



KAZAKHMY

Kazakhmys PLC 2007 Annual Results Presentation

6 March 2008



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KAZAKHMYYS

Vladimir Kim

Chairman



Kazakhmys: Highlights 2007

Results

- ▣ EBITDA in line with 2006 at \$2.3 billion
- ▣ Return of capital to shareholders of over \$800 million

Strategy

Asset optimisation

- ▣ Cost control and operational challenges: management focus for 2008
- ▣ New mine extensions; concentrator upgrades; outsourcing
- ▣ HSE is a key priority

Major growth projects on track

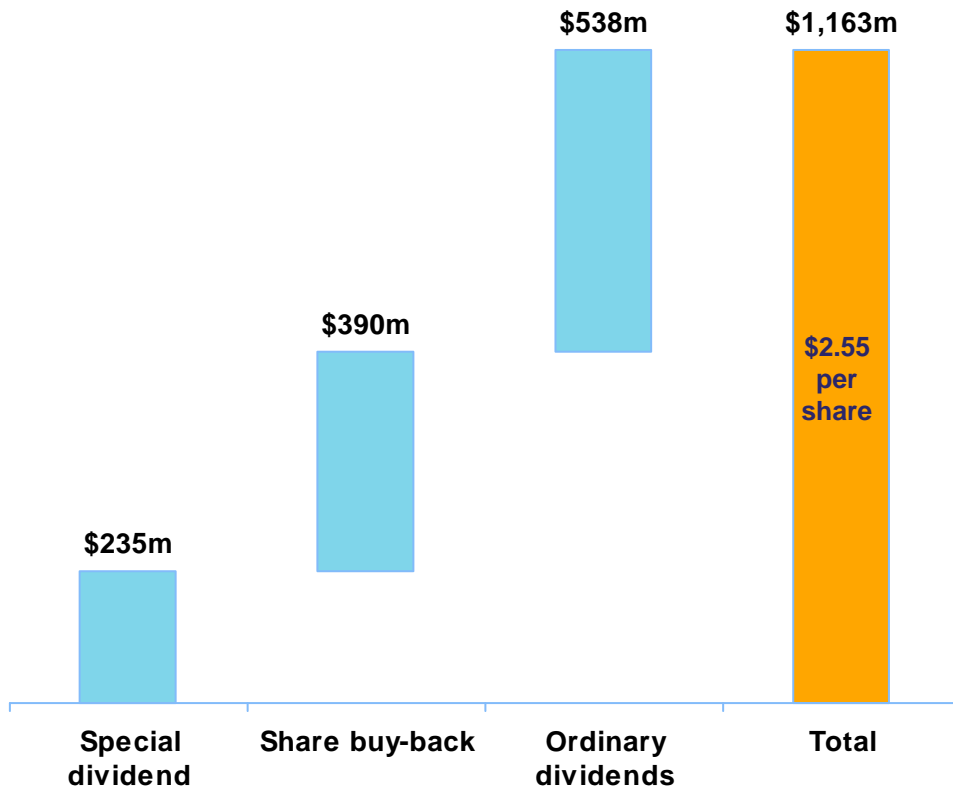
- ▣ Boschekul, Aktogay, Bozymchak and Mizek Sulphide

Diversification and creation of value

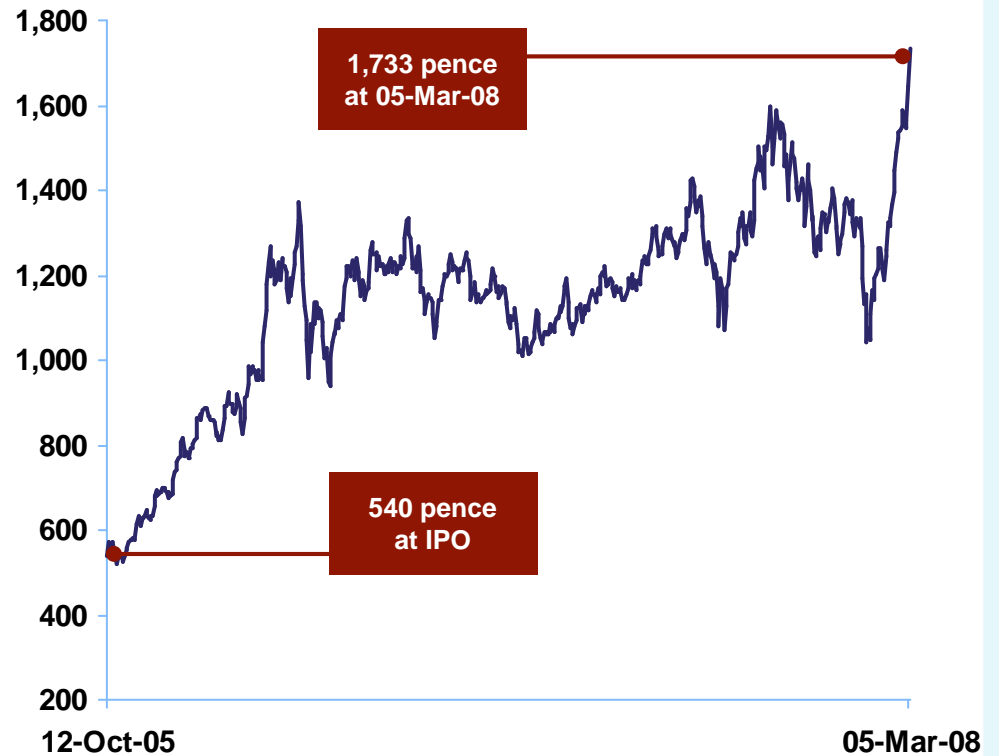
- ▣ Gold, Petroleum, Power and ENRC

Capital return to shareholders since IPO

Capital returned since IPO (\$m)



