KAZAKHMYS PLC

INTERIM RESULTS FOR THE PERIOD ENDED 30 JUNE 2007

FINANCIAL HIGHLIGHTS

- Financial results driven by steady copper cathode production and buoyant commodity prices
- Revenues increased by 22% to $2.8 billion
- EBITDA excluding special items up 22% to $1,323.7 million
- EPS based on Underlying Profit up 29% to $1.71 per share

CASH RETURN TO SHAREHOLDERS

- Strong Free Cash Flow of $614.4 million for the period
- Cashflow and strength of balance sheet allows cash return to shareholders of $700 million
  - Interim dividend of $64 million, an increase of 7% (13.6 US cents per share)
  - Special dividend of $235 million, or 50.0 US cents per share
  - Share buy-back programme of up to $400 million announced

KEY BUSINESS DEVELOPMENTS

- Delivery on diversification strategy with estimated investment of $1.6 billion
  - Acquisition of Eastern Akzhar petroleum block in March
  - Acquisition of Eurasia Gold Inc in July
  - Planned exercise of ENRC option[1]
- Launch of Boschekul pre-feasibility study

[1] A separate statement has been released today

Vladimir Kim, Executive Chairman of Kazakhmys plc commented:

"These are positive results, supported by sound operational performance across the Group and delivery of our key strategic objectives. I am pleased that the financial strength of our Group is supporting both diversification and increased returns to shareholders whilst leaving us well positioned to invest in further growth."

FINANCIAL OVERVIEW

$million (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Change %
Revenues	**2,789.3**	2,279.8	22
Earnings:			
Profit before taxation, finance items and negative goodwill	**1,203.3**	984.5	22
EBITDA excluding special items[1]	**1,323.7**	1,081.3	22
Underlying Profit[2]	**799.6**	619.3	29
EPS:			
Basic and diluted ($)	**1.70**	1.35	26
Based on Underlying Profit[3] ($)	**1.71**	1.32	29
Free Cash Flow	**614.4**	622.3	(1)
ROCE (%)	**24.4**	27.7	
Cash cost of copper after by-product credits (USc/lb)	**44.5**	25.5	75

[1] Reconciliation of EBITDA excluding special items to profit before taxation, finance items and negative goodwill is found in note 4(a) on page 27
[2] Reconciliation of net profit attributable to equity shareholders of the Company to Underlying Profit is found in note 8(b) on page 32
[3] Reconciliation of EPS based on Underlying Profit is found in note 8(b) on page 32

CHAIRMAN'S STATEMENT

In the first six months of 2007 we have again enjoyed a strong increase in revenue and profits, benefiting from continued buoyant commodity prices and demand for all of our metals. Over the first six months of 2007 turnover rose to $2,789.3 million, a 22% increase on the same period last year. This increase was reflected in pre-tax profits rising by 24% to $1,185.8 million and a 29% increase in earnings per share, based on Underlying Profit, from $1.32 in the first six months of 2006 to $1.71.

Production increased modestly over the past six months, with output of finished copper rising by 2%. The Group continues to invest in existing operations and in the development of new copper deposits in order to maintain and extend our existing production. Today we are announcing the launch of a comprehensive pre-feasibility study on the Boschekul project and we are making good progress on a detailed study of the oxide deposits at Aktogay.

In 2007 we have started to deliver on some key areas of our strategy. This can be seen in the acquisitions of the Eastern Akzhar petroleum block in March, followed just after the period end by our acquisition of Eurasia Gold in July. In addition, the independent Directors of the Board have approved the exercise of the ENRC option, subject to the approvals of the Government of Kazakhstan and the independent shareholders of the Company. In total this represents estimated investment of $1.6 billion and has brought us exposure to some important new commodities. Kazakhstan and the region continue to offer numerous exceptional opportunities for diversification and development, through new projects and existing assets. Pursuing these opportunities remains a key part of our strategy.

We will increase the amount of Kazakhmys PLC shares held through the Kazakhstan Stock Exchange to over 2.5% of our total issued share capital, following a share exchange offer to existing holders of our operating subsidiary Kazakhmys LLC in which we will now hold 99.73%. This consolidation moves the Group towards a more simplified corporate structure and supports the development of the Kazakh capital markets.

