income	**52**	1	5,100.0%
EBIT	**220**	433	(49.2)%
EBIT margin %	***46.9%***	*56.4%*	
Depreciation, amortisation and impairment	**(37)**	(43)	(14.0)%
Devaluation of Kazakhstan tenge	**45**	-	n/a
Underlying EBITDA	**212**	476	(55.5)%
Underlying EBITDA margin %	***45.2%***	*62.0%*	

Key Facts		Six months ended 30 June 2009	2008
Sales Volumes			
Iron ore concentrate	'000t	**4,260**	3,899
Iron ore pellets	'000t	**2,120**	4,061
Prices			
Iron ore concentrate	US$/tonne	**64**	65
Iron ore pellets	US$/tonne	**85**	112
Unit Costs(1)			
Iron ore concentrate	US$/tonne	**25**	24
Iron ore pellets	US$/tonne	**35**	33

(1) Unit costs: Cost of sales divided by sales volumes. H1 2009 inclusive of MET; H1 2008 inclusive of Royalties.

Iron Ore Division

The rate of iron ore extraction has improved steadily since the beginning of 2009, with the volume in June 2009 1.6 times higher than in January. However, total extraction during H1 2009 fell 28.2% to 14,985 kt (2008: 20,864 kt), although significantly better than the level of production we had expected at the beginning of 2009.

In response to growing demand, primary iron ore concentrate production increased through H1 2009. This enabled the Group to limit its production cutback to 26.7% relative to the comparable period, producing 6,252 kt (2008: 8,525 kt) of primary concentrate. Primary concentrate is used for either saleable concentrate or pellet production; saleable concentrate was approximately in line with the volumes in H1 2008, but there was a significant decline in saleable pellets, of 48.8%. The much reduced pellet production reflected a change in the mix of demand, with customers switching to less expensive concentrate.

Production improved through H1 2009 for both saleable concentrate and pellet. Saleable concentrate production in Q2 2009 was proximate to the level of Q2 2008 and 22.0% ahead of Q1 2009. Saleable pellet production in Q2 2009 was 63.5% ahead of Q1 2009.

The customer sales mix for iron ore improved, reducing the Group's dependence on a single large customer, with the expansion of the Group's business in the Chinese market. For H1 2009 the share of volume sold to Chinese customers increased to 45.0% (2008: 16.0%).

The Iron Ore Division's third party revenue decreased US$299 million, or 38.9%, to US$469 million (2008: US$768 million). Of this decrease, 72.9% reflected lower sales volumes of pellets. The average sales price of iron ore concentrate fell 1.5% to US$64 per tonne (2008: US$65 per tonne). The iron ore pellets price fell 24.1% to US$85 per tonne (2008: US$112 per tonne).

Cost of sales decreased US$34 million, or 14.0%, to US$209 million (2008: US$243 million). Savings on materials, labour and energy expenses favourably affected cost of sales, whilst losses on a hedging contract and changes in inventories had an adverse impact. The unit cost of iron ore concentrate was US$25 per tonne (2008: US$24 per tonne) whilst the unit cost of iron ore pellets was US$35 per tonne (2008: US$33 per tonne). The increase in unit costs was mainly driven by a Mineral Extraction Tax, which added US$2.89 per tonne (2008: Royalties, US$0.70 per tonne), representing 11.6% of the concentrate unit cost. Other factors affecting the increase in unit costs included a higher repairs and maintenance expense and rising gas input prices.

Distribution costs increased US$14 million, or 26.4%, to US$67 million (2008: US$53 million), reflecting higher transportation costs due to the greater proportion of sales into the Chinese market.

Selling, general and administrative expenses decreased US$15 million, or 37.5%, to US$25 million (2008: US$40 million).

The Division's Operating profit decreased US$213 million, or 49.2%, to US$220 million (2008: US$433 million).

Alumina and Aluminium Division

In millions of US$	Six months ended 30 June **2009**	2008	2009 vs 2008
Revenue	**251**	421	*(40.4)%*
Third parties	**250**	420	*(40.5)%*
Intercompany	**1**	1	*0.0%*
Cost of sales	**(229)**	(249)	*(8.0)%*
Gross profit	**22**	172	*(87.2)%*
Gross margin %	***8.8%***	*40.8%*	
Distribution costs	**(19)**	(16)	*18.8%*
General and administrative expenses	**(16)**	(34)	*(52.9)%*
Net other operating expense	**(8)**	(1)	*700.0%*
EBIT	**(21)**	121	*(117.4)%*
EBIT margin %	***(8.4)%***	*28.7%*	
Depreciation, amortisation and impairment	**(30)**	(37)	*(18.9)%*
Devaluation of Kazakhstan tenge	**(8)**	-	*n/a*
Underlying EBITDA	**17**	158	*(89.2)%*
Underlying EBITDA margin %	***6.8%***	*37.5%*	

Key Facts		Six months ended 30 June **2009**	2008
Sales Volumes			
Alumina	‘000t	**665**	711
Aluminium	‘000t	**67**	42
Prices			
Alumina	US$/tonne	**199**	383
Aluminium	US$/tonne	**1,418**	2,851
Unit Costs[(1)]			
Alumina	US$/tonne	**181**	237
Aluminium	US$/tonne	**1,286**	1,686

[(1)] Unit costs: Cost of sales divided by sales volumes. H1 2009 inclusive of MET; H1 2008 inclusive of Royalties.

The Alumina and Aluminium Division

The Alumina and Aluminium Division extraction of bauxite was 2,481 kt (2008: 2,586 kt), a decline of 4.1%. Alumina production was broadly steady at 793 kt (2008: 796 kt).

In H1 2009 the smelter consumed 118 kt, or 14.9%, of the Group's alumina production. The new aluminium smelter achieved its Phase 1 run-rate production target of 125 kt per annum in Q2 2008. Since then, the Division has been producing aluminium at the planned Phase 1 capacity rate, consuming its own alumina.

Production in the Alumina and Aluminium Division remained broadly steady Q2 2009 versus Q1 2009.

The Alumina and Aluminium Division's third party revenue decreased US$170 million, or 40.5%, to US$250 million (2008: US$420 million), which reflected the significant drop in alumina and aluminium prices. Pricing pressure negatively affected revenue by US$218 million, though additional volumes of aluminium contributed US$70 million. The like-for-like US$146 million reduction in revenue was mainly due to a decline in alumina prices, amounting to US$123 million. There was a change in the geographical mix of aluminium sales with a shift towards the Russian market. In H1 2009 the Group sold 10.6% of its aluminium to Russia, compared to 3.2% in the prior year period.

Cost of sales decreased US$20 million, or 8.0%, to US$229 million (2008: US$249 million). In H1 2009 losses on a hedging contract, amounting to US$11 million (2008: US$3 million gain), negatively affected the Cost of sales. Savings were achieved in materials and labour expenses. On a per tonne basis, the unit cost of alumina decreased to US$181 per tonne (2008: US$237 per tonne) and the unit cost of aluminium decreased to US$1,286 per tonne (2008: US$1,686 per tonne). The introduction of a Mineral Extraction Tax impacted the unit cost by US$3.97 per tonne (2008: Royalties, US$4.95 per tonne); the decline in the unit cost MET reflected the fall in the alumina price, exchange rate movements and the low MET rate for bauxite.

Distribution costs increased US$3 million, or 18.8%, to US$19 million (2008: US$16 million).

Selling, general and administrative expenses decreased US$18 million, or 52.9%, to US$16 million (2008: US$34 million).

The Division had a small Operating loss of US$21 million (operating profit 2008: US$121 million).

