



## KAZAKHMYS PLC

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Company registered in England and Wales  
Company Number: 5180783

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### **Kazakhmys PLC Production Report for the Third Quarter Ended 30 September 2012 and Interim Management Statement**

- **Copper cathode production on target to reach full year guidance of between 285 kt to 295 kt**
  - 12% increase in copper cathode output from own concentrate in Q3 2012 to 78.5 kt
  - Ore extraction and metal in ore mined continues to be ahead of 2011
  - Successful recommissioning of Konyrat mine
- **By-product output on track to meet full year targets for all metals**
  - Zinc in concentrate production of 112 kt for the nine month period
  - Silver and gold output recovered following completion of repairs to the precious metals refinery
- **Strong performance from Kazakhmys Power**
  - 8% increase in net power generated at Ekibastuz GRES-1 in Q3 2012 due to continued rising demand from domestic market
  - Commissioning of sixth unit on track to complete by year end, lifting capacity by 20% to 3,000 MW
- **Financial position remains strong**
  - Sales benefited from a reduction of copper inventory in Q3 2012
  - Net debt of \$462 million assisted by improved operational cash flows

Oleg Novachuk, Chief Executive Officer, said: "Output has continued to rise and we remain on track to meet the production targets which we set at the start of the year. The power business continues to perform well, with rising generation and sound pricing. The outlook for copper remains positive and our growth projects are moving ahead on schedule. I look forward to reporting on our progress at the year end."

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### NOTES TO EDITORS

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

It is the largest copper producer in Kazakhstan and one of the top worldwide with 16 operating mines, 10 concentrators and 2 copper smelters. Kazakhmys Mining operations are fully integrated from mining ore through to the production of finished copper cathode and rod. Total copper cathode equivalent produced in 2011 from own ore was 299 thousand tonnes. Production is backed by a captive power supply and significant rail infrastructure.

Kazakhmys Mining produces significant volumes of other metals, including zinc, silver and gold. In 2011, it produced 140 thousand tonnes of zinc in concentrate. The Group is amongst the largest silver producers in the world with 13 million ounces produced in 2011.

Kazakhmys Power has a 50% interest in the coal fired Ekibastuz GRES-1 plant, the largest in Kazakhstan. The plant is undergoing a modernisation programme, including the commissioning of a sixth turbine to take capacity to 3,000 MW and ultimately to allow the plant to reach its nameplate capacity of 4,000 MW. Kazakhmys Power also operates the captive coal mines and power stations which supply electricity to the Mining Division.

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) and Hong Kong Stock Exchange (HKSE). It had revenues from continuing operations of \$3.6 billion in 2011 with an operating profit of \$1.2 billion. The Group employs around 60,000 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.

## Copper Summary

### KAZAKHMYS MINING PRODUCTION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
Ore extraction	'000 t	27,899	25,003	10,412	8,996	8,466
Average copper grade	%	0.95	1.01	0.90	0.98	1.00
Copper in concentrate	'000 t	227.3	231.2	78.9	76.9	77.9
own concentrate	'000 t	225.4	229.9	78.5	76.1	77.1
purchased concentrate	'000 t	1.9	1.3	0.4	0.8	0.8
Copper cathode production <sup>1</sup>	'000 t	214.9	227.0	78.9	71.0	73.9
own concentrate	'000 t	213.1	226.9	78.5	70.2	73.9
purchased concentrate	'000 t	1.8	0.1	0.4	0.8	-
Copper rod	'000 t	14.8	24.0	5.6	2.9	8.1

<sup>1</sup>Includes copper cathode converted into rod.

Following an increase in copper cathode output in Q3 2012, production remains on track to meet the full year copper cathode production target from own concentrate of between 285 kt and 295 kt.

Ore extraction in the first nine months of 2012 was 12% higher than in the comparative period, lifted by a full nine months of output from Akbastau mine and the recommissioning of Konyrat mine in June 2012, both within the Central Region. The increase more than offset a reduction in ore output in the Zhezkazgan Region, which was restricted earlier in the year by shortages of transportation equipment.

The impact of the recommissioning of Konyrat mine is particularly apparent in the 16% increase in ore output in Q3 2012 from Q2 2012.

The average copper grade over the first nine months of 2012 was 0.95%, compared to 1.01% in the corresponding period. The lower grade is consistent with the guidance set at the start of the year. The grade was reduced by renewed output from the relatively low grade Konyrat mine and a lower grade at Orlovsky mine, mentioned in previous production reports.

Higher ore output offset the lower grade leading to a 6% increase in metal in ore mined during the first nine months of 2012. Stockpiling of ore during the first nine months of 2012 reduced the volume of processed material, leading to a 2% decline in the production of copper in concentrate compared to the corresponding period.

Own copper in concentrate production in Q3 2012 increased by 3% to 78.5 kt compared to Q2 2012, reflecting the increase in metal in ore mined and processed during the quarter although production was impacted by a reduction in recovery rates due to the lower grade.

Copper cathode production from own concentrate of 213.1 kt in the first nine months of 2012 was 6% below the comparative period, reflecting the lower output of copper in concentrate and a release of work in progress in 2011.

