

1 August 2006

Kazakhmys PLC Production Summary for the second quarter ended 30 June 2006

- Copper cathode production grew by 11% and copper in concentrate production increased by 13% in the second quarter of 2006 compared to the first quarter of 2006. Copper cathode produced from own copper concentrate was up by 20% over the same period.
- Zinc metal and zinc in concentrate production were respectively 14% and 20% lower compared to the first quarter as the Group focused on achieving increased copper recovery from complex copper-and-zinc containing ores and due to technical issues associated with the coolers at the Balkhash zinc plant.
- Gold and silver production from own concentrate grew by 31% and 4%, respectively, compared to the first quarter of 2006 primarily due to increasing ore output from the high gold/silver grade ores of the Abyz and Artemyevskoe mines.

Kazakhmys Group Copper Production						
		6m	6m	Q2	Q1	Q2
		2006	2005	2006	2006	2005
Ore extraction	'000 t	20,127	19,458	10,287	9,839	9,866
Average copper grade	%	1.1	1.0	1.1	1.1	1.1
Average zinc grade	%	4.0	3.0	4.0	4.0	2.8
Copper in Concentrate	'000 t	202.6	200.3	107.6	95.0	103.5
own concentrate	'000 t	183.4	172.6	98.7	84.7	88.6
purchased concentrate	'000 t	19.2	27.7	8.9	10.3	14.9
Copper Cathodes ¹	'000 t	187.9	199.7	98.8	89.1	104.3
own concentrate	'000 t	169.0	167.3	92.2	76.8	86.3
purchased concentrate	'000 t	17.5	25.6	5.9	11.6	15.7
tolling concentrate	'000 t	1.4	6.7	0.7	0.7	2.3
Copper Rod	'000 t	14.3	5.9	9.0	5.3	4.6

¹Includes copper used to produce copper rod

Operational review

In the second quarter of 2006, the Group produced 98.8 thousand tonnes of copper cathode (of which 9 thousand tonnes were used to produce copper rods), an 11% increase on the first quarter of 2006. Copper cathode production from own concentrate increased by 20% compared to the first quarter, reaching 92 thousand tonnes. Copper cathode production through tolling arrangements has remained at the same level. Total copper cathode production of 98.8 thousand tonnes represents a 5.2% decrease compared to the same period in 2005. The reduction in comparison to the same period in 2005 is primarily attributable to a 40% reduction in purchased concentrate, operational difficulties due to adverse weather conditions at the beginning of 2006 and, to a lesser degree, to the delay in achieving customs clearance for 8 locomotives at the Chinese border in the second quarter of 2006.

Kazakhmys Group by-products production						
		6m	6m	Q2	Q1	Q2
		2006	2005	2006	2006	2005
Zinc in Concentrate	'000 t	70.6	42.3	31.3	45.1	19.7
Zinc metal	'000 t	33.8	28.7	15.6	18.2	11.6
Silver	'000 oz	10,692	10,638	5,443	5,249	5,641
own concentrate	'000 oz	10,660	10,593	5,433	5,226	5,632
tolling	'000 oz	32	45	10	23	9
Gold	'000 oz	77.7	62.8	42.7	35.1	42.7
own concentrate	'000 oz	53.6	46.8	30.4	23.2	33.7
tolling	'000 oz	24.2	16.0	12.3	11.9	9.0

Zinc metal production in the second quarter of 2006 was 15.6 thousand tonnes in comparison to 18.2 thousand tonnes in the first quarter of 2006 due to technical issues with the coolers at the zinc plant, which are currently being rectified. Zinc in concentrate production was lower than in the first quarter of 2006 as the Group focused on copper recovery from complex copper-and-zinc containing ores.

In the second quarter of 2006, the Group produced 5.4 million ounces of silver and 42.7 thousand ounces of gold, an increase of 4% and 22%, respectively, compared to first quarter of 2006. Of the 42.6 thousand ounces of gold produced, 30.4 thousand ounces were produced from own concentrate (a 30.9% increase compared to the first quarter of 2006). This increased gold production is the result of a larger ore contribution from the Abyz and Artemyevskoe mines of which both have high gold content in their ores. Of the 5.4 million ounces of refined silver, only 9.6 thousand ounces were produced under tolling arrangements. The higher silver production from own concentrate was also the result of the raised output at the Abyz and Artemyevskoe mines.