Energy Division

In millions of US$	Six months ended 30 June 2009	2008	2009 vs 2008
Revenue	**179**	229	*(21.8)%*
Third parties	**99**	103	*(3.9)%*
Intercompany	**80**	126	*(36.5)%*
Cost of sales	**(71)**	(94)	*(24.5)%*
Gross profit	**108**	135	*(20.0)%*
Gross margin %	***60.3%***	*59.0%*	
Distribution costs	**(21)**	(35)	*(40.0)%*
General and administrative expenses	**(9)**	(12)	*(25.0)%*
Net other operating income/(expenses)	**3**	(1)	*(400.0)%*
EBIT	**81**	87	*(6.9)%*
EBIT margin %	***45.3%***	*38.0%*	
Depreciation, amortisation and impairment	**(17)**	(15)	*13.3%*
Devaluation of Kazakhstan tenge	**6**	-	*n/a*
Underlying EBITDA	**92**	102	*(9.8)%*
Underlying EBITDA margin %	***51.4%***	*44.5%*	

Key Facts		Six months ended 30 June 2009	2008
Sales Volumes			
Third-party coal	'000t	**3,213**	4,252
Third-party electrical energy	GWh	**2,849**	1,355
Prices			
Coal	US$/tonne	**14**	17
Electrical energy	US$/MWh	**19**	22
Unit Costs[(1)]			
Coal	US$/tonne	**3**	4
Electrical energy	US$/MWh	**9**	10

[(1)] Unit costs: Cost of sales divided by sales volumes. H1 2009 inclusive of Rental Tax; H1 2008 inclusive of Royalties.

Energy Division

In H1 2009 the Energy Division extracted 9,428 kt (2008: 10,168 kt) of coal from the Vostochny mine. The Division's internal coal consumption increased 13.4% to 4,132 kt, or 43.8% of total extraction (2008: 3,645 kt; 35.8%), as higher volumes of electricity were produced.

Sales of coal to other Group Divisions saw a marked decline, falling 6.8% to 2,245 kt, or 23.8% of total extraction, (2008: 2,408 kt; 23.7%). There was also a decrease in external coal sales to 3,213 kt (2008: 4,252 kt). Electricity generation increased sharply, ahead 12.6%, to 6,708 GWh (2008: 5,955 GWh), as more capacity was available; in Q2 2008 a turbine block was out of service for planned refurbishment. Sales of electricity to other Group Divisions decreased to 50.4% of electricity generated (2008: 70.1%), reflecting the impact of the production cutbacks.

The Energy Division's electricity generation remained broadly steady through the first two quarters of 2009. However, sales of electricity to other Group Divisions increased 29.4% in Q2 2009 versus Q1 2009, reflecting improved activity, notably in the Ferroalloys and Iron Ore Divisions. Coal extraction fell in Q2 2009 versus Q1 2009, a consequence of a milder winter in Kazakhstan and Russia and seasonal factors.

The Energy Division's third party revenue decreased US$4 million, or 3.9%, to US$99 million (2008: US$103 million). Lower prices reduced revenue by US$17 million, whilst increased volumes of electrical energy contributed US$32 million. The Division's sales to other Group entities decreased US$46 million, or 36.5%, to US$80 million (2008: US$126 million).

Cost of sales decreased US$23 million, or 24.5%, to US$71 million (2008: US$94 million), with savings achieved on materials.

Distribution costs decreased US$14 million, or 40.0%, to US$21 million (2008: US$35 million), reflecting reduced volumes.

Selling, general and administrative expenses decreased US$3 million, or 25.0%, to US$9 million (2008: US$12 million).

The Division's Operating profit decreased US$6 million, or 6.9%, to US$81 million (2008: US$87 million).

Logistics Division

In millions of US$	Six months ended 30 June 2009	2008	2009 vs 2008
Revenue	**64**	106	*(39.6)%*
Third parties	**16**	41	*(61.0)%*
Intercompany	**48**	65	*(26.2)%*
Cost of sales	**(43)**	(73)	*(41.1)%*
Gross profit	**21**	33	*(36.4)%*
Gross margin %	***32.8%***	31.1%	
Distribution costs	**-**	-	*n/a*
General and administrative expenses	**(11)**	(17)	*(35.3%)*
Net other operating income	**-**	4	*n/a*
EBIT	**10**	20	*(50.0)%*
EBIT margin %	***15.6%***	18.9%	
Depreciation, amortisation and impairment	**(8)**	(9)	*(11.1)%*
Devaluation of Kazakhstan tenge	**(1)**	-	*n/a*
Underlying EBITDA	**19**	29	*(34.5)%*
Underlying EBITDA margin %	***29.7%***	27.4%	

Key Facts		Six months ended 30 June 2009	2008
Sales Volumes			
Third-party freight forwarding	‘000t	**2,232**	4,557
Railway line repairs	km	**39**	134
Prices			
Freight forwarding	US$/tonne	**1.1**	0.7
Railway line repairs	US$/'000km	**198**	245
Unit Costs[1]			
Freight forwarding	US$/tonne	**1.2**	1.1
Railway line repairs	US$/'000km	**182**	227

[1]Unit costs: Cost of sales divided by sales volumes.

Logistics Division

In H1 2009 the Logistics Division transported 26,005 kt (2008: 30,304 kt) of the Group's products by railway, a decline of 14.2%. The volume of third-party freight forwarding declined to 2,232 kt, which was 51.0% lower than in 2008 (2008: 4,557 kt).

In Q2 2009 the tonnage of the Group's products transported by railway grew 4.2% over Q1 2009, reflecting improved activity.

External railroad repair service volumes decreased 70.9% to 39 kilometres (2008: 134 kilometres), due to lower demand from the national railway company of Kazakhstan.

The Division's third party revenue declined US$25 million, or 61.0%, to US$16 million (2008: US$41 million), mainly due to a reduced volume of railway repairs. Sales to other Group Divisions decreased US$17 million, or 26.2%, to US$48 million (2008: US$65 million).

Cost of sales decreased US$30 million, or 41.1%, to US$43 million (2008: US$73 million), mainly as a result of reduced volumes of railroad repairs.

Selling, general and administrative expenses decreased US$6 million, or 35.3%, to US$11 million (2008: US$17 million).

The Division's Operating profit decreased US$10 million, or 50.0%, to US$10 million (2008: US$20 million).

INCOME TAX EXPENSE

The Group's income tax expense for the six months ended 30 June 2009 amounted to US$189 million (2008: US$680 million), an effective tax rate of 25.2% (2008: 33.2%).

The effective tax rate in H1 2009 is lower than in the comparable period as a result of changes introduced in the new Tax Code of the Republic of Kazakhstan, effective from 1 January 2009. The new Tax Code reduced the rate of Corporate Income Tax ('CIT') for 2009 to 20% (2008: 30%). The principal factor accounting for the difference between the rate of CIT and the Group's effective tax rate is the impact of withholding taxes on dividends.

Excess Profit Tax ('EPT'), the basis for which was revised in the new Tax Code, is included as part of the Group's income tax expense. The impact of EPT declined versus H1 2008, largely reflecting reduced commodity prices and lower extraction volumes.

This reduction in the rate of CIT was partially offset by the abolition of the previous system of Royalties and the introduction of a Mineral Extraction Tax ('MET'). MET is reported as part of Cost of sales, above the Profit before tax line, and amounted to US$80 million (2008: Royalties, US$23 million).

LIQUIDITY

The Group manages liquidity risk by regular reporting of the projected liquidity position. The objective is to maintain sufficient available cash resources to finance the ongoing operating and investing activities of the Group. Cash and cash equivalents have reduced during the first six months of 2009.

Overview

The following table provides a summarised cash flow statement for the periods ended 30 June 2009 and 30 June 2008:

In millions of US$	Six months ended 30 June **2009**	 2008
Net cash generated from operating activities	**503**	1,3
Net cash used for investing activities	**(816)**	(1,0
Net cash used for financing activities	**(404)**	(522)
Net changes in cash and cash equivalents	**(717)**	(210)
Cash and cash equivalents at beginning of period	**2,493**	2,5
Exchange (loss)/gain on cash and cash equivalents	**(126)**	1
Cash and cash equivalents at end of period	**1,650**	**2,339**

Net cash generated from operating activities

The Group generated cash of US$503 million (2008: US$1,363 million) from operating activities, a decrease of US$860 million.

The severe drop in commodity prices and a sharp reduction in overall demand were the main drivers of the fall in Gross profit and reduced cash inflows in H1 2009 versus H1 2008. This was partially offset by the one-off positive impact of the devaluation of the Kazakhstan tenge, amounting to US$210 million, in Net other operating income. Also, working capital movements were US$464 million favourable, an inflow in H1 2009 versus an outflow in H1 2008.