Share price since IPO (pence/share)



Strong returns to shareholders since listing



KAZAKHMYS

Oleg Novachuk

Chief Executive Officer



Kazakhmys Copper: Copper overview

Copper production and sales volume

kt (unless otherwise stated)	2007	2006		2005
Ore extraction	33,967	39,240	(13)%	39,446
Copper grade	1.22%	1.17%		1.03%
Copper in concentrate (total)	389.9	433.5	(10)%	397.6
Copper cathodes production				
from own concentrate	340.9	368.4	(7)%	338.2
from purchased concentrate	39.0	36.8	6%	48.3
Total copper¹	379.9	405.2	(6)%	386.5
of which copper rod	35.7	28.5	25%	8.7
Copper cathode sales:				
Sales volume	351	340	3%	362
Average realised price (\$/tonne)	7,175	7,025	2%	3,794
Copper rod sales	35	28	25%	8

Note: 1. Production excluding tolling

Copper

- Copper output:
 - Lower ore extraction volume due to:
 - Equipment availability
 - Planned overburden removals
 - Flooding at South mine
 - Higher copper grades
- Opportunistic use of purchased concentrate given:
 - Availability of material
 - Spare capacity
- Strong demand for copper rods
- Firm realised prices

Kazakhmys Copper: By-products overview

Major by-products production and sales volume

	2007	2006		2005
Zinc in concentrate				
Production (kt)	133	129	3%	95
Sales (kt)	89	67	33%	17
Zinc metal				
Production (kt)	45	60	(25)%	51
Sales (kt)	38	64	(41)%	52
Silver				
Production ¹ (koz)	18,985	21,530	(12)%	20,517
Sales (koz)	19,323	20,962	(8)%	20,174
Gold				
Production ¹ (koz)	113	107	6%	101
Sales (koz)	116	84	38%	84

Note: 1. Production excluding tolling

Zinc

- ▣ Zinc in concentrate production rose due to higher volumes
- ▣ Attractive margins for zinc concentrate with strong regional demand

Silver

- ▣ Silver production fell due to lower output at Zhezkazgan and East Region
- ▣ Sales benefited from progressive reduction in silver inventory over the year

Gold

- ▣ Gold production higher due to increased volumes
- ▣ Gold sales benefited from inventory brought forward from 2006





Strategy: Delivering Shareholder Value



Optimise existing assets

Deliver major growth projects

Diversify and create value in Central Asia

-  Oil block
-  Precious metals
-  Copper assets
-  Ekibastuz power plant



Optimise existing assets: Cost and efficiency initiatives

Achievements in 2007

Concentrators

- Focus on improving performance of concentrators:
 - Raised copper recovery by 8% at the Balkhash Complex and 7%-14% in the East Region
 - Increased copper content in concentrate by 2% at the Balkhash Complex and across the East Region
- Nikolayevsky refurbishment completed improving recoveries from polymetallic ores

Transportation

- Automotive
 - Introduced competition to long haul ore transportation
 - Forecast cost savings in 2008 of \$15 million
- Railways
 - Outsourcing of railway management and maintenance
 - Focus on improving reliability of operations; major rail disruptions in the Zhezkazgan Complex reduced by 19%

Optimise existing assets: Mine extensions

Starting in 2008

Zhezkazgan Complex:

- ▣ Taskura open pit (reserves contain approx. 35 kt of copper)

Karaganda Region:

- ▣ Abyz re-opened after overburden removal (reserves contain approx. 15 tonnes of gold)
- ▣ Akbastau (reserves contain approx. 200 kt of copper)
- ▣ North Nurkazgan open pit (reserves contain approx. 1,700 kt of copper for all Nurkazgan projects)

Selected near-term mine extensions

Zhezkazgan Complex:

- ▣ East Sary-Oba (reserves contain approx. 510 kt of copper)

Karaganda Region:

- ▣ West Nurkazgan switch to underground (reserves contain approx. 1,700 kt of copper for all Nurkazgan projects)

Balkhash Complex:

- ▣ Kounrad re-opening after overburden removal (reserves contain approx. 560 kt of copper)

Maintain core production at current level until major growth projects commence

Optimise existing assets: HSE and Community

Health, Safety and Environment – Remains a key priority

- ▣ Fatalities reduced from 32 in 2006 to 23 in 2007
 - ▣ Initiative on roof falls reduced fatalities from 14 to 4
 - ▣ Major investment in protective equipment and electrical safety
- ▣ Programme to improve safety around mobile equipment
- ▣ New management training centre
- ▣ OHSAS 18001 and ISO 14001 certifications in progress