## Copper Summary

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### KAZAKHMYS MINING PRODUCTION (CONTINUED)

Copper cathode output from own concentrate increased by 12% in Q3 2012, to 78.5 kt, compared to 70.2 kt in the previous quarter. The increase reflects the higher volume of copper in concentrate and an increased contribution from the release of work in progress built up earlier in 2012.

## Other Metals Summary

### KAZAKHMYS MINING PRODUCTION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
Zinc in concentrate	'000 t	112.4	113.7	40.9	39.9	38.1
Average zinc grade	%	3.35	3.98	3.60	3.19	3.82
Silver <sup>1</sup>	'000 oz	9,004	9,864	3,364	2,842	3,091
Own production (by-product) <sup>2</sup>	'000 oz	8,993	9,846	3,360	2,839	3,084
Average silver grade	g/tonne	17.09	17.85	16.46	16.93	17.18
Gold	'000 oz	89.9	110.6	37.3	23.3	40.7
Own production (by-product) <sup>2</sup>	'000 oz	78.9	85.3	33.4	18.5	29.4
Average grade	g/tonne	0.67	0.67	0.66	0.67	0.60
Doré production (primary)	'000 oz	11.0	25.3	3.9	4.8	11.3
Average grade	g/tonne	1.31	1.26	-	1.36	1.24

<sup>1</sup> Includes a small volume of by-product production from the former Kazakhmys Gold mines: Central Mukur and Mizek.

<sup>2</sup> Includes slimes from purchased concentrate.

#### Zinc (by-product)

Zinc in concentrate production in the first nine months of 2012 was 1% below the corresponding period. There was a 16% increase in zinc in ore mined due to output from Akbastau mine, which was re-opened at the end of 2011, and higher metal in ore extraction from the East Region, which is the Group's principal source of zinc metal. However, the stockpiling of zinc bearing ore from Akbastau, Artemyevsky and Abyz mines and an increase in stockpiled ore held at a third party processor led to a reduction in the volume of ore processed. In contrast to 2012, output during the first nine months in 2011 benefited from the use of stockpiled ore.

In Q3 2012 the production of zinc in concentrate was 3% higher compared to the previous quarter, reflecting the increase in metal in ore mined partially offset by an increase in stockpiled ore, principally at Akbastau and Artemyevsky mines.

#### Silver (by-product)

In the first nine months of 2012, higher ore volumes led to a 7% increase in the overall volume of silver in ore mined, but this was offset by lower recovery rates. The corresponding period also benefited from the processing of stockpiled material. Overall, these factors led to a 4% decline of silver in concentrate output compared to the same period in 2011.

Own production of silver during the first nine months of 2012 was 8,993 koz, a reduction of 9% from the corresponding period in 2011, reflecting the lower level of silver in concentrate production and the impact of the comparative period benefiting from a significant release of work in progress.

## Other Metals Summary

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### KAZAKHMYS MINING PRODUCTION (CONTINUED)

Production of silver in Q3 2012 increased by 18% to 3,360 koz, assisted by an increase in metal in ore mined and a release of work in progress accumulated during the repair work at the precious metals refinery, reported in Q2 2012.

#### Gold (by-product)

Gold output in the first nine months of 2012 of 78.9 koz was 8% below the comparative period of 2011. An increase in the level of gold rich stockpiled ore and lower recovery rates reduced the output of gold in concentrate. The previous period also benefited from the processing of stockpiled ore from Abyz mine and a higher contribution from a release of work in progress.

Gold output in Q3 2012 of 33.4 koz was significantly above the 18.5 koz achieved in Q2 2012, again benefiting from a release of work in progress accumulated during the repair work at the precious metals refinery in Q2 2012.

#### Gold (primary production)

Gold (primary production) relates to the output from mines previously included within Kazakhmys Gold.

Gold output decreased 57% in the first nine months of 2012 compared to the corresponding period. Extraction at Mukur mine stopped in June 2012, although material for heap leaching will be available throughout 2012. Extraction finished at Mizek mine in November 2010, but the heap leaching of ore in pads will continue until the end of 2012.

### ZHEZKAZGAN REGION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
Ore extraction	'000 t	16,959	17,404	5,780	5,831	5,801
Average copper grade	%	0.71	0.73	0.71	0.71	0.70
Copper concentrate	'000 t	318.1	302.5	115.6	107.1	95.9
Copper in concentrate	'000 t	102.2	111.1	36.2	34.6	35.2

Ore extraction of 16,959 kt in the first nine months of 2012 was 3% below the comparative period. Output from the North, West and East mines was impacted by the availability of rolling stock at the start of the year. Additional railcars were delivered during Q3 2012.

Ore extraction in Q3 2012 was in line with Q2 2012. The improved availability of transportation equipment and raised output at North mine offset the decrease in production at Stepnoy mine, which suffered from low equipment reliability. The equipment issues at Stepnoy mine should be resolved in Q4 2012.

Operations at some sections of Annensky mine were suspended in July 2012 due to depletion. The remaining sections of Annensky mine have now been transferred to East mine, with some output from East mine being transferred to West mine, in order to ease capacity constraints. Overall, the combined output from the East, West and Annensky mines in Q3 2012 was in line with Q2 2012. There have been some operational and cost benefits from this restructuring.