Net cash used for investing activities

In 2009 the Group utilised US$816 million for investing activities (2008: US$1,051 million), a decrease of US$235 million, or 22.4%. Investing activities consisted largely of: purchases of property, plant and equipment amounting to US$441 million; the acquisition of an interest in Shubarkol Komir JSC for US$200 million; and a collateralised working capital facility of US$11 million for Tuoli.

Net cash flow used for financing activities

The Group used cash resources of US$404 million for its financing activities during the period to 30 June 2009, primarily for the payment of dividends to shareholders of US$247 million, payments to minorities of US$10 million and repayment of bank borrowings of US$176 million.

CAPITAL EXPENDITURE

During the six months ended 30 June 2009 the Group's capital expenditure amounted to US$596 million (2008: US$500 million), an increase of US$96 million, or 19.2%.

The allocation of capital expenditures for new construction and development projects is presented in the table below. ENRC will, where possible, seek external financing to fund a number of the major capital expenditure projects.

Approximately US$4.3 billion of the expansionary capital expenditure was deferred in late 2008, with management focusing its attention largely on replacement and productivity enhancing capital expenditure.

In millions of US$	Estimated to	Capex budget 2009	Project status	Date of comm-issioning
Ferroalloys				
700 ktpa chrome pelletiser	110	10	Completed	2009
Mine expansion	30	5	In Progress	2012
440 ktpa expansion/replacement of ferroalloy smelting capacity (Aktobe)	590	120	In Progress	2012
460 ktpa expansion of ferroalloys smelting capacity (Aksu)	540	20	Deferred	TBD
Iron ore				
Mine expansion (9 mtpa)	525	-	Deferred	TBD
Pelletiser (5 mtpa) and DRI plant (2.8 mtpa)	1,3	-	Deferred	TBD
Alumina and Aluminium				
Aluminium smelter (Phase 2: 125 ktpa)	305	120	In Progress	2010
Anode production plant	200	75	In Progress	2011
Alumina production expansion - remaining 200 ktpa	240	-	Deferred	TBD
Sandy alumina production, soda plant	240	-	Deferred	TBD
Energy				
Overburden stripping equipment	85	50	In Progress	2010
Construction of Turbine 2 - 325 megawatt	200	100	In Progress	2011
Construction of 2 x 600 megawatt turbines	1,2	-	Deferred	TBD
Coal mine expansion (5 mtpa)	230	-	Deferred	TBD
Sub-total	**5,8**	**500**		
Capital repairs and other projects[2]	400	400		
Total approved capital expenditure	**6,2**	**900**		

[1] Original estimated total cost approved by the Board.
[2] Includes investment in planned mine expansion and other small investments.

CONTRACTUAL OBLIGATIONS

Long term supply agreements
The Group has the following key long-term supply agreements:

- Alumina – ENRC has a contract with UC RUSAL, a large aluminium producer, to supply a minimum of 1.2 million tonnes of alumina per annum. The contract expires on 31 December 2016. Pricing is determined by a formula linked to the LME aluminium price; and

- Iron ore – ENRC has a contract with MMK, a large Russian steel producer, to supply, up to 15 million tonnes per annum of saleable iron ore concentrate and pellets. This contract expires in 2017. Pricing is determined by reference to published price indices for iron ore concentrates and pellets.

Across a number of customer contracts some reduction in contractual volumes has taken place to date, and this may continue depending on market conditions.

PRINCIPAL RISKS AND SIGNIFICANT FACTORS AFFECTING THE GROUP'S RESULTS OF OPERATIONS

The Group is exposed to a number of risks and uncertainties which exist in its businesses and which may impact on the Group's ability to execute its strategy effectively in the future.

Details of the Group's approach to Risk Management were set out in the Annual Report for the year ended 31 December 2008, on pages 22 to 25.

The Group's business risks were reviewed by the Group's Executive Committee in July 2009. In their view the material risks that had significantly changed since our Annual Report for the year ended 31 December 2008 are as follows:

Credit default of key customers

The Group uses credit insurance as one of several methods to manage exposure to credit default by customers. Credit insurance is no longer available in respect of the Group's Russian customers. The development of the Group's relationship with its two largest Russian customers, MMK and UC RUSAL, is described in the Operating Review in the Group's Annual Report for the year ended 31 December 2008, on pages 32 to 33.

The Group operates rigorous credit control procedures which are closely monitored by the Head of Sales and Marketing and the Acting Chief Financial Officer. These procedures have been reviewed and adapted as necessary to take account of the tightening availability of credit insurance.

Financial counterparty default

The Group has invested significant surplus funds with financial institutions in the United Kingdom, Kazakhstan, Russia and Western Europe.

The amounts invested in each location as at 30 June 2009 were: United Kingdom, US$1,177m; Kazakhstan, US$652m; Russia US$55m; and Western Europe, US$55m.

The Group's Treasury Policy sets out strict guidelines on the level of exposure permitted for individual counterparties, whilst up to date exposures are reported and reviewed on a regular basis. The Treasury Committee reviews the financial strength of all counterparties and, if appropriate, amends limits, on a monthly basis.

FACTORS AFFECTING COMPARABILITY

Key factors affecting comparability of the Group's results of operations and financial condition include:

Devaluation of Kazakhstan tenge
The devaluation of the Kazakhstan tenge in early February 2009 gave rise to significant one-off foreign exchange movements on the revaluation of US dollar denominated balances in the Kazakhstani operations, primarily inter-company receivables and loans, and term deposits. Consequently, the Group recognised net foreign exchange gains of US$210 million and US$104 million included in Net other operating income and Finance income, respectively, and a foreign exchange loss of US$75 million included in Finance costs.

Separately, in the Group's Balance Sheet the devaluation impact on net assets was reflected in a significant one-off reduction of about US$1.3 billion in the currency translation reserve within equity.

Production cutbacks
In H1 2009 production of ferrochrome in the Ferroalloys Division (excluding Serov and Tuoli) and of primary concentrate in Iron Ore Division declined, respectively, 22.4% and 26.7%, relative to H1 2008, reflecting the previously announced cutbacks for the Divisions from Q4 2008.

Acquisitions
The Group completed the acquisition of a controlling interest in the Serov group and certain related entities ('Serov') in early April 2008. Serov is a ferroalloy producer in Western Russia.

Taxation in Kazakhstan
In December 2008 the Republic of Kazakhstan introduced a new Tax Code which took effect from 1 January 2009.

The new Tax Code provides for a phased reduction in the statutory rate of Corporate Income Tax ('CIT'): with effect from 1 January 2009 the rate reduced from 30% to 20%; a further decrease to 17.5% on 1 January 2010; and 15% from 1 January 2011.

The new Tax Code also introduced a revised basis for calculating Excess Profit Tax ('EPT'). Excess Profit Tax, being a tax on profits, is reported as part of the Corporate Income Tax expense.

At the same time, a new Minerals Extraction Tax ('MET'), with a different rate for each type of mineral, replaced the previous system of Royalties. MET is reported as part of Cost of sales. MET was introduced and phased in to broadly offset the reductions in the rate of CIT.

From 2009, the remit of the Rental Tax includes coal exports, replacing Royalties on coal extraction. Rental Tax is included in the Group's 'Distribution expenses'.

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The Directors confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 as adopted by the European Union and that the interim management report includes a fair review of the information required by DTR 4.2.7 and DTR 4.2.8, namely:

- An indication of important events that have occurred during the first six months of 2009 and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related-party transactions in the first six months and any material changes in the related-party transactions described in the latest Annual Report.

The Directors of Eurasian Natural Resources Corporation PLC are listed in the ENRC Annual Report for the year ended 31 December 2008. Since the publication of the Annual Report there have been the following changes:

- Miguel Perry, formerly Chief Financial Officer of the Group, left on 30 June 2009, in accordance with our previous announcement;
- On 14 August 2009, we announced that the Chairman, Sir David Cooksey, will resign and will leave the Group on 20 August 2009;
- Dr Johannes Sittard, currently Chief Executive Officer of the Group, will become Non-executive Chairman of the Group on 20 August 2009;
- Sir Richard Sykes, currently Senior Independent Director, will also become Non-executive Deputy Chairman of the Group on 20 August 2009; and
- Felix Vulis, currently President of ENRC Kazakhstan and Chief Operating Officer of the Group, will become Chief Executive Officer of the Group on 20 August 2009.