Investment in local communities

- ▣ Largest social contribution programme in Kazakhstan
- ▣ Support all social spheres and across all regions:
 - ▣ Medical/health centres, pre-school centres, sport complexes

Deliver major growth projects

Boschekul – Pre-feasibility on track

- ▣ Estimated ore reserve contains 2.2 million tonnes of copper, average copper grade 0.54%
 - ▣ Estimated production capacity: 20-25 million tonnes of ore per annum
 - ▣ Operating costs expected in the lowest quartile
- ▣ Fluor conducting pre-feasibility study
 - ▣ Pre-feasibility study end 2008; feasibility study completion end 2009
- ▣ First copper concentrate production target end 2012

Aktogay – Two projects to optimise cash flow profile

- ▣ Estimated ore reserves contains 5.6 million tonnes of copper, average copper grade 0.35%
- ▣ Fluor appointed:
 - ▣ Oxide deposit (approx. 0.3 million tonnes of copper) – feasibility study due end 2008
 - ▣ Sulphide deposit (approx. 5.3 million tonnes of copper) – pre-feasibility study due 2009

Diversify in Central Asia: Kazakhmys Gold

Bozymchak development project

- ▣ Pre-feasibility study by Worley Parsons expected to complete in H1 2008, with planned extraction in 2010

Mizek Sulphide development project

- ▣ Pre-feasibility study by Worley Parsons expected to complete H1 2008, with planned extraction in 2010

Akjlga development project

- ▣ Scoping study on silver-rich deposit will commence in H2 2008

- ▣ Total measured and indicated gold reserves increased from 1.9 Moz to 2.3 Moz

- ▣ Experienced management team
- ▣ Substantial regional exploration opportunities
- ▣ Regional consolidation potential in fragmented industry

Considerable further opportunities in precious metals

Diversify in Central Asia: Kazakhmys Petroleum

- ▣ 4-year licence to explore Eastern Akzhar petroleum block (east of Caspian Sea)
- ▣ Recruited experienced management team
- ▣ Re-analysed existing data to plan drilling programme

Southern Akzhar (deeper southern area)

- ▣ Main focus of exploration activity
- ▣ 3D seismic survey started in 2007 and will continue throughout 2008
- ▣ Survey results will provide basis for commercial drilling

Elimessai (shallow northern area)

- ▣ Shallow well drilling programme started in 2007 and will continue until H2 2008
- ▣ Programme will determine viability of Elimessai

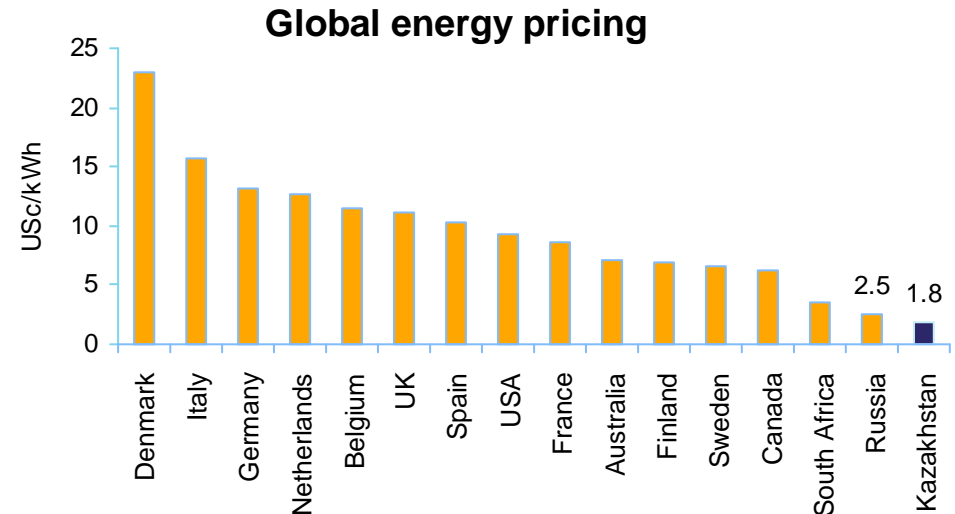
Diversify in Central Asia: Rising demand for power

Russia:

- Prices forecast to increase near term by 25% pa

Kazakhstan:

- Local demand forecast to increase by 8% in 2008
- Supported by strong industrial growth
- Demand is approaching supply limits
- Low global pricing at 1.8 US cents/KWh
- Underlying demand will lead to rising prices



Source: NUS Consulting Group, DB



Diversify in Central Asia: Power

- Subject to regulatory approval
- Cost of \$1.1 billion plus deferred consideration up to \$0.4 billion

Ekibastuz GRES-1

- Coal-fired thermal power station
- Current capacity: 2,250 MW
- EBITDA 2007E: \$70 million

Maikuben West mine

- Open cast coal mine
- Production: 3 million tonnes pa
- Supplies 20% of Ekibastuz GRES-1 requirements

- Acquisition of largest power plant in a fast growing electricity market
 - Cost of acquired capacity (excl coal): \$470 per KW
 - Average Russian transaction price in 2007: \$600 per KW
- 25% increase in tariffs generates \$30 million increase in EBITDA at current capacity
- Potential to double capacity in next 5 years
 - Accompanying infrastructure allows expansion at attractive multiples
 - Deferred consideration dependant upon achieving growth targets