With commodity prices remaining high, the Group continues to generate substantial levels of Free Cash Flow, with net liquid funds of $1.7 billion at 30 June 2007. We are intending to carry out a share buy-back of up to $400 million and the Board is declaring a special dividend of $235 million, 50.0 US cents per share, in addition to the interim dividend of $64 million, 13.6 US cents per share, a 7% increase on the interim dividend last year. This brings a total return to shareholders of up to $700 million. We believe that subsequent to this return, we retain sufficient balance sheet strength to implement our strategy and to take up other opportunities as they arise.

I should like to thank all our employees for their continued hard work and support throughout the period. I should also like to thank the Directors, who have played a key role in assisting on strategy over the past six months.

Looking ahead, we anticipate total copper production finishing 2007 at a slightly higher level than 2006 and production from own material in line with last year. The outlook for pricing and demand remains firm. Costs continue to create pressure and several initiatives are underway to mitigate this. Our commitment to our strategy of development and diversification remains strong and I look forward to reporting further progress in our 2007 annual results.

CHIEF EXECUTIVE'S REVIEW

It has been a positive six months' performance, with a combination of stable production and firm commodity prices producing a strong increase in financial returns. This has been combined with good progress on our strategy to expand and diversify.

Lower ore output was largely offset by higher ore grades from several new mines, leading to steady production of copper in concentrate compared to the same period in 2006. Total copper cathode output for the first half of 2007 reached 190.4kt, excluding tolled material, compared to 186.5kt produced in the first six months of 2006. This included production of 26.9kt of cathodes from purchased concentrate, an increase from 17.5kt for the first six months of last year. Production from purchased concentrate is undertaken when opportunities arise to purchase concentrate locally and capacity is available.

Zinc metal in concentrate production was in line with the interim period last year, at 71.2kt in the first six months of 2007. On the same comparison, production of gold and silver from our own material reduced by 4% and 5% respectively, to 51.4koz and 10,104koz. The level of silver production was directly linked to lower output from mines with silver content. Gold in ore production actually increased compared to the first half of 2006 and material was stockpiled, which has been processed in the second half of the current year.

The average realised price on copper sales over the six month period was $6,930 per tonne, an increase of 6.5% on the same period last year. There was a rise in realised zinc prices of 29% to $3,572 per tonne. The increase in metals prices, accompanied by steady output, led to a rise in revenue of 22% to $2.8 billion. Revenues also benefited from the recognition of sales of 49kt of copper cathode, which were held as goods in transit at the year end. Revenue has been held back, however, by high inventories of silver which have been sold down since the period end. In addition, ore containing gold, as mentioned above, was stockpiled and has been processed in the second half.

Cost pressures have been seen throughout the mining industry globally for some time and this has had an impact in Kazakhstan. Inflation in Kazakhstan is currently about 8%, but fuel costs have risen by 31% in the first half of 2007, compared to the same period last year. Salaries have risen in excess of 20%, affected by a combination of the strong economy and the buoyant mining sector, with demand for skilled workers leading to a tight labour market. Fuel and labour represent around 30% of our cash cost of sales. These pressures are likely to continue and action is being taken, as described below, to mitigate the impact.

Cash cost of copper, including the cost of purchased concentrate and net of revenues arising from by-products for the first six months of 2007 was 44.5 US cents per pound. Excluding the costs of purchased concentrate and corresponding copper cathode production, our cash cost for the period was estimated to be 27 US cents per pound, which continues to place us amongst the lower cost copper producers in the world due to the valuable contribution we receive from by-product revenues. In common with other mining companies around the world, we have faced cost pressures principally arising from labour, fuel and transportation costs, but we continue to maximise by-product revenues with a view to mitigating these cost pressures. Our cash costs figure is also highly sensitive to the timing of by-product revenues; if the silver inventories had remained constant during the period, then our cash costs would have reduced by approximately 6 US cents per pound.