A list of current Directors is maintained on the ENRC website at: www.enrc.com.

By order of the Board

Dr Johannes Sittard
Chief Executive Officer
19 August 2009

INDEPENDENT REVIEW REPORT TO EURASIAN NATURAL RESOURCES CORPORATION PLC ('the Group')

Introduction

We have been engaged by the Group to review the condensed set of financial statements in the half-year financial report for the six months ended 30 June 2009, which comprises the consolidated interim income statement, consolidated interim statement of comprehensive income and expense, consolidated interim balance sheet, consolidated interim cash flow statement, consolidated interim statement of changes in equity and related notes. We have read the other information contained in the 2009 half-year results announcement and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of consolidated interim financial statements.

Directors' responsibilities

The 2009 half-year results announcement is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the 2009 half-year results announcement in accordance with the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

As disclosed in note 1, the annual financial statements of the Group are prepared in accordance with the IFRSs as adopted by the European Union. The condensed set of financial statements included in this 2009 half-year results announcement has been prepared in accordance with International Accounting Standard 34, 'Interim Financial Reporting', as adopted by the European Union.

Our responsibility

Our responsibility is to express to the Group a conclusion on the condensed set of consolidated interim financial statements in the 2009 half-year results announcement based on our review. This report, including the conclusion, has been prepared for and only for the company for the purpose of the Disclosure and Transparency Rules of the Financial Services Authority and for no other purpose. We do not, in producing this report, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of consolidated interim financial statements in the 2009 half-year results announcement for the six months ended 30 June 2009 is not prepared, in all material respects, in accordance with International Accounting Standard 34 as adopted by the European Union and the Disclosure and Transparency Rules of the United Kingdom's Financial Services Authority.

PricewaterhouseCoopers LLP
Chartered Accountants
London
19 August 2009

CONSOLIDATED INTERIM INCOME STATEMENT (Unaudited)

In millions of US$	Note	Six months ended 30 June **2009**	2008
Revenue	3	**1,6**	3,4
Cost of sales	5	**(910)**	(1,0
Gross profit		**785**	2,3
Distribution costs	6	**(154)**	(206)
Selling, general and administrative expenses	7	**(146)**	(192)
Net other operating income		**217**	7
Operating profit		**702**	2,0
Finance income		**148**	90
Finance costs		**(127)**	(44)
Share of profit of joint ventures and associates		**28**	-
Profit before income tax		**751**	2,0
Income tax expense	8	**(189)**	(680)
Profit for the period		**562**	1,3
Profit is attributable to:			
Equity shareholders of the Group		**553**	1,3
Minority interests		**9**	23
Earnings per share – basic and diluted (US cents)	9	**43**	104
Interim dividend per share – (US cents)	14	**6**	12

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME AND EXPENSE (Unaudited)

	Six months ended 30 June	
In millions of US$	**2009**	2008
Profit for the period	**562**	1,:
Other comprehensive (expense)/income		
Fair value gains on available-for-sale financial assets, net of tax	**3**	-
Cash flow hedges, net of tax	**(13)**	31
Currency translation differences	**(1,:**	(13)
Total comprehensive (expense)/income for the period	**(788)**	1,:
Total comprehensive (expense)/income attributable to:		
Equity shareholders of the Group	**(773)**	1,:
Minority interests	**(15)**	23
	(788)	1,:

CONSOLIDATED INTERIM BALANCE SHEET (Unaudited)

In millions of US$	Note	30 June 2009	As at 31 December 2008	30 June 2008
Assets				
Non-current assets				
Property, plant and equipment	10	**3,8**	4,282	3,618
Goodwill and intangible assets		**415**	495	534
Investments in joint ventures and associates		**529**	313	317
Financial assets		**10**	-	-
Loans receivable		**65**	70	34
Deferred tax assets		**33**	32	39
Other non-current assets		**265**	429	396
Total non-current assets		**5,2**	5,621	4,938
Current assets				
Current assets held for sale		**5**	3	2
Inventories		**502**	724	584
Trade and other receivables		**1,1**	1,090	1,501
Financial assets		**23**	81	-
Loans receivable		**35**	2	11
Cash and cash equivalents		**1,6**	2,493	2,339
Total current assets		**3,3**	4,393	4,437
Total assets		**8,5**	10,014	9,375
Equity				
Share capital and share premium		**3,2**	3,257	3,257
Reserves		**3,8**	4,915	3,819
Attributable to the Group's equity shareholders		**7,1**	8,172	7,076
Minority interests		**86**	126	100
Total equity		**7,2**	8,298	7,176
Liabilities				
Non-current liabilities				
Borrowings		**229**	372	556
Deferred tax liabilities		**135**	183	279
Asset retirement obligations	11	**98**	69	125
Employee benefit obligations		**34**	37	66
Derivative financial instruments		**-**	-	8
Other non-current liabilities		**3**	5	4
Total non-current liabilities		**499**	666	1,038
Current liabilities				
Borrowings		**356**	355	350
Trade and other payables		**306**	411	410
Derivative financial instruments		**48**	54	7
Current income tax liability		**17**	181	332
Other taxes payable		**106**	49	62
Total current liabilities		**833**	1,050	1,161
Total liabilities		**1,3**	1,716	2,199
Total liabilities and equity		**8,5**	10,014	9,375

CONSOLIDATED INTERIM CASH FLOW STATEMENT (Unaudited)

In millions of US$	Note	Six months ended 30 June 2009	2008
Net cash generated from operating activities[(1)]		**503**	1,363
Cash flow from investing activities			
Purchase of property, plant and equipment		**(441)**	(635)
Proceeds from sales of property, plant and equipment		**6**	1
Purchase of intangible assets		**(4)**	-
Proceeds from sale of financial assets held to maturity		**4**	-
Purchase of an option to acquire a business	12	**(10)**	-
Sale of financial assets at fair value through profit and loss		**46**	-
Cash deposited as guarantee		**(11)**	-
Purchase of associates and joint ventures		**(207)**	(311)
Acquisition of subsidiaries, net of cash acquired		**(6)**	(135)
Purchase of minority interests		**(9)**	-
Loans and deposits granted to related parties		**(81)**	(37)
Loans and deposits granted		**(105)**	(144)
Proceeds from repayment of loans and deposits to related parties		**1**	32
Proceeds from repayment of other loans and deposits[(1)]		**1**	178
Net cash used for investing activities[(1)]		**(816)**	(1,051)
Cash flow from financing activities			
Bank borrowings – proceeds		**30**	7
Bank borrowings – repayments		**(176)**	(529)
Bond repayments		**(1)**	-
Dividends paid to equity shareholders		**(247)**	-
Dividends paid to minority interest		**(10)**	-
Net cash used for financing activities		**(404)**	(522)
Net decrease in cash and cash equivalents		**(717)**	(210)
Cash and cash equivalents at beginning of period		**2,493**	2,548
Exchange (loss)/gain on cash and cash equivalents		**(126)**	1
Cash and cash equivalents at end of period		**1,6**	2,339

[(1)] US$170 million cash inflow from proceeds of investments in money markets have been reclassified from net cash generated from operating activities (decreased to US$1,363 million from US$1,533 million) to net cash used for investing activities (decreased to US$1,051 million from US$1,221 million) in line with the nature of this financial asset.