Review by region

Zhezkazgan						
		6m	6m	Q2	Q1	Q2
		2006	2005	2006	2006	2005
Ore extraction	'000 t	14,050	13,751	7,226	6,824	6,993
Average copper grade	%	0.8	0.9	0.8	0.8	0.9
Copper Concentrate	'000 t	280.1	299.8	140.7	139.5	145.4
Copper Cathodes ¹	'000 t	105.8	117.9	54.1	51.7	57.9
of which tolling	'000 t	0.5	0.1	0.3	0.3	--
Copper Rod	'000 t	14.3	5.9	9.0	5.3	4.6

¹Includes copper used to produce copper rod

At the Zhezkazgan complex, copper concentrate production was marginally higher with 1% growth in the second quarter of 2006 compared to the first quarter of 2006. Copper cathode production was around 5% higher than in the first quarter of 2006, but lower than in the second quarter of 2005 due to the scheduled maintenance shutdown of the Zhezkazgan copper smelter.

Copper rod production increased significantly from 5.3 thousand tonnes in the first quarter of 2006 to 9 thousand tonnes in the second quarter of 2006 due to more favourable market conditions.

Balkhash						
		6m	6m	Q2	Q1	Q2
		2006	2005	2006	2006	2005
Ore extraction	'000 t	2,286	2,823	1,266	1,021	1,432
Average copper grade	%	0.8	0.7	0.8	0.8	0.8
Copper Concentrate	'000 t	133.0	91.8	84.2	48.9	50.2
Copper Cathodes	'000 t	82.1	81.8	44.7	37.4	44.3
of which tolling	'000 t	0.9	6.6	0.4	0.4	2.3
Copper Rod	'000 t	--	--	--	--	--

Copper concentrate and copper cathode production at the Balkhash complex recovered from the first quarter results increasing by 72% and 20% respectively. Overall, the first half of 2006 copper cathode production was higher than in the same period of 2005 primarily due to higher copper grades.

East Region

		6m 2006	6m 2005	Q2 2006	Q1 2006	Q2 2005
Ore extraction	'000 t	2,318	2,428	957	1,361	1,276
Average copper grade	%	2.6	2.3	2.9	2.4	2.2
Copper Concentrate ¹	'000 t	259.5	241.2	127.4	132.1	106.7
Copper Cathodes	'000 t	--	--	--	--	--
Copper Rod	'000 t	--	--	--	--	--

¹Excludes concentrate processed by third parties

In the first quarter of 2006, copper concentrate production at the East Region complex was 4% lower compared to the first quarter of 2006. However higher copper grade ores from recently commissioned mines supported an increase of 7.6% in copper concentrate production in the first half of 2006 compared to the same period of 2005.

Karaganda						
		6m 2006	6m 2005	Q2 2006	Q1 2006	Q2 2005
Ore extraction	'000 t	1,473	455	841	633	165
Average copper grade	%	1.8	0.6	2.3	1.2	0.8
Copper Concentrate	'000 t	71.2	38.5	43.2	28.1	29.7
Copper Cathodes	'000 t	--	--	--	--	--
Copper Rod	'000 t	--	--	--	--	--

Ore extraction and copper concentrate production at the Karaganda complex mines in the second quarter of 2006 increased by 33% and 54% respectively compared to the first quarter of 2006. Production ramp-up at the recently commissioned Abyz and Nurkazgan mines continues to progress well and is in line with management expectations.

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Notes to Editors

The Group's principal business is the mining, processing, smelting, refining and sale of copper and copper products, including copper cathode and copper rod, and is carried on by the Company's main subsidiary Kazakhmys Corporation LLC ("Kazakhmys"). Based on 2005 production, the Group is the 10th largest producer of copper cathode and mined copper in the world. The Group's operations are vertically integrated. Kazakhmys operates 19 open pit and underground mines and two smelting and refining complexes in the Republic of Kazakhstan. Kazakhmys also owns significant rail infrastructure in Kazakhstan and MKM, a copper products fabrication company in Germany.