EBITDA, excluding special items, rose by 22% to $1.3 billion, reflecting the improvement in commodity prices. The EBITDA margin was unchanged from the first half of last year, at 48%, as higher commodity prices offset the cost pressures noted above. The rise in the price of copper subdues the margins of MKM, our German copper product division, as they purchase copper for fabrication. The EBITDA margin of our core copper division, excluding MKM and purchased concentrate, has remained steady from the first half of last year, at 82%.

We are undertaking a comprehensive cost management programme, in order to offset the cost pressures mentioned above and to embed a culture of cost efficiency across the organisation. This is divided into three key areas: transportation, concentrators and labour. The review of our transportation costs covers a wide range of activities. In road transportation we believe there are opportunities to reduce maintenance costs, outsource some maintenance activities and to make the handling of material more efficient. We are considering ways of improving our rail transportation system to improve delivery times and reduce losses in transit. The new Nurkazagan concentrator will start production in the second half of this year and will save in transportation and other costs, principally by removing the need to transport ore. We believe there are opportunities to build a further two concentrators and these projects are about to enter pre-feasibility stage. At the same time we are upgrading two of our eight existing concentrators, Karagaily and Nikolaevskoe, which will improve their recovery rates and capacity. This refurbishment programme will then be extended to other concentrators. We believe that there is potential to reduce our labour numbers in some areas, such as the outsourcing of transportation, but this has to take into account our social responsibility towards our employees and the wider community.

There has been continued focus on health and safety over the past six months. To 30 June there were 17 fatalities, the same as in the first six months of last year. In the first half of last year there were nine fatalities related to falls of ground and our programme to address this issue was covered in our 2006 Annual Report. The number of fatalities as a result of falls of ground has reduced to two in the current period, which is an encouraging start to this initiative. There has, however, been an increase in incidents related to underground mobile mining equipment and we will now be reviewing some specific initiatives to address this trend. There is a major new training facility for health and safety being developed at Zhezkazgan, due for completion this year, underlining our commitment in this area.

The total spend on capital expenditure over the period was $650.2 million, of which $83.8 million was sustaining capital expenditure and the balance representing spend on new projects. 80% of the new project capital expenditure was for the acquisition of the Eastern Akzhar petroleum business and related licenses.

In our 2006 Annual Report we stated that at this time we would report on the potential fast tracking of our two growth projects, at Aktogay and Boschekul. I can now announce that we are fast tracking the pre-feasibility stage of Boschekul, which should see the project ready for approval into the feasibility stage by December 2008. Early indications suggest a resource of 400 million tonnes containing 2.2 million tonnes of copper, but we believe the size of the resource will increase. We have engaged the international engineering and construction group, Fluor, to assist on this project. Studies are being carried out to optimise the development of Aktogay, specifically on the oxide deposits, which although relatively small, at 107 million tonnes, should be a straightforward and low cost project. This should move into pre-feasibility study by the end of 2007.

We continue to generate significant levels of cash, with Free Cash Flow over the period of $614 million and net liquid funds of $1,740 million at the period end. As mentioned in the Chairman's Statement, we have decided to return some cash to shareholders through a combination of a share buy-back of up to $400 million and a special dividend of $235 million, 50.0 US cents per share. The strength of our balance sheet still leaves the Group with the flexibility to meet our requirements for expenditure and to fulfil our diversification strategy.

We have begun delivering on some important areas of our diversification strategy since the start of the year. In March 2007 we completed the acquisition of the Eastern Akzhar petroleum block. We are currently carrying out studies to review previous exploration work. For the second half of 2007 and early 2008 we are working in the deeper southern part of the block and we are also looking at exploration in the shallow northern part of the block.

Since the period end we have completed the acquisition of Eurasia Gold, in July. Eurasia Gold currently has around 1.9 million ounces of gold resource (on a JORC and C1 Kazakhstan Standard basis), though we anticipate that this number will increase substantially following the survey work currently taking place, which we will report on at our 2007 Annual Results. These assets, such as the Bozymchuk and Mizek Sulphide projects, are planned to move into production in 2009 and, combined with our existing gold resources and output, provide the core of an exciting gold division.

Today we announced that the independent Directors of the Board have approved the exercise of the option to acquire an 18.8% holding in ENRC, subject to the approvals of the Government of Kazakhstan and the independent shareholders of the Company. The estimated cost will be $810 million. The holding will provide entry to a range of new resources, including ferroalloys, iron ore and alumina. Given the strength of our balance sheet, we believe that there are many opportunities that can be considered with ENRC to our mutual benefit.