The average copper grade over the first nine months of 2012 decreased to 0.71%, compared to 0.73% during the prior period. The reduction is mainly due to the decrease in grade at North and Zhomart mines, where operations moved to areas with lower grades.

The combination of lower volumes and grade resulted in an 8% decrease in copper in concentrate production to 102.2 kt during the first nine months of 2012, compared to the comparative period.

Copper in concentrate production in Q3 2012 increased by 5% to 36.2 kt compared to the previous quarter, due to the timing of processing of material.

## Kazakhmys Mining Review by Region

### CENTRAL REGION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
Ore extraction	'000 t	7,287	4,078	3,470	1,964	1,448
Average copper grade	%	0.86	0.95	0.74	0.96	0.95
Copper concentrate	'000 t	417.0	411.0	165.7	131.8	148.0
Copper in concentrate	'000 t	57.5	46.4	21.2	18.5	16.9

Ore extraction in Central Region increased by 79% to 7,287 kt during the first nine months of 2012, compared to the same period in 2011. The increase in output was due to the re-opening of Akbastau mine in the second half of 2011 and Konyrat mine in June 2012. Renewed output from the low grade, open pit Konyrat mine reduced the average grade of the region.

Ore output in Q3 2012 rose to 3,470 kt mainly due to the renewed output from Konyrat mine mentioned above. This increase was partially offset by a reduction in output from Nurkazgan mine, where the main conveyor underwent further repair work.

Higher ore volumes led to a 62% increase in metal in ore mined during the first nine months of 2012 compared to the prior period. However, copper in concentrate rose by just 24%, as output was impacted by the stockpiling of ore from Abyz, Konyrat and Akbastau mines and a lower recovery rate due to the lower grade. The stockpiled ore from the Abyz and Konyrat mines is to be processed in the near future.

In the first nine months of 2012, 477 kt of ore extracted from Akbastau mine was stockpiled, containing approximately 5 kt of copper and 7 kt of zinc, which is unlikely to be processed in the near future pending further technical studies.

Production of copper in concentrate in Q3 2012 increased by 15% compared to Q2 2012 reflecting an increase in metal in ore mined over the quarter, partially offset by stockpiling and lower recovery rates at concentrators.



## Kazakhmys Mining Review by Region

### EAST REGION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
Ore extraction	'000 t	3,653	3,521	1,163	1,201	1,217
Average copper grade	%	2.29	2.43	2.29	2.34	2.47
Copper concentrate <sup>1</sup>	'000 t	330.6	353.2	104.9	110.6	119.2
Copper in concentrate <sup>1</sup>	'000 t	61.6	66.1	20.1	20.9	22.6

<sup>1</sup>Excludes concentrate processed by third parties.

Ore extraction in the East Region during the first nine months of 2012 increased by 4% to 3,653 kt compared to the same period in 2011. Production rose at Artemyevsky mine following an improvement in backfilling equipment and at Yubileyno-Snegirikhinsky mine due to improved equipment availability. The increase was partially offset by the suspension of operations at Nikolayevsky mine, where more challenging operating conditions rendered the mine uneconomic. Equipment and personnel were transferred to Artemyevsky and Yubileyno-Snegirikhinsky mines.

Ore output in Q3 2012 declined by 3% to 1,163 kt, compared to the previous quarter, mainly due to the suspension of Nikolayevsky mine.

The average copper grade in the first nine months of 2012 was 2.29%, compared to 2.43% in the corresponding period. This reduction was mainly attributable to Orlovsky mine where operations were focused on higher grade sections in 2011.

The average copper grade in Q3 2012 decreased to 2.29% from 2.34% in Q2 2012 due to the reduction in grade at Orlovsky and Yubileyno-Snegirikhinsky mines, slightly offset by the mining of higher grade sections at Artemyevsky mine.

Copper in concentrate production during the first nine months of 2012 was 7% below the comparative period in 2011 due to the combination of a lower volume of copper in ore mined, a decrease in recovery rates due to the lower grade and an increase in volumes of stockpiled ore.

Production of copper in concentrate in Q3 2012 was 4% below Q2 2012, mainly reflecting the lower level of metal in ore mined, which decreased by 5%.

## KAZAKHMYNS POWER PRODUCTION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
<b>Ekibastuz GRES-1<sup>1</sup></b>						
Net power generated <sup>2</sup>	GWh	10,403	9,199	3,347	3,097	2,804
Net dependable capacity <sup>3</sup>	MW	2,199	2,189	2,153	2,189	2,157
Electricity tariff	KZT/kWh	5.96	5.40	6.28	6.22	5.48
<b>Captive power stations</b>						
Net power generated <sup>2</sup>	GWh	4,077	4,146	1,213	1,273	1,239
Net dependable capacity <sup>3</sup>	MW	857	860	872	849	873
Internal sales	GWh	2,537	2,401	787	796	769
External sales	GWh	1,540	1,745	425	477	470
Electricity tariff <sup>4</sup>	KZT/kWh	4.12	3.50	4.55	4.56	3.50

<sup>1</sup>Results shown are for 100% of the business

<sup>2</sup>Electricity generated and sold to customers less internal consumption and transformer losses in the power station.

