



KAZAKHMYS

6TH FLOOR
CARDINAL PLACE
100 VICTORIA STREET
LONDON SW1E 5JL
Tel: +44 (0) 20 7901 7800

Company registered in England and Wales
Company Number: 5180783

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KAZAKHMYS ANNOUNCES THE TRADING AND FINANCIAL RESULTS FOR 2010

Today Kazakhmys Group has published the Trading and financial results for twelve months of 2010 excluding contribution from ENRC PLC, in which Kazakhmys holds a 26% shareholding. An additional notice including this share will be released on 29 March 2011.

Segmental EBITDA for 2010 (excluding special items and 26% share of associate ENRC) increased by 60% compared to 2009 and amounted to \$1 932 million, due to the recovery of prices in the metals world market and strict control by the Company of its operating expenses. Significant increase of copper prices resulted from the steady demand for metals in 2010. Copper price in the end of 2010 was \$9 740 (the average price of one tonne of copper at LME in 2009 was \$5 158 as compared to \$7 451 in 2010).

Kazakhmys Group net debt decreased from \$ 689 million as of 31 December 2009 to \$ 350 million as of 31 December 2010 due to funds received from operating activities.

All of the Group's businesses' production was in line or ahead of 2010 target. Thus, copper cathode equivalent production from own concentrate amounted to 303 thousand tonnes. Silver production amounted to 14 093 thousand oz, gold – 127 thousand oz. Compared to the results for 2009, zinc concentrate production increased by 12% and amounted to 167 thousand tons.

Ekibastuz GRES-1 showed excellent production performance facilitated by an increase in power demand from industrial customers. In 2010 net generation of electric power by Ekibastuz GRES-1 increased 14% and amounted to 11 065 GWh compared to 2009. The money earned was directed to the acceleration of implementation of the enterprise investment program on modernization of the major and auxiliary equipment, as well as restoration of the installed capacity of 4000 MW by 2016 through rehabilitation of three non-operational power-generating units.

The Company enforces its exploration in Kazakhstan and continues to actively develop the Aktogai and Bozshakol deposits. Drilling operations are underway at Bozshakol deposit. Drilling will be finished in the first half of 2011, and the release of the feasibility study is planned for the fourth quarter of 2011.

Kazakhmys Group continues to play an important role in developing Kazakhstan economy, being the employer for more than 60 000 of Kazakhstani citizens and accounting for 2% of GDP of the country. The Company implements its investment programmes, environmental programmes, improves its industrial safety procedures, extends cooperation with domestic producers and makes a significant contribution to the development of the country's regions. The total amount allocated by the Group to the social programmes in 2010 amounted to \$200 million, twice as more as in 2009.

Oleg Novachuk, The Chief Executive Officer of Kazakhmys Group said: «After successful Year 2010 we are positive about copper market dynamics in the current year. We are well positioned in our key customer markets and with a strong Group's strategy we are confident that the Group's solid performance will continue into 2011. Output of copper in 2011 should be similar to 2010 and remains 300 thousand tons of copper cathode equivalent. The power business is on course for another strong performance, reflecting growth in demand and the acceleration of the investment program for continued refurbishment of the power plant. Our challenge in the current year is to remain focused on managing costs and delivering our growth projects, so that we remain globally competitive and continue contributing to the development of the economy of Kazakhstan».

For further information please contact:

Kazakhmys Group

John Smelt	Head of Corporate Communications	Tel: +44 20 7901 7882
		Tel: +44 78 7964 2675
Irene Burton	Financial Analyst	Tel: +44 20 7901 7814
Zulfira Mukhamedyarova	Senior Manager – Media Relations	Tel: +77 27 244 0353

Merlin

David Simonson	Tel: +44 20 7726 8400
Maria Babkina	Tel: +44 20 7726 8400

NOTES TO EDITORS

Kazakhmys PLC is a leading international natural resources group with significant interests in copper, gold, zinc, silver, power generation and petroleum.

It is the largest copper producer in Kazakhstan and one of the top worldwide with 17 operating mines, 10 concentrators and 2 copper smelters. Kazakhmys Copper operations are fully integrated from mining ore through to the production of finished copper cathode and rod. Total copper cathode equivalent produced in 2010 from own ore was 303 thousand tonnes. Production is backed by a captive power supply and significant rail infrastructure.

Kazakhmys Copper produces significant volumes of other metals, including zinc, silver and gold. In 2010, it produced 167 thousand tonnes of zinc in concentrate. The Group is in the top ten largest silver producers in the world (14 million ounces produced in 2010).

Kazakhmys Power has a 50% interest in the coal fired Ekibastuz GRES-1 plant, the largest in Kazakhstan with a nameplate capacity of 4,000 MW.

Kazakhmys Petroleum is continuing its work programme at the East Akzhar exploration block, located on the eastern fringe of the Caspian depression, which was acquired in April 2007.

The Group is part of the FTSE-100 index of companies listed on the London Stock Exchange and is also listed on the Kazakhstan Stock Exchange (KASE). It had revenues from continuing operations of \$3.2 billion in 2010 with Segmental EBITDA (excluding special items) of \$1.9 billion. The Group employs some 61,000 people, principally in Kazakhstan. The Group's strategic aim is to optimise its current operations, deliver its major growth projects and to diversify and participate in the development of the significant natural resource opportunities in Central Asia.