I should like to thank all my colleagues for their efforts in achieving these results. These are exciting times for all of us at Kazakhmys as we continue to develop and improve our existing operations and start to deliver and take advantage of the many strategic opportunities available to us. I look forward to reporting on this further at the final results next year.

REVIEW OF OPERATIONS

OVERALL COPPER PRODUCTION

Kazakh Mining Copper Production

kt (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Ore extraction	**17,994**	20,127
Average copper grade (%)	**1.21**	1.10
Copper in concentrate	**201.5**	202.6
own concentrate	**182.8**	183.4
purchased concentrate	**18.7**	19.2
Copper cathodes[1]	**191.2**	187.9
own concentrate	**163.5**	169.0
purchased concentrate	**26.9**	17.5
tolling concentrate	**0.8**	1.4
Copper rod	**18.0**	14.3

[1]Includes copper used to produce copper rod

Total copper cathode output for the first half of 2007 reached 190kt, excluding tolled material, 2% higher than the 187kt produced in the first six months of 2006. Lower ore output was largely offset by higher ore grades, resulting in copper in concentrate production in line with that of the same period in 2006.

Lower ore output in the first half of 2007 was primarily due to the suspension of production for stripping works at the Kounrad mine in the Balkhash Complex and lower output from the Zhezkazgan Complex. There was increased ore output in the Karaganda Region as the Kosmurun mine produced over the full six month period when it was only operational for part of the first half of 2006.

The impact on copper in concentrate production of the lower ore output was almost offset by a higher average copper grade of 1.21%, considerably above the 1.10% recorded for the first half of 2006. This was achieved by additional output from the newer, relatively high grade mines such as Zhomart in the Zhezkazgan Complex, Artemyevskoe in the East Region and Kosmurun in the Karaganda Region, coupled with the impact of the suspension of output at Kounrad for stripping works, a mine with a below average ore grade. As the newer mines produced at a ramped up capacity throughout the first half of 2007, their upwards pressure on the average copper grade is unlikely to continue.

Cathode output in the first half of 2007 was adversely impacted by maintenance shutdowns at both the Zhezkazgan and Balkhash smelters. The smelters are now fully operational, although there may be a further 10 day maintenance shutdown during the second half of the year.

The Group has continued to opportunistically produce cathodes from purchased concentrate when there is concentrate available locally and there is spare capacity at the smelters. In the first half of 2007 the Group produced 26.9kt of copper cathodes from purchased concentrate, up from 17.5kt in the first half of 2006.

The volume of cathodes allocated for further processing into copper rod is determined by contracted demand, normally from the Chinese market. In the first half of 2007, 3.7kt more copper rod was processed than in the comparative period of the prior year.

COPPER REVIEW BY REGION

Zhezkazgan Complex

kt (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Ore extraction	**12,816**	14,050
Average copper grade (%)	**0.81**	0.82
Copper concentrate	**247.2**	280.1
Copper in concentrate	**93.1**	100.9
Copper cathodes[1]	**93.7**	105.8
of which tolling	**-**	0.5
Copper rod	**18.0**	14.3

[1]Includes copper used to produce copper rod

The Zhezkazgan Complex's ore output in the first half of 2007 was lower than in the corresponding period of 2006 as a result of a collapse impacting the Annensky and East mines in the second half of 2006 and the majority of Zhezkazgan Complex mines being at or nearing a mature stage. The increase in output, half year on half year, from the Zhomart mine commissioned in April 2006, was not sufficient to offset the fall in output from the other Zhezkazgan Complex mines. Considerable work is required, in efficiencies and expansions, to maintain the current copper output levels.

The lower ore output, at a similar ore grade as in the prior year, resulted in production of copper in concentrate being reduced from 100.9kt to 93.1kt.

At the end of May 2007, the Zhezkazgan smelter closed for 14 days for maintenance, contributing to a decline in copper cathode production in the first half of 2007 to 93.7kt, compared to the level achieved in the first half of 2006.