<sup>3</sup>The net dependable capacity is the maximum capacity a unit can sustain over a specified period modified for seasonal limitations and reduced by the capacity required for station service and auxiliaries.

<sup>4</sup>External sales only.

### Ekibastuz GRES-1

On 26 February 2010, the Group completed the disposal of 50% of Ekibastuz GRES-1 to JSC Samruk-Kazyna with the Group retaining a 50% non controlling interest. The results shown above are for 100% of the business.

Net power generated at Ekibastuz GRES-1 in the first nine months of 2012 was 13% higher compared to the corresponding period of 2011 due to strong demand from the domestic market, which saw a 5% rise in electricity consumption. As there were higher tariffs available and ready demand in Kazakhstan, a large proportion of the electricity volumes previously distributed to Russia were instead sold locally, so domestic sales volumes grew by 23% or 1,874 GWh.

In Q3 2012, net power generated increased by 8%, compared to the previous quarter. This increase reflects seasonal factors and higher available capacity following completion of the scheduled maintenance period in Q2 2012.

In April 2012, the ceiling tariff for domestic sales increased to 6.50 KZT/kWh. The weighted average realised tariff for electricity sold by Ekibastuz GRES-1 in Q3 2012 was 6.28 KZT/kWh, a modest increase compared to 6.22 KZT/kWh in Q2 2012. The average realised tariff in Q3 2012 is slightly below the ceiling tariff for Kazakhstan, as 3% of net electricity generated was sold to Russia at a lower tariff.

The weighted average realised tariff for the first nine months of 2012 was 5.96 KZT/kWh, an increase of 10% compared to the corresponding period in 2011, reflecting the higher ceiling tariff approved from April 2012 and an increased proportion of domestic sales, which are priced at a comparatively higher tariff.

Net dependable capacity achieved during the first nine months of 2012 was 2,199 MW, 10 MW above the comparative period in 2011, benefiting from the commissioning of an electrostatic precipitator at Unit 6 in Q1 2012.

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### KAZAKHMYS POWER PRODUCTION (CONTINUED)

Net dependable capacity decreased by 36 MW in Q3 2012, compared to Q2 2011, due to the restriction of load caused by seasonal higher water circulation temperatures.

The commissioning of Unit 8 remains on track and will be brought back into operation by the end of 2012. With this unit operational from 2013, the capacity of the power station will increase to 3,000 MW.

The rehabilitation of Unit 2 commenced in Q4 2010 and the unit is expected to be operational before the end of 2014, thereby increasing capacity to 3,500 MW.

#### Captive power stations

Net power generated at the captive stations during the first nine months of 2012 was slightly below the comparative period in 2011 as generation levels remain close to capacity. Net power generation in Q3 2012 decreased by 5% compared to Q2 2012 reflecting a scheduled outage for maintenance in Q3 2012.

Internal consumption in the first nine months of 2012 increased by 6% compared to the corresponding period in 2011. This increase was mainly driven by higher demand from operations in the East Region in Q1 2012. East Region decreased supply from third party power stations as the increase in tariffs made these purchases less attractive.

External sales in the first nine months of 2012 decreased by 12% compared to the same period in 2011. The decrease in external sales reflects the increase in volume of internal sales and the lower net generation. The decrease in external sales in Q3 2012 by 11% compared to Q2 2012 was driven by lower net generation in the quarter due to maintenance work.

In April 2012, the ceiling tariff for the electricity sold by the captive power stations to external customers was raised to 4.55 KZT/kWh. The weighted average realised tariff for electricity sold in Q3 2012 was consistent with Q2 2012. The weighted average realised tariff for electricity sold also includes an additional transmission fee on a small proportion of sales.

The weighted average realised tariff for the first nine months of 2012 was 4.12 KZT/kWh, an increase of 18% compared to the corresponding period in 2011, reflecting the higher realised tariff in Q2 and Q3 in 2012.

## Interim Management Statement

### MATERIAL EVENTS AND TRANSACTIONS

There are no material events and transactions in the period covered by this Interim Management Statement that were not disclosed as post balance sheet events in the Group's 2012 Interim Report.

### FINANCIAL PERFORMANCE

#### Sales volumes

The following table sets out the sales volumes of the major products produced by Kazakhmys Mining:

		9m 2012	9m 2011
Copper cathodes	'000 t	185.6	196.1
Copper rod	'000 t	14.5	20.6
<b>Total copper products</b>	<b>'000 t</b>	<b>200.1</b>	<b>216.7</b>
Zinc in concentrate	'000 t	113.3	111.9
Silver	'000 oz	9,193	7,990
Gold <sup>1</sup>	'000 oz	146.1	77.0

<sup>1</sup> Gold sales include volumes from by-products and gold doré from the Central Mukur and Mizek mines.

Total copper product sales volumes in the first nine months of 2012 were 17 kt below the comparative period in 2011 due to a 13 kt decrease in cathode production and a build up of finished goods awaiting delivery to customers. Since 30 June 2012, finished goods inventory levels have fallen by 4 kt as the rail transportation delays which impacted copper product sales to China in Q2 2012 have been resolved. A further reduction in the finished goods inventory built up in the first half of 2012 is expected over the remainder of 2012. Copper rod production and sales remain below capacity as comparatively more favourable terms were obtained for copper cathode sales.

