



27 February 2013

## **Eurasian Natural Resources Corporation PLC**

### **Update on Effective Tax Rate and Annual Impairment Review**

London - Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group') today announces additional guidance on the Company's Effective Tax Rate ('ETR') for 2012, as well as an update on the annual impairment review process.

Without taking into account the effect of one-off step-up gains and impairments, the ETR for the Group for 2012 is expected to be around 45%. The rate is above the previously guided level of 37% to 39%, mainly due to the write-off of the deferred tax asset by Aluminium of Kazakhstan ('AoK'), higher than expected expenditure on asset development and resulting unrecognised tax losses and, because of the adverse changes in commodity prices and market conditions, to which the ETR remains sensitive.

The Group is currently in the process of completing its annual impairment review. The Group expects to recognise non-cash impairment charges primarily for its alumina business in Kazakhstan (AoK), Boss Mining and Chambishi and in respect of its interests in quoted equity shares (primarily Northam Platinum Limited). The market will be notified of the final amounts which are likely to be significant, ahead of the Group's preliminary results for the year end 31 December 2012, which will be released on 20 March 2013.

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## **About ENRC**

ENRC is a leading diversified natural resources group, performing integrated mining, processing, energy, logistics and marketing operations. The operations comprise: the mining and processing of chrome, manganese and iron ore; the smelting of ferroalloys; the production of iron ore concentrate and pellet; the mining and processing of bauxite for the extraction of alumina and the production of aluminium; the production of copper and cobalt; coal extraction and electricity generation; and the transportation and sales of the Group's products. The Group's production assets are largely located in the Republic of Kazakhstan; other assets, notably the Other Non-ferrous Division, are mainly located in Africa; the Group also has iron ore assets in Brazil. In H1 2012 the Group's entities employed on average 78,430 (H1 2011: 75,050) people. The Group currently sells the majority of its products to Russia, China, Japan, Western Europe and the United States. For the six months ended June 30 2012, the Group had revenue of US\$3,246 million (H1 2011: US\$4,011 million) and profit attributable to equity holders of the Company of US\$463 million (H1 2011: US\$1,166 million). ENRC has six operating Divisions: Ferroalloys, Iron Ore, Alumina and Aluminium, Other Non-ferrous, Energy and Logistics. ENRC is a UK company with its registered office in London. ENRC's shares are quoted on the London Stock Exchange ('LSE') and the Kazakhstan Stock Exchange ('KASE'). For more information on ENRC visit the Group's website at [www.enrc.com](http://www.enrc.com).

## **Forward-looking Statements**

*This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include matters that are not historical facts or are statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on current plans, estimates and projections, and therefore too much reliance should not be placed upon them. Such statements are subject to risks and uncertainties, most of which are difficult to predict and generally beyond the Group's control. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The Group cautions you that forward-looking statements are not guarantees of future performance and that if risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the Group's actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may materially differ from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in future periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, changes in business strategy, political and economic uncertainty. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or any applicable law or regulation, the Group expressly disclaims any obligation or undertaking publicly to review or confirm analysts expectations or estimates or to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. Nothing in this announcement should be construed as a profit forecast. The forward looking statements contained in this document speak only as at the date of this document.*

A copy of this announcement will be available on ENRC's website at [www.enrc.com](http://www.enrc.com).