Balkhash Complex

kt (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Ore extraction	**1,093**	2,286
Average copper grade (%)	**1.15**	0.82
Copper concentrate[1]	**92.5**	133.0
Copper in concentrate	**15.9**	24.3
Copper cathodes	**97.5**	82.1
of which tolling	**0.8**	0.9
Copper rod	**-**	-

[1]Excludes concentrate processed by third parties

In the first six months of 2007 there was limited ore output of 178kt (30 June 2006: 1,175kt) from the Kounrad mine as it undergoes major stripping works. The stripping works are scheduled to continue throughout 2007, though in June there was some limited output and further production, albeit intermittent, is expected over the second half of the year. The Sayak mine experienced technical issues with drilling and ore transportation equipment reducing its output to 702kt (30 June 2006: 867kt).

Kounrad mine had a copper grade of only 0.34% in the first half of 2006, below the Complex's average, so its reduction in output has resulted in the Complex's average grade rising from 0.82% to 1.15%.

The stripping works at Kounrad and technical issues at Sayak led to the Complex's copper in concentrate output falling from 24.3kt to 15.9kt.

The Balkhash smelter, where the vast majority of purchased concentrate is processed, together with own concentrate from the Karaganda and East regions, produced 97.5kt of cathodes, up from 82.1kt in the first half of 2006. Although one of the smelter furnaces at Balkhash was shutdown for maintenance for 14 days in June, the lost production is expected to be made up in the second half of the year.

East Region

kt (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Ore extraction	**2,173**	2,318
Average copper grade (%)	**2.60**	2.63
Copper concentrate[1]	**231.4**	259.5
Copper in concentrate	**43.7**	47.6
Copper cathodes	**-**	-
Copper rod	**-**	-

[1]Excludes concentrate processed by third parties

The ore volumes produced in the East Region were slightly below the levels achieved over the same period in 2006 as an increase in ore output of 271kt from one of the newer mines, Artemyevskoe, was offset by delays in obtaining mining and transportation equipment at the Orlovskoe and Yubileyno-Snegirikhinskoe mines. New equipment is expected to be delivered in the third quarter of 2007. There was also reduced production at the Nikolaevskoe mine which had been transferred from an open pit to an underground mine in 2006 and a temporary stoppage of ore extraction at Belousovskoe mine in April 2007 as stripping and ore preparation works were undertaken.

In addition to the figures shown above, 5.4kt of copper in concentrate was produced by a third party on a tolled basis for the Group (30 June 2006: 4.1kt).

In the first half of 2007, the region's average ore grade was almost the same as the grade achieved in the comparative period in 2006.

Karaganda Region

kt (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Ore extraction	**1,912**	1,473
Average copper grade (%)	**2.36**	1.83
Copper concentrate	**158.7**	71.2
Copper in concentrate	**24.6**	6.4
Copper cathodes	**-**	-
Copper rod	**-**	-

Ore output in the Karaganda Region grew by 439kt from 1,473kt to 1,912kt and the ore grade increased from 1.83% to 2.36% resulting in copper in concentrate production of 24.6kt, 284% higher than the first half of 2006.

Kosmurun mine output rose by 540kt at an average grade of 4.00%, more than compensating for the closure of the Abyz mine for planned stripping works throughout the period.

During the first six months of 2007, 950kt of ore from the Nurkazgan mine was stockpiled at the new Nurkazgan concentrator awaiting the completion of the testing and commissioning works. This concentrator is expected to become operational in the second half of 2007.

REVIEW OF ZINC PRODUCTION

Kazakh Mining Zinc Production

kt (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Average zinc grade (%)	**3.69**	4.00
Zinc in concentrate	**71.2**	70.6
Zinc metal	**27.4**	33.8

Zinc in concentrate production in the first six months of 2007 was in line with the same period in 2006. The increased ore output in 2007 from the Artemyevskoe mine offset the impact of the second quarter equipment shortages at the Orlovskoe mine.

Some ore from the Kosmurun mine, which had been found to contain zinc for the first time, has been stockpiled as the Karagaily concentrator is upgraded. The stockpiled ore is expected to be processed in the second half of 2007.