Zinc in concentrate sales volumes in the first nine months of 2012 were broadly consistent with the prior year period reflecting the similar production volumes in both periods.

Silver sales volumes were 15% above the first nine months of 2011 due to the build up of finished silver products from July 2011 to September 2011 as the Government of Kazakhstan introduced an export restriction on the sale of silver products, with silver sales resuming later in 2011. Silver sales in the first nine months of 2012 are broadly consistent with production volumes.

Gold sales volumes in the first nine months of 2012 included the sale of 69 koz of gold bar inventory built up in the second half of 2011 due to the export restriction placed on gold bar sales by the Government of Kazakhstan. Sales of gold bar recommenced in March 2012 and have continued to the National Bank at market rates on a monthly basis. There has been a small build up of gold finished goods inventory in the first nine months of 2012 due to timing issues arising on sales to the National Bank.

### FINANCIAL PERFORMANCE (CONTINUED)

#### Commodity prices

The following table sets out the average realised prices for the Group's major products:

		9m 2012	9m 2011
Copper	\$/tonne	8,081	9,261
Silver	\$/tr.oz	31.0	37.7
Gold	\$/tr.oz	1,653	1,527
Electricity tariff Ekibastuz GRES-1	KZT/kWh	5.96	5.40
Domestic sales	KZT/kWh	6.03	5.52
Export sales	KZT/kWh	4.26	4.48

The following table sets out the average LME/LBMA prices:

		9m 2012	9m 2011
Copper	\$/tonne	7,963	9,254
Zinc	\$/tonne	1,946	2,289
Silver	\$/tr.oz	30.6	36.2
Gold	\$/tr.oz	1,651	1,534

Realised prices will differ from the average LME/LBMA prices during the same period, principally because of the timing of sales over the period not occurring evenly. Premiums or discounts to metal exchange prices, negotiated with customers, also impact realised average prices. The LME copper price on 1 January 2012 was \$7,661 per tonne and ended the period on 30 September 2012 at \$8,267 per tonne.

The weighted average realised tariff for Ekibastuz GRES-1 during the nine months ended 30 September 2012 was 5.96 KZT/kWh, an increase of 10% compared to the prior period. The realised tariff on domestic sales of 6.03 KZT/kWh compares to a ceiling tariff for domestic electricity sales set by the Government of Kazakhstan of 6.50 KZT/KWh from 1 April 2012. In 2011 and Q1 2012, the ceiling tariff for domestic sales was 5.60 KZT/KWh.

#### Commodity or foreign currency hedging

At 30 September 2012, there were no commodity or foreign currency hedges in place other than copper and foreign currency hedges at MKM in the normal course of its business.

#### Exchange rates

The KZT/\$ exchange rate at 30 September 2012 was KZT/\$ 149.86 compared to KZT/\$ 147.87 at 30 September 2011. The average KZT/\$ exchange rate for the nine months ended 30 September 2012 was KZT/\$ 149.77 compared to KZT/\$ 147.19 for the corresponding period.

### FINANCIAL POSITION

Except as described in this statement, there has been no significant change in the financial position of the Group since 30 June 2012.

#### Net funds/debt for continuing subsidiary businesses

The net debt of the Group's continuing subsidiary businesses rose to \$462 million as at 30 September 2012 from \$418 million as at 30 June 2012 as the Group continued investing in its growth projects. Operating cashflows in the third quarter were strengthened by higher sales volumes of copper products, reduced tax payments and lower sustaining capital expenditure. However, operating cashflows were adversely impacted by lower copper prices and the bi-annual interest payment on the China Development Bank/Samruk-Kazyna finance facility. The movement in net debt also reflects continued investment in the Group's growth projects.

Gross debt was \$2,192 million as at 30 September 2012, an increase of \$166 million from 30 June 2012, representing the continued monthly repayments of \$44 million under the pre-export credit facility offset by the draw down of an additional \$300 million under the China Development Bank/Samruk-Kazyna finance facility. Of the outstanding gross debt balance as at 30 September 2012, \$1,973 million related to the \$2.7 billion China Development Bank/Samruk-Kazyna finance facility and \$219 million related to the pre-export credit facility. The China Development Bank/Samruk-Kazyna finance facility is for the development of Bozshakol and other mid-sized projects, including Bozymchak.

Total cash and cash equivalents for the Group were \$1,730 million at 30 September 2012, compared with \$1,608 million at 30 June 2012, reflecting the positive operating cash flows generated by the Group during the quarter, the movements in gross debt, offset by capital expenditure incurred on the Group's growth projects.

#### Net debt for MKM

Net debt for the Group's discontinued subsidiary business, MKM, was \$157 million at 30 September 2012, a \$17 million increase from \$140 million at 30 June 2012, reflecting dividends paid to the Group in the period of €15 million and a small appreciation in the Euro against the US dollar.