The national champion in power

Creating value: Shareholding in ENRC

\$4,219 million¹

Approx. £4.64 per Kazakhmys share in issue

\$806 million

Price paid for holding in ENRC in October 2007
14.6% holding post ENRC IPO in December 2007

Flexibility on future opportunities: creates high option value

Note: 1. Current value of holding as at 5-Mar-08



KAZAKHMYS

Matthew Hird

Chief Financial Officer



Group financial KPIs



\$m (unless otherwise stated)	2007	2006		2005
EBITDA ¹	2,336	2,308	1%	1,074
EPS (\$) ²	3.02	3.00	1%	1.31
Cash cost of copper ³ (cents/lb)	33	9	267%	34
Net liquid funds	298	1,745	(83)%	830
Free Cash Flow	895	1,327	(33)%	450
Return on Capital Employed	31%	50%	(19) bp	32%

Notes: 1. EBITDA excluding special items
 2. EPS based on Underlying Profit
 3. Excluding purchased concentrate

Summary income statement

Key line items (\$m)	2007	2006	
Turnover	5,257	5,046	4%
EBITDA (excluding special items)	2,336	2,308	1%
Kazakhmys Copper	2,233	2,296	(3)%
MKM	34	44	(23)%
Kazakhmys Gold	6	-	-
Other	63	(32)	-
EBITDA margin (excluding special items)	44%	46%	
Kazakhmys Copper	62%	69%	
MKM	2%	3%	
Kazakhmys Gold	26%	-	
PBT	2,026	2,168	(7)%
Recurring income tax rate ¹	33%	32%	
Underlying Profit ²	1,410	1,403	1%
EPS based on Underlying Profit (\$)	3.02	3.00	1%
DPS (\$) excluding special dividend	0.410	0.385	7%
DPS (\$) including special dividend	0.910	0.385	136%

Notes: 1. Income tax rate after adjusting for non-recurring tax items

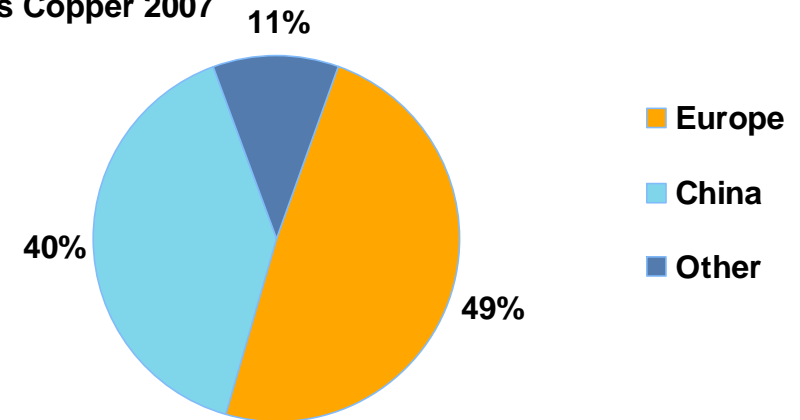
2. Profit for the year after adding back items which are non-recurring or variable in nature and which do not impact the underlying trading performance of the business and their resultant tax and minority interest effects

Revenue analysis – by destination

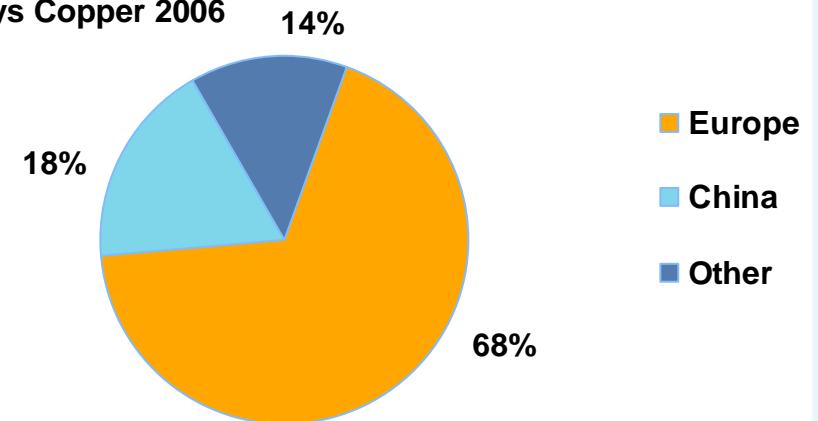
\$m		Europe	China	Other	Total
Kazakhmys Copper	2007	1,759	1,424	405	3,588
	2006	2,269	589	472	3,330

- ▣ 80% of Kazakhmys Copper sales are on annual contracts priced at prevailing market prices
- ▣ Flexibility in sales strategy due to:
 - ▣ Proximity to China
 - ▣ Infrastructure links to Europe
- ▣ Demand in both areas expected to be robust in 2008
- ▣ Strategic relationship with Jiangxi Copper Corporation