The zinc grade fell slightly to 3.69% from the 4.00% recorded in 2006. This was partly due to the Kosmurun mine producing ore containing zinc in 2007, at a below average grade of 2.10%. Other factors were lower grades being extracted at the Artemyevskoe mine and the ceasing of production for stripping works at the Abyz mine.

Zinc metal output is slightly below the current annualised capacity of 60kt, though with the relative attractiveness of concentrate prices, material is being sold as concentrate and not stockpiled.

REVIEW OF PRECIOUS METALS PRODUCTION

Kazakh Mining Precious Metals Production

koz (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Silver grade (g/t)	**21.09**	20.34
Silver	**10,111**	10,692
own production	**10,104**	10,660
tolling	**7**	32
Gold grade (g/t)	**0.77**	0.70
Gold	**70.6**	77.7
own production	**51.4**	53.6
tolling	**19.2**	24.2

Silver own production in the first half of 2007 was 5% below that for the first six months of 2006 as the decrease in ore output in the Zhezkazgan Complex, particularly from the Annensky and East mines impacted by the 2006 collapse, was partially offset by production from the South mine and the recently commissioned Zhomart mine. The other main silver producing region, East, also experienced lower silver output due to the slightly lower ore production at the Orlovskoe mine.

Gold in ore output was higher than that in the first half of 2006, as the Artemyevskoe and Nikolaevskoe mines in the East Region reported greater gold outputs. Karaganda's gold output was also higher than that achieved in the first half of 2006 due to the above average gold content of the Kosmurun mine whose ore extraction was significantly higher than in the prior period.

However, own gold production from the Group's precious metals refinery in Balkhash was 4% lower than the first half of 2006, mainly due to the build-up of work in progress and the stockpiling of Nurkazgan ore, all of which is expected to be processed later in the year.

MKM PRODUCTION

The Group's German downstream manufacturing subsidiary, MKM, sold 136kt, up from 134kt in the first half of 2006. Within this, the volumes of wire rod, a low margin product, fell slightly from 62kt to 59kt as the business focused more on higher margin products, taking advantage of improved market conditions. Production of strips rose from 23kt to 25kt, an increase of 9%, and bars from 11kt to 13kt, an increase of 15%.

KAZAKHMYS PETROLEUM

Following the acquisition of the Eastern Akzhar petroleum block in Western Kazakhstan, Kazakhmys has recruited a specialist team to carry out prospecting work to establish the reserves in place. In the second half of the year, prospecting will be undertaken including exploratory drilling on the suprasalt structures, performing seismic 3D work on the subsalt structures, re-entering existing wells to confirm previous exploration results and establishing the initial on-site infrastructure to support activities on the block.

FINANCIAL REVIEW

BASIS OF PREPARATION

The financial information set out on pages 20 to 39 has been prepared using consistent accounting policies with those adopted in the financial statements for the year ended 31 December 2006.

SUMMARY OF RESULTS

Revenues for the six month period to 30 June 2007 amounted to $2,789.3 million, a 22.3% increase over the prior period in 2006. Profit before taxation, finance items and negative goodwill rose by 22.2% to $1,203.3 million and our key performance measure for earnings, EBITDA excluding special items, was $1,323.7 million, a 22.4% increase compared to 2006. The improved earnings were attributable to the continued strength in commodity prices shown across all of the Group's main products during the period.

These results translated to an increased profit attributable to equity shareholders of $794.2 million, compared to $632.7 million in the prior year, an increase of 25.5%. Underlying Profit, a more informed measure of the Group's financial performance, increased by 29.1% from $619.3 million to $799.6 million.