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (Unaudited)

	Attributable to equity holders of the Group								
In millions of US$	Share capital	Share premium	Retained earnings	Translation reserve	Hedge reserves	Revaluation reserve of financial assets available-for-sale	Total	Minority interests	Total equity
Balance as at 31 December 2007	258	2,999	2,097	377	(17)	-	5,714	75	5,7
Profit for the six months ended 30 June 2008	-	-	1,343	-	-	-	1,343	23	1,3
Currency translation differences	-	-	-	(13)	-	-	(13)	-	(13)
Cash flow hedges, net of tax	-	-	-	-	31	-	31	-	31
Total comprehensive income for the six months ended 30 June 2008	-	-	1,343	(13)	31	-	1,361	23	1,3
Transactions with the owners:									
Dividends paid	-	-	-	-	-	-	-	-	-
Share-based payments	-	-	1	-	-	-	1	-	1
Other changes in minority interest	-	-	-	-	-	-	-	2	2
			1	-	-	-	1	2	3
Balance as at 30 June 2008	258	2,999	3,441	364	14	-	7,076	100	7,1
Balance as at 31 December 2008	**258**	**2,999**	**4,587**	**357**	**(21)**	**(8)**	**8,172**	**126**	**8,2**
Profit for the six months ended 30 June 2009	**-**	**-**	**553**	**-**	**-**	**-**	**553**	**9**	**562**
Currency translation differences	**-**	**-**	**-**	**(1,316)**	**-**	**-**	**(1,316)**	**(24)**	**(1,3**
Fair value gains on available-for-sale financial assets, net of tax	**-**	**-**	**-**	**-**	**-**	**3**	**3**	**-**	**3**
Cash flow hedges, net of tax	**-**	**-**	**-**	**-**	**(13)**	**-**	**(13)**	**-**	**(13)**
Total comprehensive expense for the six months ended 30 June 2009	**-**	**-**	**553**	**(1,316)**	**(13)**	**3**	**(773)**	**(15)**	**(788)**
Dividends paid	**-**	**-**	**(247)**	**-**	**-**	**-**	**(247)**	**(16)**	**(263)**
Share-based payments	**-**	**-**	**2**	**-**			**2**	**-**	**2**
Other changes in minority interest	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**(9)**	**(9)**
	-	**-**	**(245)**	**-**	**-**	**-**	**(245)**	**(25)**	**(270)**
Balance as at 30 June 2009	**258**	**2,999**	**4,895**	**(959)**	**(34)**	**(5)**	**7,154**	**86**	**7,2**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

1. BASIS OF PREPARATION

This condensed consolidated interim financial information for the six months ended 30 June 2009 does not comprise statutory accounts within the meaning of section 435 of the Companies Act 2006.

Statutory accounts for the year ended 31 December 2008 were approved by the Board of Directors on 8 April 2009 and delivered to the Registrar of Companies. The report of the auditors on those accounts was unqualified, did not contain an emphasis of matter paragraph and did not contain any statement under section 237 of the Companies Act 1985.

This condensed consolidated interim financial information was approved for issue on 19 August 2009.

This condensed consolidated interim financial information for the six months ended 30 June 2009 has been prepared in accordance with the Disclosure and Transparency Rules ('DTR') of the United Kingdom Financial Services Authority ('FSA') and with International Accounting Standard ('IAS') 34 'Interim Financial Reporting' as adopted by the European Union ('EU').

The condensed consolidated interim financial information should be read in conjunction with the annual financial statements for the year ended 31 December 2008, which have been prepared in accordance with International Financial Reporting Standards ('IFRS') and International Financial Reporting Interpretations Committee ('IFRIC') interpretations (as adopted by the European Union), applicable United Kingdom law, the Listing Rules of the United Kingdom Listing Authority ('UKLA') and Article 4 of the European Union IAS Regulation.

The Group has made certain presentational changes to further improve the comparability of its results and certain comparative amounts have been reclassified accordingly, in particular, see footnote to the cash flow statement.

2. ACCOUNTING POLICIES

Except as described below, the accounting policies applied are consistent with those described in the annual financial statements for the year ended 31 December 2008.

Accounting policies applied for the first time for the financial year beginning 1 January 2009 are as follows:

Accounting for investment in associates
Associates are those entities in which the Group has significant influence, but not control, over the financial and operating policies. Significant influence is presumed to exist when the Group holds between 20 and 50 percent of the voting power of another entity.

Associates are accounted for using the equity method and are recognised initially at cost. The Group's investment includes goodwill identified on acquisition, net of any accumulated impairment losses. The consolidated financial statements include the Group's share of the income and expenses and equity movements of equity accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases. When the Group's share of losses exceeds its interest in an equity accounted investee, the carrying amount of that interest (including any long-term investments) is reduced to nil and the recognition of further losses is discontinued except to the extent that the Group has an obligation or has made payments on behalf of the investee.

2. ACCOUNTING POLICIES (Continued)

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

Operating segments
Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for making strategic decisions, allocating resources and assessing performance of the operating segments, has been identified as the Group Chief Executive Officer.

New accounting pronouncements
The Group has adopted the following new standards, amendments to standards or interpretations which are mandatory and relevant to the Group for the first time for the financial year beginning 1 January 2009:

IFRS 8	Operating segments
IAS 1 (Revised)	Presentation of financial statements
IFRS 2 (Amendment)	Share-based payment – vesting conditions and cancellations
IAS 32, IAS 1 (Amendment)	IAS 32 'Financial instruments: presentation' and IAS 1 'Presentation of financial statements' – puttable financial instruments and obligations arising on liquidation

The Group has also adopted various *Improvements to IFRS*, published in May 2008, and which are mandatory for the first time for the financial year beginning 1 January 2009.

The new standards, amendments to standards and interpretations do not have significant impact on the Group's financial position or performance.

3. SEGMENT INFORMATION

Management has determined the operating segments based on the reports reviewed by the Group Chief Executive Officer (‘CEO’) that are used to make strategic decisions. The CEO considers the business from a products and services perspective.

Segment results, assets and liabilities include items directly attributable to the segment as well as those that can be allocated on a reasonable basis. Segment assets consist primarily of property, plant and equipment, intangible assets, inventories and receivables and mainly exclude investments and income tax balances. Segment liabilities comprise primarily trade and other payables. Capital expenditure comprises additions to property, plant and equipment and intangible assets. Unallocated items comprise mainly investments and related income, interest-bearing loans, borrowings, finance income and costs, and taxation.

The Group is organised on the basis of five operating segments:

- Ferroalloys – comprises the extraction and sale of chrome ore as well as the production of ferroalloys from chromium and manganese ores;
- Iron Ore – comprises extraction, processing and manufacturing of iron ore products;
- Alumina and Aluminium – comprises extraction and processing of bauxite and limestone, and smelting of alumina and aluminium;
- Energy – comprises coal mining and power generation; and
- Logistics – Kazakhstan’s main freight forwarder and railroad operator, providing international logistics for all ENRC operations; also rail construction and repair services for the Kazakhstani state rail company.

Internal charges between segments have been reflected in the performance of each operating segment. The Group has a number of activities that exist principally to support the metals operations including power generation, coal mining and transportation. Inter-segment transfers or transactions are entered into under a cost-plus pricing structure. The revenue from external parties reported to the CEO is measured in a manner consistent with that in the income statement.

Segment information for the main reportable operating segments of the Group for the six months ended 30 June 2009 and 30 June 2008 follows:

3. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2009 Segmental Analysis

In millions of US$	Ferroalloys	Iron Ore	Alumina & Aluminium	Energy	Logistics	Corporate	Eliminations	Total
Revenue	861	469	250	99	16	-	-	1,695
Inter-segment revenue	1	-	1	80	48	-	(130)	-
Segment revenue	**862**	**469**	**251**	**179**	**64**	**-**	**(130)**	**1,695**
Segment operating profit/(loss)	**436**	**220**	**(22)**	**81**	**10**	**(23)**	**-**	**702**
Finance income								**148**
Finance costs								**(127)**
Share of profit of joint ventures and associates[1]								**28**
Profit before income tax								**751**
Income tax expense								**(189)**
Profit for the period								**562**
Depreciation, amortisation and impairment	**(43)**	**(37)**	**(30)**	**(17)**	**(8)**	**(1)**	**-**	**(136)**
Underlying EBITDA (refer note 13)	**311**	**212**	**17**	**92**	**19**	**(23)**	**-**	**628**
Capital expenditure	**117**	**124**	**187**	**155**	**13**	**-**	**-**	**596**
Segment assets	**2,283**	**1,443**	**1,693**	**692**	**215**	**591**	**(500)**	**6,417**
Segment liabilities	**(598)**	**(190)**	**(111)**	**(41)**	**(35)**	**(122)**	**500**	**(597)**
								5,820
Unallocated assets and liabilities (net)								**1**
Unallocated cash and cash equivalents and term deposits								**1,441**
Investment in joint ventures and associates[1]								**529**
Financial assets								**23**
Loans receivable								**100**
Borrowings								**(585)**
Deferred and current income taxation (net)								**(89)**
Total equity								**7,240**
Average number of employees	**23,580**	**17,020**	**14,080**	**6,640**	**2,580**	**260**	**-**	**64,160**

[1] This relates to BML (iron ore) and Shubarkol (energy).