Kazakhmys Copper 2007



Kazakhmys Copper 2006

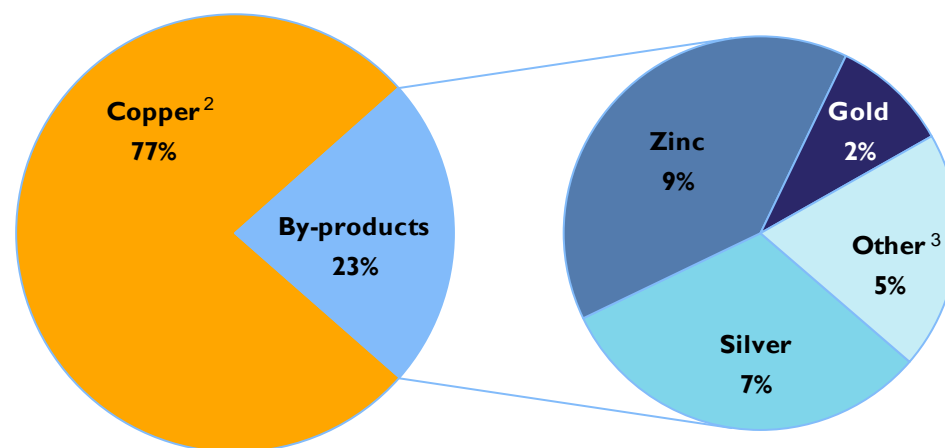


Experienced sales teams and flexibility across different geographies

Revenue analysis – by product

\$m	2007	2006	
Copper cathodes	2,516	2,389	5%
Copper rod	251	196	28%
Zinc (by-product)	324	329	(2)%
Zinc metal	124	201	(38)%
Zinc in concentrate	200	128	56%
Silver (by-product)	257	239	8%
Gold (by product)	80	51	57%
Other ¹	160	126	27%
Kazakhmys Copper	3,588	3,330	8%
MKM	1,643	1,716	(4)%
Kazakhmys Gold	25	-	-
Total Group	5,257	5,046	4%

2007 Kazakhmys Copper revenue – \$3,588 m



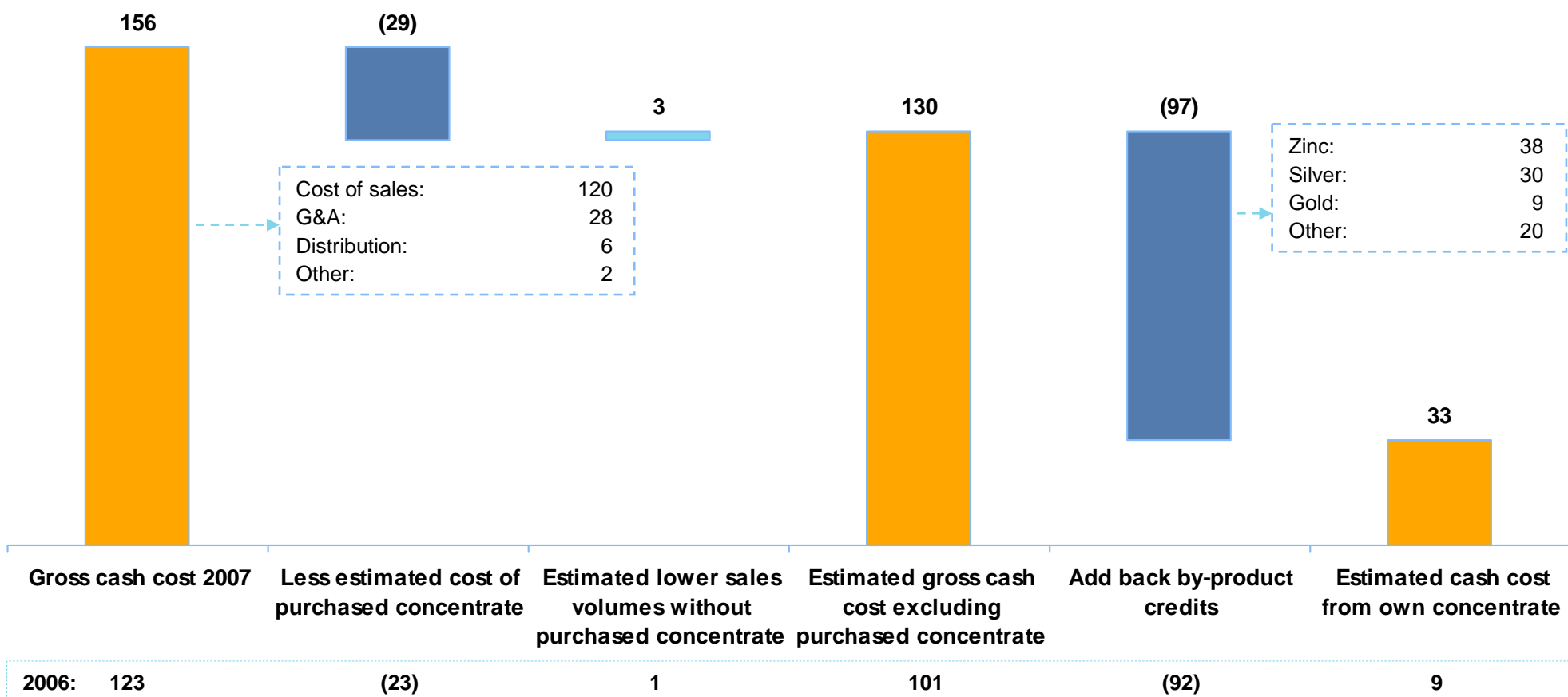
- By-products 23% of revenue – consistent with 2006
- Copper revenue increase driven:
 - 70% by volume
 - 30% by price

Notes: 1. Other revenue includes copper cathode and gold tolling revenue
 2. Includes copper rod and tolling.
 3. Includes coal, electricity, heat, etc.