A summary of the consolidated income statement is set out below:

$million (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Change %
Revenues	**2,789.3**	2,279.8	22.3
Operating costs excluding depreciation, depletion, amortisation and special items	**(1,465.6)**	(1,198.5)	22.3
EBITDA excluding special items	**1,323.7**	1,081.3	22.4
Special items:			
Less: write (off)/back of property, plant and equipment	**(3.8)**	10.2	
Less: loss on disposal of property, plant and equipment	**(1.8)**	(4.0)	
Less: depreciation, depletion and amortisation	**(114.8)**	(103.0)	
Profit before taxation, finance items and negative goodwill	**1,203.3**	984.5	22.2
Net finance expenses	**(17.5)**	(35.1)	
Recognition of negative goodwill	**-**	6.5	
Profit before taxation	**1,185.8**	955.9	24.1
Income tax	**(384.3)**	(317.0)	
Profit for the period	**801.5**	638.9	25.4
Minority interests	**(7.3)**	(6.2)	
Profit attributable to equity shareholders of the parent	**794.2**	632.7	25.5
EPS - basic and diluted	**$1.70**	$1.35	25.9
EPS based on Underlying Profit	**$1.71**	$1.32	29.5

Basic and diluted EPS increased by 25.9% to $1.70 per share. EPS based on Underlying Profit was $1.71 per share compared to $1.32 per share reported in 2006, an improvement of 29.5%.

Following these results and reflecting the strength of the balance sheet, the Directors have declared an interim dividend of 13.6 US cents per share together with a special dividend of 50.0 US cents per share. The Directors have also announced a share buy-back programme of up to $400 million that will commence in October 2007.

The improved earnings have benefited the Group's cash flows and net liquid funds position, with the latter standing at $1,740.4 million at 30 June 2007 even after the acquisition of Dostan-Temir LLP (renamed as Kazakhmys Petroleum LLP) and the related oil and gas exploration and development licence within Kazakhstan.

The continued high commodity prices and healthy funding position leaves the Group well placed to pursue future organic growth and opportunistic acquisitions. On 5 July 2007 the Group acquired 96.34% of Eurasia Gold Inc, a Central Asian gold mining company for $260.1 million, and on 3 September 2007 the independent Directors of the Board approved an announcement setting out their decision to exercise the call option over Vladimir Kim's 18.8% interest in ENRC PLC for an estimated cost of $810 million, subject to the approvals of the Government of Kazakhstan and the independent shareholders of the Company.

The definitions of our key financial indicators are shown in the Glossary and these measures are set out below:

$million (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
EBITDA excluding special items	**1,323.7**	1,081.3
EPS based on Underlying Profit ($)	**1.71**	1.32
Free Cash Flow	**614.4**	622.3
Return on Capital Employed (%)	**24.4**	27.7
Cash cost of copper after by-product credits (USc/lb)[1]	**44.5**	25.5

[1] In line with management and external reporting, the Group has changed the unit of measurement of the cash cost of copper after by-product credits from $/tonne to USc/lb.

REVENUES

As the Kazakh Mining and MKM business are different in nature, the two segments have been analysed separately.

Kazakh Mining

Revenues of the Kazakh Mining business increased from $1,520.9 million to $1,978.0 million, a 30.0% increase against the prior period. With commodity prices remaining strong, revenues from our copper and zinc based products showed significant increases.

The average market and realised prices for our main products during the period, all of which increased significantly over the prior period, are set out below:

	Six months ended 30 June 2007		Six months ended 30 June 2006	
	Average market price	**Average realised price**	Average market price	Average realised price
Copper ($/tonne)	**6,769**	**6,930**	6,070	6,510
Zinc metal ($/tonne)	**3,561**	**3,572**	2,762	2,768
Silver ($/oz)	**13.31**	**13.32**	10.95	10.87
Gold ($/oz)	**659**	**649**	590	600

The average realised prices for our main products do not differ significantly from market prices with the exception of copper. In line with industry practice, our sales agreements for copper cathodes provide for provisional pricing at the time of delivery with the final price based on the market price for future periods. With an average market copper price in the second quarter of 2007 of $7,597 per tonne compared to an average copper price of $5,941 per tonne in the first quarter of the year, the rising trend in copper prices has resulted in positive pricing adjustments during the period. Additionally, a premium over LME prices is incorporated into our sales agreements, consistent with market practice.

Revenues from the sale of copper cathodes were $1,406.9 million, or 71.1% of the total revenues of the Kazakh Mining business, with the average realised price of copper increasing 6.5% compared to the prior period. Although production volumes of copper cathodes, excluding tolling, increased by 2.1% compared to the previous period, sales volumes of copper cathodes were 40kt, or 24.5% higher. This is primarily due to some shipments to Europe that were scheduled to be delivered in December 2006 being delivered in January 2007 as the shipments took longer than anticipated over the New Year period.