#### Net funds of Ekibastuz GRES-1

The net funds of the Group's subsidiaries exclude the net funds of the equity accounted joint venture investment in Ekibastuz GRES-1. Ekibastuz GRES-1's net funds, on a 100% basis, reduced to \$56 million at 30 September 2012 compared to \$71 million as at 30 June 2012 due to expenditure incurred on the refurbishment of Unit 2. The net funds will continue to be used to finance the power plant's rehabilitation programme.

#### Holding in ENRC PLC

The Group's holding of 334,824,860 shares in ENRC PLC had a market value of \$1,671 million based on a share price of 308.7 pence on 30 September 2012, compared to a value of \$2,185 million as at 30 June 2012 when the share price was 415.4 pence.

Following the 2012 interim dividend announced by ENRC PLC on 15 August 2012 of 6.5 US cents per share, the Group received \$22 million in October 2012.

#### Interim dividend of the Company

Following the 2012 interim dividend announcement on 23 August 2012 of 3.0 US cents per share, the Group paid \$16 million to its shareholders in October 2012.

## Kazakhmys Mining Production Appendix

### COPPER MINING

		9m	9m	Q3	Q2	Q3
<b>Zhezkazgan Region</b>		2012	2011	2012	2012	2011
North	ore ('000 t)	1,654	1,726	713	656	471
	grade (%)	0.50	0.72	0.46	0.55	0.72
East	ore ('000 t)	2,855	2,884	1,059	915	979
	grade (%)	0.56	0.57	0.60	0.58	0.56
South	ore ('000 t)	4,082	3,912	1,345	1,373	1,353
	grade (%)	0.62	0.57	0.62	0.63	0.55
West	ore ('000 t)	1,959	1,632	995	510	530
	grade (%)	0.53	0.50	0.57	0.49	0.48
Stepnoy	ore ('000 t)	2,393	2,468	697	818	855
	grade (%)	0.59	0.63	0.68	0.63	0.58
Annensky	ore ('000 t)	1,194	2,012	-	620	652
	grade (%)	0.68	0.57	-	0.66	0.55
Zhomart	ore ('000 t)	2,823	2,769	971	938	962
	grade (%)	1.34	1.48	1.32	1.31	1.40
Region total	ore ('000 t)	16,959	17,404	5,780	5,831	5,801
Region average	grade (%)	0.71	0.73	0.71	0.71	0.70
<b>Central Region</b>						
Nurkazgan West	ore ('000 t)	1,985	2,013	527	696	720
	grade (%)	0.56	0.70	0.56	0.53	0.72
Abyz	ore ('000 t)	381	360	115	122	99
	grade (%)	1.14	1.33	1.03	1.10	1.20
Akbastau	ore ('000 t)	1,374	54	522	486	54
	grade (%)	1.50	1.78	1.63	1.45	1.78
Sayak	ore ('000 t)	1,283	1,217	436	416	425
	grade (%)	0.76	0.74	0.82	0.70	0.72
Shatyrkul	ore ('000 t)	475	433	169	156	149
	grade (%)	2.39	2.21	2.61	2.31	2.20
Konyrat	ore ('000 t)	1,789	-	1,701	88	-
	grade (%)	0.29	-	0.29	0.31	-
Region total	ore ('000 t)	7,287	4,078	3,470	1,964	1,448
Region average	grade (%)	0.86	0.95	0.74	0.96	0.95

## Kazakhmys Mining Production Appendix

### COPPER MINING (CONTINUED)

		9m	9m	Q3	Q2	Q3
		2012	2011	2012	2012	2011
<b>East Region</b>						
Nikolayevsky	ore ('000 t)	208	446	13	40	150
	grade (%)	0.83	0.89	0.64	0.76	0.79
Artemyevsky	ore ('000 t)	1,180	978	396	405	356
	grade (%)	1.86	1.90	1.95	1.86	2.00
Irtyshtsky	ore ('000 t)	456	434	149	152	136
	grade (%)	1.39	1.35	1.41	1.37	1.40
Belousovsky	ore ('000 t)	-	22	-	-	-
	grade (%)	-	1.02	-	-	-
Orlovsky	ore ('000 t)	1,228	1,167	411	407	395
	grade (%)	3.00	3.66	2.78	3.04	3.60
Yubileyno-Snegirikhinsky	ore ('000 t)	581	474	194	197	180
	grade (%)	2.85	3.02	2.71	2.91	3.13
Region total	ore ('000 t)	3,653	3,521	1,164	1,201	1,217
Region average	grade (%)	2.29	2.43	2.29	2.34	2.47
<b>Total</b>	<b>ore ('000 t)</b>	<b>27,899</b>	<b>25,003</b>	<b>10,413</b>	<b>8,996</b>	<b>8,466</b>
<b>Average</b>	<b>grade (%)</b>	<b>0.95</b>	<b>1.01</b>	<b>0.90</b>	<b>0.98</b>	<b>1.00</b>