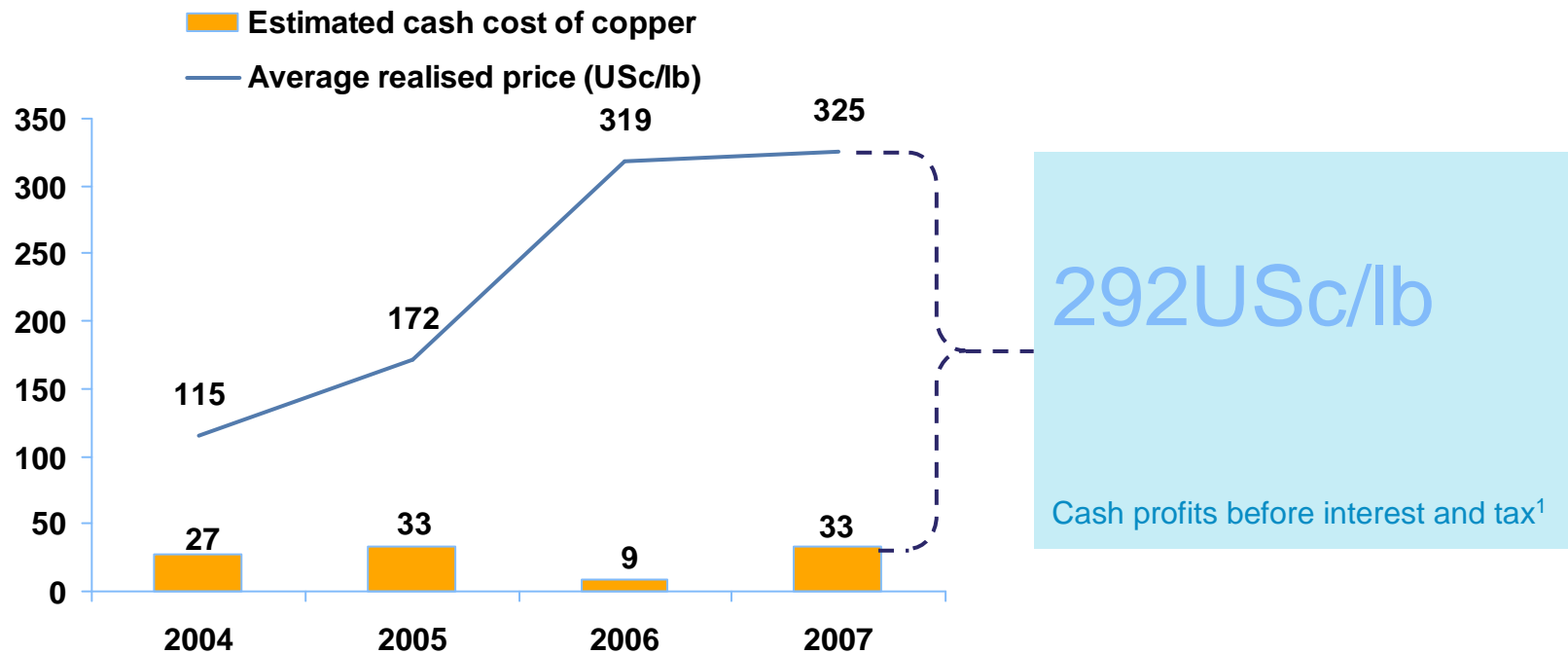
Reconciliation of gross cash cost to cash cost from own concentrate



(cents/lb)