The CEO assesses the performance of the operating segments based on the measure of underlying EBITDA. Refer to note 13.

The amounts provided to the CEO with respect to total assets and liabilities are measured in a manner consistent with that of the financial statements. These assets and liabilities are allocated based on the operations of the segment and their physical location.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

3. SEGMENT INFORMATION (Continued)

Six months ended 30 June 2008 Segmental Analysis

In millions of US$	Ferroalloys	Iron Ore	Alumina & Aluminium	Energy	Logistics	Corporate	Eliminations	Total
Revenue	2,1	768	420	103	41	-	-	3,4
Inter-segment revenue	-	-	1	126	65	-	(192)	-
Segment revenue	**2,1**	**768**	**421**	**229**	**106**	**-**	**(192)**	**3,4**
Segment operating profit	**1,3**	**433**	**121**	**87**	**20**	**(23)**	**-**	**2,0**
Finance income								90
Finance costs								(44)
Profit before income tax								**2,0**
Income tax expense								(680)
Profit for the period								**1,3**
Depreciation, amortisation and impairment	**(46)**	**(43)**	**(37)**	**(15)**	**(9)**	**(1)**	**-**	**(151)**
Underlying EBITDA (refer note 13)	**1,408**	**476**	**158**	**102**	**29**	**(22)**	**-**	**2,1**
Capital expenditure	**129**	**95**	**168**	**84**	**24**	**-**	**-**	**500**
Segment assets	**3,521**	**2,1**	**1,6**	**650**	**277**	**44**	**(1,2**	**7,0**
Segment liabilities	**(1,142)**	**(440)**	**(142)**	**(60)**	**(54)**	**(99)**	**1,2**	**(672)**
								6,3
Unallocated assets and liabilities (net)								**(7)**
Investment in joint ventures								**317**
Unallocated cash and cash equivalents and term deposits								**1,9**
Loans receivable								**45**
Borrowings								**(906)**
Deferred and current income taxation (net)								**(566)**
Total equity								**7,1**
Average number of employees	**24,6**	**19,0**	**14,0**	**6,6**	**2,9**	**230**		**67,4**

4. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The Group was formed from a collection of entities jointly controlled by the three Founder Shareholders, Mr Patokh Chodiev, Mr Alijan Ibragimov and Mr Alexander Mashkevitch.

The table below summarises related party transactions with entities under control of the three Founder Shareholders:

In millions of US$	Six months ended 30 June	
	2009	2008
Revenue from sale of goods		
Ferroalloys[1]	**-**	34
Iron ore	**1**	1
Other income		
Insurance, commission and other income	**4**	7
Expenses		
Purchases of raw materials[2]	**(27)**	(54)
Purchases of services	**(9)**	(6)
Insurance	**(10)**	(13)
Bank charges	**(2)**	(4)
Rental expenses	**(4)**	(5)
Sponsorship and donations	**(3)**	(12)
Other	**(2)**	(2)
Finance income	**3**	7
Finance costs	**-**	(2)
Purchase of property, plant and equipment	**4**	-

[1] Mainly to Serov prior to its acquisition.
[2] Purchase of raw materials largely comprises purchase of coal and coke from Shubarkol Komir JSC and IMR BV.

The outstanding balances with entities under control of the Founder Shareholders and other related parties at 30 June 2009, 31 December 2008 and 30 June 2008 are as follows:

In millions of US$	As at 31 December 2008	30 June 2008
Non-current assets		
Loans receivable	51	34
Other non-current assets	29	10
Current assets		
Trade and other receivables	31	54
Loans receivable net of provisions for impairment of nil (31 December 2008: US$1 million; 30 June 2008: nil)	2	1
Term deposits	1	114
Cash and cash equivalents	319	136
Current liabilities		
Borrowings:		
Loans payable	-	3
Other	-	1
Trade and other payables	13	5

4. BALANCES AND TRANSACTIONS WITH RELATED PARTIES (Continued)

The table below summarises the outstanding balances with Eurasian Bank JSC, a company controlled by the Founder Shareholders:

		As at	
In millions of US$	**30 June 2009**	31 December 2008	30 June 2008
Long-term deposit and restricted cash	**3**	3	4
Term deposits	**64**	1	114
Cash and cash equivalents	**192**	319	136
Letters of credit	**24**	30	29
Net position	**283**	353	283

The effective interest rate for short-term deposits for the half year ended 30 June 2009 is 8.7% (2008: 8.4%). Cash and cash equivalents held at Eurasian Bank JSC bear a zero interest rate (2008: zero).

Acquisitions
In H1 2009 the Group acquired from the company's controlled by the Founder Shareholders ENRC PMZ LLP, ASEK Reinsurance AG and a 25% share in Shubarkol Komir JSC. Additionally, the Group purchased an option from a company owned by one of the Group's non-executive directors to acquire a stake in Masalskoe GOK LLP. All these acquisitions are disclosed in Note 12.

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

5. COST OF SALES

In millions of US$	Six months ended 30 June **2009**	2008
Materials and components used	**(326)**	(552)
Staff costs	**(164)**	(222)
Depreciation and amortisation	**(132)**	(147)
Changes in inventories of finished goods and work-in-progress	**(75)**	42
Other cost of sales	**(213)**	(172)
Total cost of sales	**(910)**	(1,051)

6. DISTRIBUTION COSTS

In millions of US$	Six months ended 30 June **2009**	2008
Transportation costs	**(125)**	(173)
Other distribution costs	**(29)**	(33)
Total distribution costs	**(154)**	(206)

7. SELLING, GENERAL AND ADMINISTRATIVE EXPENSES

In millions of US$	Six months ended 30 June **2009**	2008
Staff costs	**(65)**	(76)
Professional and other services	**(11)**	(20)
Sponsorship and donations	**(11)**	(16)
Depreciation, amortisation and impairment	**(4)**	(4)
Other selling, general and administrative expenses	**(55)**	(76)
Total selling, general and administrative expenses	**(146)**	(192)

8. INCOME TAXES

Income tax expense comprises the following:

In millions of US$	Six months ended 30 June **2009**	2008
Corporate income tax – current period	**(204)**	(707)
Deferred income tax benefit – current period	**15**	27
Income tax expense for the period	**(189)**	(680)

The income tax expense is accrued, based on applying the expected annual effective tax rate to the actual pre-tax income for the six months ended 30 June 2009. The effective tax rate for the Group for the period, on this basis, is 25.2% (2008: 33.2%).

The effective tax rate for the period is higher than the applicable statutory rate of Corporate Income Tax in the Republic of Kazakhstan of 20%, mainly due to withholding taxes on dividends.

9. EARNINGS PER SHARE

Basic earnings per share ('EPS') is calculated by dividing net profit for the period attributable to ordinary equity shareholders of the Group by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated by adjusting the weighted average number of ordinary shares outstanding to assume conversion of all dilutive potential ordinary shares. This potential dilution is on the basis that the share based awards programme obligations are satisfied by allotments of shares.