## Kazakhmys Mining Production Appendix

### COPPER PROCESSING

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
<b>Zhezkazgan Region</b>						
Copper concentrate	'000 t	318.1	302.5	115.6	107.1	95.9
Copper in concentrate	'000 t	102.2	111.1	36.2	34.6	35.2
<b>Central Region</b>						
Copper concentrate	'000 t	417.0	411.0	165.7	131.8	148.0
Copper in concentrate	'000 t	57.5	46.4	21.2	18.5	16.9
<b>East Region</b>						
Copper concentrate	'000 t	330.6	353.2	104.9	110.6	119.2
Copper in concentrate	'000 t	61.6	66.1	20.1	20.9	22.6
<b>Total own processed</b>						
Copper concentrate	'000 t	1,065.7	1,066.7	386.2	349.5	363.1
Copper in concentrate	'000 t	221.3	223.6	77.5	74.0	74.7
<b>Own ore processed by third parties</b>						
Copper concentrate	'000 t	15.2	23.6	3.7	7.5	8.8
Copper in concentrate	'000 t	4.1	6.3	1.0	2.1	2.4
<b>Total own</b>						
<b>Copper concentrate</b>	<b>'000 t</b>	<b>1,080.9</b>	<b>1,090.3</b>	<b>389.9</b>	<b>357.0</b>	<b>372.0</b>
<b>Copper in concentrate</b>	<b>'000 t</b>	<b>225.4</b>	<b>229.9</b>	<b>78.5</b>	<b>76.1</b>	<b>77.1</b>
<b>Purchased concentrate</b>						
Copper concentrate	'000 t	3.9	2.8	1.1	1.6	1.4
Copper in concentrate	'000 t	1.9	1.3	0.4	0.8	0.8
<b>Total copper in concentrate</b>						
	'000 t	227.4	231.2	78.9	76.9	77.9

## Kazakhmys Mining Production Appendix

### COPPER SMELTER / REFINERY – COPPER CATHODE PRODUCTION

		9m 2012	9m 2011	Q3 2012	Q2 2012	Q3 2011
<b>Zhezkazgan smelter</b>						
Own concentrate	'000 t	86.1	86.4	29.0	27.7	27.6
Purchased concentrate	'000 t	-	-	-	-	-
Sub - total	'000 t	86.1	86.4	29.0	27.7	27.6
Tolling	'000 t	-	-	-	-	-
Total including tolling	'000 t	86.1	86.4	29.0	27.7	27.6
<b>Balkhash smelter</b>						
Own concentrate	'000 t	127.0	140.5	49.4	42.5	46.3
Purchased concentrate	'000 t	1.8	0.1	0.5	0.8	-
Sub - total	'000 t	128.8	140.6	49.9	43.2	46.3
Tolling	'000 t	0.8	5.9	-	-	1.7
Total including tolling	'000 t	129.6	146.4	49.8	43.2	47.9
Total	'000 t	215.7	232.8	78.9	70.9	75.5
<b>Total copper cathode production from own concentrate</b>	<b>'000 t</b>	<b>213.1</b>	<b>226.9</b>	<b>78.5</b>	<b>70.1</b>	<b>73.9</b>

## Kazakhmys Mining Production Appendix

### OTHER METALS MINING – ZINC

		9m	9m	Q3	Q2	Q3
		2012	2011	2012	2012	2011
<b>ZINC</b>						
<b>East Region</b>						
Nikolayevsky	grade (%)	1.65	3.79	1.73	1.77	4.10
Artemyevsky	grade (%)	6.23	6.04	7.80	5.15	6.05
Irtyshtsky	grade (%)	2.92	2.93	3.04	2.79	2.96
Belousovsky	grade (%)	-	0.32	-	-	-
Orlovsky	grade (%)	4.44	3.98	4.11	4.76	3.21
Yubileyno-Snegirikhinsky	grade (%)	2.45	2.40	2.49	2.24	2.71
Region average		4.35	4.16	4.93	4.13	4.05
<b>Central Region</b>						
Abyz	grade (%)	2.52	2.70	2.47	2.62	2.84
Akbastau	grade (%)	0.93	0.42	0.88	1.00	0.42
Region average		1.27	2.41	1.17	1.33	1.99
<b>Overall average</b>		<b>3.35</b>	<b>3.98</b>	<b>3.60</b>	<b>3.19</b>	<b>3.82</b>
<b>Zinc in concentrate</b>						
	'000 t	<b>112.4</b>	<b>113.7</b>	<b>40.9</b>	<b>39.9</b>	<b>38.1</b>