Historic cash costs and cash profits

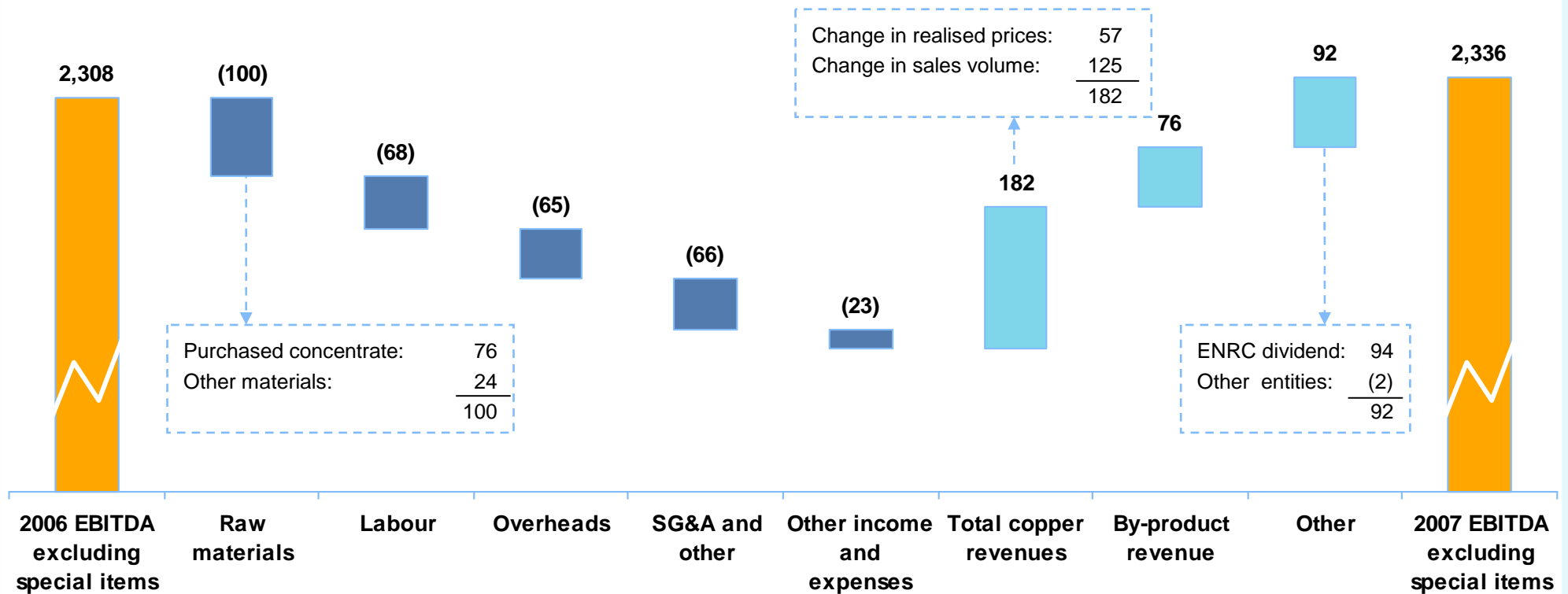


- Kazakhmys continues to be lowest quartile cost producer
- 10% change in copper prices creates estimated \$250 million change in EBITDA
- 2006: Significant increase in by-products prices produced historically low cash costs
- 2007: Modest by-product price rise and cost inflation catch up reverted costs to historic levels

Note: 1. Excluding purchased concentrate

EBITDA variance

2006 to 2007 EBITDA¹ reconciliation (\$m)



Increases in production costs, especially purchased concentrate and salaries, offset by higher realised copper prices and improved by-product credits

Note: 1. Excluding special items

Summary balance sheet

Assets (\$m)	2007	2006
Cash and liquid funds	496	2,023
Other current assets	1,360	1,105
Non-current assets	5,498	1,993
Total	7,354	5,121

Corporate activity (\$m)	2007
Kazakhmys Petroleum	450
Kazakhmys Gold	270
ENRC	806
Special dividend	235
Share buy-back (up to 31 Dec)	270

Equity & liabilities (\$m)	2007	2006
Equity	6,433	3,892
Borrowings	198	278
Liabilities	723	951
Total	7,354	5,121

Net liquid funds (\$m)	2007	2006
Cash and liquid funds	496	2,023
Borrowings	(198)	(278)
Total	298	1,745

Solid cash generation and strong balance sheet

Summary cash flow

\$m	2007	2006			
Profit before taxation	2,026	2,168			
Net interest income	(94)	(79)			
Depreciation and amortisation	264	226			
Working capital movements	(282)	(255)			
Income tax paid	(850)	(623)			
Other movements	73	(25)			
Net cash flows from operating activities	1,137	1,412			
Sustaining capital expenditure	(242)	(85)			
Free Cash Flow	895	1,327			
Expansionary and new project capital expenditure	(251)	(260)			
Acquisition of businesses	(1,527)	-			
Interest received	121	77			
Dividends paid	(424)	(233)			
Share buy-back	(270)	-			
Other	(12)	3			
Cash flow movement in net liquid funds	(1,468)	914			

	2007	2006
Working capital movements		
Kazakhmys Copper	(339)	(98)
MKM	50	(157)
Other	7	-
Total	(282)	(255)

	2007	2006
Capital expenditure		
Kazakhmys Copper	463	340
MKM	11	5
Other	19	-
Total	493	345

	Sales (kt)		GVA/t ¹ (€/t)		GVA ¹ (€m)	
	2007	2006	2007	2006	2007	2006
Wire Section	154.6	167.2	240.0	202.8	37.1	33.9
Flat Section	66.5	62.9	1,061.7	1,033.4	70.6	65.0
Tubes and Bars	43.6	42.5	1,006.9	851.8	43.9	36.2
Total	264.7	272.6	572.7	495.6	151.6	135.1

- Working capital management improved by \$50 million due to:
 - Reduction in inventory volumes
 - Improved payment terms with suppliers
- Focus on higher margin products increased Gross Value Added (GVA)¹ by 12%
- EBITDA of \$37 million (excluding the non-cash inventory adjustment) up 85% from 2006
- Improved performance in Conti-M technology

Note: 1. GVA calculated as: Turnover less the input cost of copper cathode i.e. MKM's 'value add'

Capital management

Returned to shareholders in 2007

- 2007 interim and final dividend: \$190 million (13.6 US cents/share and 27.4 US cents/share)
- 2007 special dividend: \$235 million (50.0 US cents/share)
- Share buy-back: \$390 million