The following reflects the income and adjusted share data used in the EPS computations:

In millions of US$	Six months ended 30 June **2009**	2008
Net profit attributable to equity shareholders of the Group	**553**	1,343
Number of shares;		
Weighted average number of ordinary shares	**1,287,750,000**	1,287,750,000
Adjusted for:		
Share-based awards	**1,360,429**	-
Weighted average number of ordinary shares for diluted earnings per share	**1,289,110,429**	-
EPS – basic and diluted (US cents)	**43**	104

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL STATEMENTS (Unaudited)

10. PROPERTY, PLANT AND EQUIPMENT

Movements in the carrying amount of property, plant and equipment are as follows:

Six months ended 30 June 2009

In millions of US$	Note	Freehold land	Buildings and mining construction	Plant and Equipment	Vehicles	Assets under construction	Total
Cost at 1 January 2009		47	1,4	2,5	713	945	5,6
Additions		1	32	24	12	527	596
Acquisitions of subsidiary property, plant and equipment	12	-	1	1	-	-	2
Transfers		-	14	99	41	(154)	-
Transfers to current assets held for sale		-	-	-	-	(4)	(4)
Disposals		-	(2)	(9)	(5)	(6)	(22)
Exchange differences		(10)	(269)	(498)	(144)	(195)	(1,1
At 30 June 2009		**38**	**1,1**	**2,1**	**617**	**1,1**	**5,0**
Accumulated depreciation at 1 January 2009		**-**	**(302)**	**(778)**	**(276)**	**-**	**(1,3**
Disposals		-	2	9	4	-	15
Depreciation charge		-	(26)	(89)	(29)	-	(144)
Exchange differences		-	61	158	57	-	276
As at 30 June 2009		**-**	**(265)**	**(700)**	**(244)**	**-**	**(1,2**
Net balance sheet amount at 30 June 2009		**38**	**925**	**1,4**	**373**	**1,1**	**3,8**

Six months ended 30 June 2008

In millions of US$	Note	Freehold land	Buildings and mining construction	Plant and equipment	Vehicles	Assets under construction	Total
Cost at 1 January 2008		45	1,224	1,9	567	496	4,3
Additions		-	20	35	37	408	500
Acquisitions of subsidiary property, plant and equipment	12	1	26	13	5	22	67
Transfers		-	39	129	26	(194)	-
Transfers to current assets held for sale		-	-	-	-	(2)	(2)
Disposals		-	(2)	(7)	(3)	(3)	(15)
Exchange differences		-	(5)	(7)	(2)	(3)	(17)
At 30 June 2008		**46**	**1,302**	**2,1**	**630**	**724**	**4,8**
Accumulated depreciation at 1 January 2008		**-**	**(239)**	**(598)**	**(220)**	**(21)**	**(1,0**
Disposals		-	-	5	3	-	8
Depreciation charge		-	(32)	(95)	(32)	-	(159)
Exchange differences		-	1	2	1	-	4
As at 30 June 2008		**-**	**(270)**	**(686)**	**(248)**	**(21)**	**(1,2**
Net balance sheet amount at 30 June 2008		**46**	**1,0**	**1,4**	**382**	**703**	**3,6**

Prepayments for property, plant and equipment and related services as at 30 June 2009 totalled US$216 million (31 December 2008: US$394 million).

The Group's capital expenditure commitments as at 30 June 2009 amounted to US$387 million (31 December 2008: US$526 million).

11. ASSET RETIREMENT OBLIGATIONS

The asset retirement obligations of the Group were increased by US$29 million in relation to 31 December 2008, primarily due to changes in discount rates which contributed about US$40 million. The US$14 million offset was caused by a translation gain arising from the devaluation of Kazakhstan tenge.

	30 June 2009		31 December 2008	
	Kazakhstani entities	**Russian entities**	Kazakhstani entities	Russian entities
Discount rate	8.41%	11.19%	11.35%	10.59%
Inflation rate	8.6%	7.0%	8.6%	7.0%

12. BUSINESS COMBINATIONS

Acquisition of 100% of ASEK Reinsurance AG
On 30 June 2009 the Group acquired a 100% interest in ASEK Reinsurance AG, a captive insurance company, for a cash consideration of US$12 million from CIM Global Investments NV, a company wholly owned by the Founder Shareholders of the Group. Net assets acquired were US$12 million; equivalent to their fair values.

Acquisition of 25% of Shubarkol Komir Joint Stock Company
On 16 February 2009 the Group acquired a 25% interest in Shubarkol Komir JSC ('Shubarkol'), a major semi-coke and thermal coal producer in Kazakhstan, for a cash consideration of US$200 million less 25% of net debt.

Shubarkol is majority owned by Eurasian Finance-Industrial Company JSC ('EFIC'), a private company beneficially wholly owned by the Founder Shareholders of the Group. The acquisition constitutes a 'smaller related party transaction' for the purposes of the Listing Rules of the United Kingdom's Listing Authority.

In connection with the acquisition, the Group has entered into an off-take agreement with Shubarkol, secured a seat on Shubarkol's Board and entered into a shareholders agreement with EFIC. In addition the Group has a right of first refusal, combined with a call option, over all or part of the remaining shares in Shubarkol held by EFIC. The call option is exercisable (at the Group's discretion) at any time until 31 January 2011 and is expected to be subject to the approval of the Group's shareholders and any required regulatory approvals having been obtained. The price payable on any exercise of the call option is the aggregate value of the shares to be transferred, assuming Shubarkol has a total value of US$800 million on a fully diluted basis, less any net debt at the time of the transfer. The Group's management believes that the transaction, agreed on an arm's length basis, creates value for all of the Group's shareholders.

The 25% interest in Shubarkol was acquired through a public auction process on the Kazakhstan Stock Exchange ('KASE').

Because the call option is not readily exercisable or convertible and hence the possession of the call option does not contribute to control over Shubarkol, the Group accounted for its investment in Shubarkol using equity accounting in accordance with the Group's accounting policy.

12. BUSINESS COMBINATIONS (Continued)

In the period since acquisition, the movement in the Group's investment in the associate is as follows:

In millions of US$	**2009**
Acquisition of associate (including foreign exchange movements)	
Share of net debt at the acquisition of associate	(9)
Share of profit	
Share of movement in translation reserve	(8)
Total investments in associate	

Included in the cost of investment in associate is goodwill in the amount of US$179 million. The goodwill is provisional and will be re-assessed on completion of the fair value assessments for assets acquired (including mine properties and licences). Adjustments made to fair values will be reflected through an adjustment of goodwill.

Acquisition of 100% of ENRC PMZ LLP

On 8 January 2009 the Group acquired a 100% interest in ENRC PMZ LLP ('ENRC PMZ'), an unlisted company based in Kazakhstan, for a cash consideration of US$20 million. ENRC PMZ owns a 100% interest in Pavlodar Machinery Plant JSC, a producer of overhead factory cranes. ENRC PMZ was acquired from the Founder Shareholders of ENRC. On acquisition the Group recognised US$16 million of goodwill.

Since the date of acquisition up to 30 June 2009, ENRC PMZ, on a stand alone basis, contributed US$3 million of revenue and US$1 million of profit for the period.

The goodwill recognised is provisional and will be re-assessed on completion of the fair value assessments for assets acquired. Changes made to fair values will be reflected through an adjustment of goodwill.

Purchase of an option to acquire 70% interest in Masalskoe GOK LLP

On 8 January 2009 the Group purchased an option, for a cash consideration of US$10 million, from a company owned by Mr Abdraman Yedilbayev, one of the Group's Non-executive Directors, to acquire a 70% interest ('Offered Interest') in Masalskoe GOK LLP ('Masalskoe'). Masalskoe is a company with the rights for the exploration and production of iron ore of the Masalskoe deposit in Kazakhstan.

Consideration paid for the option is being used by Masalskoe to finance its exploration works during the eight months following from the date of payment. Upon completion of this period, the Group will be provided with the exploration results and may exercise the call option at any time during the four month period from the completion of exploration works and the provision of all document supporting the exploration results. The price payable on the exercise of the call option is US$100 million. The purchase price is subject to change should the results of exploration works reveal that the available reserves deviate by more than 10 percent from the amount stipulated in the contract. If the parties disagree with the results of a new appraisal conducted by an independent expert, either may refuse to complete the sale of the Offered Interest. In such event, the US$10 million is not refundable, however, the Group shall instead receive an interest in Masalskoe equivalent to the share of US$10 million in the value of the Offered Interest.

12. BUSINESS COMBINATIONS (Continued)

Buy out of Serov minority interest

In January, March and April 2009 the Group completed a buy out of minority interest in Serov Ferroalloy Plant and Saranovskaya Mine 'Rudnaya' for a cash consideration of US$5 million and US$5 million, respectively. As a result, the Group's interests in Serov Ferroalloy Plant and Saranovskaya Mine 'Rudnaya' increased, respectively, to 99.44% and 98.80%.