## Kazakhmys Mining Production Appendix

### OTHER METALS MINING – SILVER

		9m	9m	Q3	Q2	Q3
		2012	2011	2012	2012	2011
<b>SILVER</b>						
<b>Zhezkazgan Region</b>						
North	grade (g/t)	4.22	6.29	4.61	3.98	5.97
East	grade (g/t)	8.72	12.26	10.50	8.08	11.46
South	grade (g/t)	13.46	12.84	13.93	12.43	12.91
West	grade (g/t)	12.54	12.08	11.81	15.03	15.69
Stepnoy	grade (g/t)	9.41	8.59	11.63	8.55	9.24
Annensky	grade (g/t)	14.74	13.86	-	9.76	14.49
Zhomart	grade (g/t)	8.23	8.42	8.49	9.42	9.04
Region average	grade (g/t)	10.30	10.83	10.60	9.71	11.35
<b>Central Region</b>						
Nurkazgan	grade (g/t)	1.56	1.76	2.06	1.22	1.77
Abyz	grade (g/t)	32.48	34.89	29.22	32.47	39.97
Akbastau	grade (g/t)	17.30	15.00	18.90	16.32	15.00
Sayak	grade (g/t)	4.72	4.79	4.54	4.56	3.83
Shatyrkul	grade (g/t)	2.49	2.14	3.70	1.62	1.70
Konyrat	grade (g/t)	2.46	-	2.55	0.92	-
Region average	grade (g/t)	6.98	5.81	6.13	7.63	5.48
<b>East Region</b>						
Nikolayevsky	grade (g/t)	20.78	31.95	28.70	18.87	41.04
Artemyevsky	grade (g/t)	115.52	123.85	128.88	104.74	103.71
Irtysky	grade (g/t)	50.67	50.03	54.54	52.72	53.77
Belousovsky	grade (g/t)	-	16.66	-	-	-
Orlovsky	grade (g/t)	59.67	56.64	58.71	60.57	43.65
Yubileyno-Snegirikhinsky	grade (g/t)	24.63	22.46	27.38	23.52	22.20
Region average	grade (g/t)	68.79	66.51	76.44	67.19	58.85
<b>Overall average</b>	<b>grade (g/t)</b>	<b>17.09</b>	<b>17.85</b>	<b>16.46</b>	<b>16.93</b>	<b>17.18</b>
<b>Silver in concentrate</b>	<b>'000 oz</b>	<b>9,871</b>	<b>10,368</b>	<b>3,608</b>	<b>3,382</b>	<b>3,415</b>
Own concentrate	'000 oz	9,158	9,175	3,419	3,013	3,071
Own concentrate processed by 3 <sup>rd</sup> parties	'000 oz	713	1,145	171	342	317
Purchased concentrate	'000 oz	64	48	18	27	27
<b>Silver metal<sup>1,2</sup></b>	<b>'000 oz</b>	<b>8,993</b>	<b>9,846</b>	<b>3,360</b>	<b>2,839</b>	<b>3,084</b>

<sup>1</sup> Includes slimes from purchased concentrate.

<sup>2</sup> Includes a small volume of by-product production from the former Kazakhmys Gold mines: Central Mukur and Mizek.

## Kazakhmys Mining Production Appendix

### OTHER METALS MINING – GOLD

		9m	9m	Q3	Q2	Q3	
		2012	2011	2012	2012	2011	
<b>GOLD</b>							
<b>Central Region</b>							
Nurkazgan	grade (g/t)	0.21	0.26	0.18	0.18	0.28	
Abyz	grade (g/t)	3.38	3.57	3.11	3.45	3.25	
Akbastau	grade (g/t)	0.63	0.50	0.63	0.63	0.50	
Sayak	grade (g/t)	0.20	0.23	0.20	0.19	0.23	
Shatyrkul	grade (g/t)	0.38	0.38	0.44	0.36	0.40	
Region average		grade (g/t)	0.55	0.56	0.53	0.53	0.49
<b>East region</b>							
Nikolayevsky	grade (g/t)	0.36	0.43	0.43	0.33	0.57	
Artemyevsky	grade (g/t)	1.10	1.06	1.04	1.15	1.02	
Irtysky	grade (g/t)	0.25	0.33	0.16	0.27	0.31	
Belousovsky	grade (g/t)	-	0.26	-	-	-	
Orlovsky	grade (g/t)	1.15	1.07	1.18	1.19	0.84	
Yubileyno-Snegirikhinsky	grade (g/t)	0.40	0.38	0.41	0.37	0.38	
Region average		grade (g/t)	0.86	0.80	0.87	0.90	0.73
<b>Overall average</b>		<b>grade (g/t)</b>	<b>0.67</b>	<b>0.67</b>	<b>0.66</b>	<b>0.67</b>	<b>0.60</b>
<b>Gold in concentrate</b>		<b>'000 oz</b>	<b>88.5</b>	<b>103.0</b>	<b>31.3</b>	<b>31.4</b>	<b>35.6</b>
Own concentrate	'000 oz	82.5	93.6	30.0	28.6	32.4	
Own concentrate processed by 3 <sup>rd</sup> party	'000 oz	4.4	7.0	1.0	2.2	2.1	
Purchased concentrate	'000 oz	1.6	2.4	0.3	0.6	1.1	
<b>Gold output<sup>1</sup> (as by-product)</b>		<b>'000 oz</b>	<b>78.9</b>	<b>85.3</b>	<b>33.4</b>	<b>18.5</b>	<b>29.4</b>

<sup>1</sup> Includes slimes from purchased concentrate.

		9m	9m	Q3	Q2	Q3	
		2012	2011	2012	2012	2011	
<b>Gold doré production (as primary production)</b>							
Ore extraction	ore ('000 t)	211	658	-	15.7	300	
Gold ore grade	g/t	1.31	1.26	-	1.36	1.24	
Gold in ore to pads		'000 oz	8.9	31.2	-	7.0	12.1
Gold precipitation		'000 oz	10.8	25.7	3.9	5.0	11.3
<b>Gold doré production</b>		<b>'000 tr.oz</b>	<b>11.0</b>	<b>25.3</b>	<b>3.9</b>	<b>4.8</b>	<b>11.3</b>