■ 2007: Returned surplus capital

■ 2008: Move into net debt position through acquisitions

■ Signed pre-export finance facility of \$2.1 billion

□ Oversubscribed with syndicate of 19 banks

□ Competitive margin over LIBOR of 1.25%

Maintain robust and efficient balance sheet to maximise return to shareholders



KAZAKHMYS

Oleg Novachuk

Chief Executive Officer



Outlook for 2008

- Maintain strategy
 - **Optimise assets:** cost control, mine projects and operational efficiency improvements
 - **Growth projects** maintain progress in copper, precious metals, petroleum and power
 - **Create value opportunities** to diversify across natural resources in Central Asia:
 - Knowledge of local market place
 - Significant opportunities in the region
 - Financial strength

- Copper demand remains strong
- Cathode production from own concentrate will be at least maintained at 2007 levels



Appendices



2007 Copper cathode production by region

Zhezkazgan Complex

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	FY 2006
Ore extraction (kt)	6,300	6,516	5,788	5,751	24,355	27,676
Average copper grade (%)	0.83	0.80	0.81	0.83	0.82	0.82
Copper Concentrate (kt)	120.8	126.4	121.0	122.9	491.1	541.1
Copper in Concentrate (kt)	46.5	46.6	42.6	42.9	178.6	199.3
Copper Cathodes ¹ (kt)	49.9	43.9	44.6	49.1	187.5	221.8
of which tolling (kt)	-	-	-	-	-	0.7
Copper Rod (kt)	9.0	9.0	8.9	8.8	35.7	28.5

Balkash Complex

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	FY 2006
Ore extraction (kt)	490	602	615	419	2,126	4,371
Average copper grade (%)	1.25	1.08	0.86	1.07	1.05	0.81
Copper Concentrate ² (kt)	41.2	51.3	47.8	47.6	187.9	257.1
Copper in Concentrate (kt)	7.6	8.3	7.8	8.8	32.5	43.4
Copper Cathodes (kt)	49.9	47.6	42.2	53.9	193.6	185.2
of which tolling (kt)	0.6	0.2	0.3	0.2	1.3	1.1
Copper Rod (kt)	-	-	-	-	-	-

East Region

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	FY 2006
Ore extraction (kt)	1,146	1,027	962	1,005	4,140	4,441
Average copper grade (%)	2.69	2.50	3.07	3.16	2.85	2.83
Copper Concentrate ² (kt)	126.2	105.2	127.4	147.4	506.2	534.5
Copper in Concentrate (kt)	23.7	20.0	24.4	27.8	95.9	98.7
Copper Cathodes (kt)	--	--	--	--	--	--
Copper Rod (kt)	--	--	--	--	--	--

Karaganda Region

	Q1 2007	Q2 2007	Q3 2007	Q4 2007	FY 2007	FY 2006
Ore extraction (kt)	995	917	879	555	3,346	2,752
Average copper grade (%)	2.27	2.46	2.06	1.94	2.21	2.59
Copper Concentrate (kt)	79.2	79.5	34.0	38.9	231.6	230.8
Copper in Concentrate (kt)	12.6	12.0	4.5	4.2	33.3	33.7
Copper Cathodes (kt)	--	--	--	--	--	--
Copper Rod (kt)	--	--	--	--	--	--

Notes: 1. Includes copper used to produce copper rod.
2. Excludes concentrate processed by third parties.

Group reserves summary – 2007

Kazakhmys Copper reserves as at 31 December 2007

Location	Proved & probable (kt)	Copper (%)	Zinc (%)	Gold (g/t)	Silver (g/t)
Zhezkazgan Complex	424,352	0.86	–	–	12.33
Balkhash Complex	1,997,785	0.40	–	0.06	1.66
East Region	61,853	3.07	4.49	0.88	59.04
Karaganda Region	241,254	1.04	0.15	0.45	3.84
Total Kazakhmys Copper	2,725,244	0.59	0.12	0.10	4.82

Group reserves summary – 2007 (cont)

Kazakhmys Gold reserves as at 31 December 2007

Location	Proved & probable (kt)	Gold (g/t)	Silver (g/t)	Copper (%)	Gold equivalent (Mozs)
Mizek (LOM 4 years)	2,867	1.56	3.68	0.15	0.17
Mukur (LOM 3 years)	2,178	1.43	-	-	0.10
Zhaima (LOM 1 year)	105	2.28	-	-	0.01
Total Kazakhmys Gold	5,150	1.52	2.05	0.08	0.28

Note: Gold equivalent ounces have been calculated based on the following prices: copper \$2,756 per tonne, gold \$561 per ounce and silver \$10.20 per ounce

Kazakhmys Gold resources – 2007



Kazakhmys Gold resources as at 31 December 2007

Location	Resources (kt)	Gold (g/t)	Silver (g/t)	Copper (%)	Gold equivalent (Mozs)
Bozymchak	13,625	1.62	7.73	0.87	1.35
Mizek	7,180	2.77	5.09	0.80	0.94
Total measured and indicated	20,805	2.02	6.82	0.85	2.30
Total inferred	13,149	1.74	22.00	0.74	1.38

Note: Gold equivalent ounces have been calculated based on the following prices: copper \$2,756 per tonne, gold \$561 per ounce and silver \$10.20 per ounce