13. RECONCILIATION OF NON-GAAP MEASURES

		Six months ended 30 June	
In millions of US$	Note	**2009**	2008
Profit for the period		**562**	1,366
Add:			
Depreciation, amortisation and impairment	5, 7	**136**	151
Finance costs		**127**	44
Share of profit on joint ventures and associates		**(28)**	-
Income tax expense	8	**189**	680
Less:			
Finance income		**(148)**	(90)
Foreign exchange gain resulting from devaluation of Kazakhstan tenge		**(210)**	-
Underlying EBITDA		**628**	2,151
Divide by:			
Revenue		**1,6**	3,442
Underlying EBITDA margin		***37.1%***	*62.5%*
Profit for the period		**562**	1,366
Add:			
Finance costs		**127**	44
Share of profit on joint ventures and associates		**(28)**	-
Income tax expense	8	**189**	680
Less:			
Finance income		**(148)**	(90)
Foreign exchange gain resulting from devaluation of Kazakhstan tenge		**(210)**	-
Underlying EBIT		**492**	2,000
Divide by:			
Capital employed weighted average[(1)]			
Borrowings		**739**	1,261
Equity including minority interest		**7,5**	6,379
Total capital employed		**8,3**	7,640
Return on capital employed		***5.9%***	*26.2%*

[(1)] The capital employed used in this calculation is a three point average based on the opening and closing half-year interim balance sheet plus the 2008 year end balance sheet.

13. RECONCILIATION OF NON-GAAP MEASURES (Continued)

	Six months ended 30 June	
In millions of US$	**2009**	2008
Revenue	**1,6**	3,442
Less:		
Serov revenue	**(99)**	(179)
Tuoli revenue	**(12)**	-
Other entities acquired or set up	**(5)**	-
New aluminium smelter revenue	**(96)**	(120)
Like-for-like revenue	**1,4**	3,143
H1 2009 vs. H1 2008		
Decrease in like-for-like revenue	**(1,6**	
% decrease in like-for-like revenue	***(52.8)%***	
Cost of sales	**910**	1,051
Less:		
Royalties	**-**	(23)
Mineral Extraction Taxes	**(80)**	-
Serov cost of sales	**(32)**	(70)
Tuoli cost of sales	**(21)**	-
Other entities acquired or set up	**(3)**	-
New aluminium smelter cost of sales	**(45)**	(32)
Like-for-like cost of sales	**729**	926
H1 2009 vs. H1 2008		
Decrease in like-for-like cost of sales	**(197)**	
% decrease in like-for-like cost of sales	***(21.3)%***	
Cost of sales	**910**	1,051
Distribution costs	**154**	206
Selling, general and administrative expenses	**146**	192
Net other operating income	**(217)**	(7)
Total costs	**993**	1,442
Less:		
Devaluation of Kazakhstan tenge	**210**	-
Royalties	**-**	(23)
Mineral Extraction Taxes	**(80)**	-
Serov total costs	**(44)**	(78)
Tuoli total costs	**(14)**	-
Other entities acquired or set up	**(4)**	-
New aluminium smelter total costs	**(72)**	(38)
Like-for-like total costs	**989**	1,303
H1 2009 vs. H1 2008		
Decrease in like-for-like total costs	**(314)**	
% decrease in like-for-like total costs	***(24.1)%***	

13. RECONCILIATION OF NON-GAAP MEASURES (Continued)

	Six months ended 30 June	
In millions of US$	**2009**	2008
Cost of sales – principal operating Divisions[2]	**972**	981
Less:		
Royalties	**-**	(23)
Mineral extraction tax	**(80)**	-
Serov cost of sales	**(32)**	(70)
Tuoli cost of sales	**(21)**	-
Other entities acquired or set up	**(3)**	-
New aluminium cost of sales	**(45)**	(32)
Like-for-like cost of sales – principal operating divisions	**791**	856
H1 2009 vs. H1 2008		
Decrease in like-for-like cost of sales – principal operating divisions	**(65)**	
% decrease in like-for-like cost of sales – principal operating divisions	***(7.6)%***	

[2] The principal operating Divisions comprise: Ferroalloys; Iron Ore; Alumina and Aluminium; and Energy.

	As at		
	30 June 2009	31 December 2008	30 June 2008
Gross available funds			
Cash and cash equivalents	**1,650**	2,493	2,339
Term deposits	**279**	194	314
Financial assets	**23**	81	-
Total gross available funds	**1,952**	2,768	2,653

Net cash			
Cash and cash equivalents	**1,650**	2,493	2,339
Borrowings – current	**(356)**	(372)	(350)
Borrowings – non-current	**(229)**	(355)	(556)
Total net cash	**1,065**	1,766	1,433

14. EVENTS AFTER THE BALANCE SHEET DATE

2009 Interim Dividend

The Board approved a 2009 interim dividend of US 6 cents per share, amounting to US$77 million, which will be paid on 8 October 2009, to shareholders on the register at the close of business on 28 August 2009.

SHAREHOLDER INFORMATION

Registered Offices

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United Kingdom

Telephone: +44 (0) 20 7389 1440
Fax: +44 (0) 20 7389 1441
Website: www.enrc.com

Registered in England and Wales
Company number: 06023510

Listing

The principal trading market for Eurasian Natural Resources Corporation PLC Ordinary Shares is the London Stock Exchange ('LSE'). The shares are also listed on the Kazakhstan Stock Exchange ('KASE').

Major interests in shares

As at 18 August, 2009, the Company had been advised, in accordance with the Disclosure and Transparency Rules of the FSA, of the following notifiable interests (whether directly or indirectly held) in its voting rights:

	Number of voting rights	%
Greenwood Nominees Limited (acting as nominee for Kazakhmys Eurasia BV)	334,824,860	26.00
Mr Patokh Chodiev	187,836,250	14.59
Mr Alijan Ibragimov	187,836,250	14.59
Mr Alexander Machkevitch	187,836,250	14.59
The State Property and Privatisation Committee of the Ministry of Finance of the Republic of Kazakhstan	150,047,116	11.65

Exchange rates

The following table sets out, for the periods indicated, the relevant period-end and average exchange rates of the Kazakhstan tenge ('KZT') to the US dollar ('US$'), as applied in the preparation of the Group's consolidated financial information for the relevant periods and expressed in KZT per US dollar:

	Rate	
	Period end	Average
Six months ended 30 June 2009	150.41	144.72
Year ended 31 December 2008	120.77	120.30
Six months ended 30 June 2008	120.75	120.52

Results timetable

Wednesday, 26 August 2009	Ex-dividend date
Friday, 28 August 2009	Final dividend record date
Thursday, 12 November 2009	November 2009 Interim Management Statement and Q3 2009 Production Report
Thursday, 8 October 2009	Interim dividend payment date
Wednesday, 3 February 2010	Q4 2009 Production Report
Wednesday, 24 March 2010	2009 Preliminary Results Announcement.
Wednesday, 14 May 2010	May 2010 Interim Management Statement and Q1 2010 Production Report
Wednesday, 9 June 2010	Annual General Meeting
Wednesday, 18 August 2010	2010 Half-year Results Announcement and Q2 2010 Production Report

All future dates are provisional and subject to change.

Dividends on ordinary shares

On 17 June 2009 the Company paid a final dividend for the year ended 31 December 2008 of US 19 cents per ordinary share.

The Directors of the Board have approved an interim dividend for the six months ended 30 June 2009 of US 6 cents per ordinary share in the Company, to be paid on Thursday, 8 October 2009 to all registered shareholders on the Register of Members at the close of business on 28 August 2009.

As the Group's financial results are reported in US dollars, the dividend will be declared and paid in US dollars. However, registered shareholders may elect to receive their dividend in British pounds instead. This will be based on an exchange rate of US$1.6310/£1 (being the rate published in the London *Financial Times* on 18 August 2009, the business day prior to announcement of the Company's Half Year Results for the period ended 30 June 2009).

Registered shareholders were sent a currency election form on or about 26 March 2009 for the final dividend for 2008. In the absence of further changes to the default payment currency, the Company does not propose sending further dividend mailings to registered shareholders. If shareholders wish to change their currency elections in the future, they should contact the Company's Registrar in advance of the dividend announcement date.