Zinc metal sales volumes decreased by 32.4% compared to the prior period but this was partially offset by higher realised prices which were 29.0% higher resulting in a fall in revenue of only 12.8%. Zinc metal output during the period was slightly below the annualised capacity of the Balkhash zinc smelter of 60kt, which may be balanced by greater output in the second half of the year. However, with the relative attractiveness of zinc concentrate prices in the CIS, zinc is being sold as concentrate instead of being stockpiled at the zinc smelter without a material impact on profitability.

Zinc in concentrate sales volumes increased by 85.0% compared to the prior period largely due to increased production at the Artemyevskoe mine and the reduction in zinc concentrate inventory levels. Capacity constraints at the zinc smelter in the production of zinc metal, as mentioned above, increased the volumes of zinc concentrate sold which, when coupled with higher realised prices for zinc concentrate, pushed up revenues by 160.7% to $154.1 million, contributing 7.8% of Kazakh Mining's revenues during the period compared with 3.9% in the prior period.

Sales volumes of silver were down 31.7% but were offset by strong prices resulting in revenues only decreasing by 16.4%. The decrease in sales volumes of silver was largely attributable to the delay in finalising the 2007 sales contracts in order to obtain improved pricing in our contracts. Since the period end, additional sales agreements for 2007 have been agreed and surplus stocks have subsequently been sold at attractive prices. Gold sales volumes were slightly down on the prior period, with revenues broadly flat due to the timing of shipments around the period end.

MKM

MKM reported revenues of $811.3 million for the period, an increase of 6.9% from the prior period's revenue figure of $758.9 million. Although sales volumes were only up by 1.6% compared to the prior period, this was part of a strategic decision to reduce working capital levels and the associated financing costs. MKM's sales activity was focused towards higher margin products as well as increasing volumes within the tolling business which rose by 46.1% compared to the same period in 2006. Whilst these moves curtailed revenue growth, particularly in the lower margin wire rod business, increased volumes of higher margin products and higher levels of tolling had a positive impact on relative profitability.

Following this change in focus of MKM's sales activities, there were strong performances in the sales of the higher margin products with revenues for bars up 43.2%, tubes up by 34.0% and strips up by 32.1% compared to the prior period due to good market conditions and increased customer demand for these products. Revenues from the lower margin wire rods were down 7.1% over the prior period. The improved underlying performance at MKM seen in the second half of 2006 has therefore continued into the first half of 2007.

EARNINGS

Profit before taxation, finance items and negative goodwill increased from $984.5 million to $1,203.3 million, an increase of 22.2%, split between $1,193.4 million for the Kazakh Mining business, $25.8 million for MKM and a loss of $15.9 million for unallocated costs. A reconciliation of profit before taxation, finance items and negative goodwill to EBITDA excluding special items by business segment is set out below:

$million (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006
Kazakh Mining		
Profit before taxation, finance items and negative goodwill	**1,193.4**	973.1
Add/(loss): loss/(gain) from special items	**5.5**	(6.6)
Add: depreciation, depletion and amortisation	**103.1**	92.3
EBITDA excluding special items	**1,302.0**	1,058.8
Revenues	**1,978.0**	1,520.9
EBITDA excluding special items margin (%)	**65.8**	69.6
MKM		
Profit before taxation, finance items and negative goodwill	**25.8**	30.0
Add/(loss): loss/(gain) from special items	**0.1**	(0.1)
Add: depreciation and amortisation	**11.2**	10.6
EBITDA excluding special items	**37.1**	40.5
Revenues	**811.3**	758.9
EBITDA excluding special items margins (%)	**4.6**	5.3
Unallocated costs excluding special items	**(15.4)**	(18.0)
Total EBITDA excluding special items	**1,323.7**	1,081.3
Total EBITDA excluding special items margin (%)	**47.5**	47.4

Kazakh Mining

The EBITDA excluding special items margin fell to 65.8% from 69.6% in the prior period. Despite commodity prices being higher in 2007 compared to the prior period, the main reason behind the lower margin was the significantly higher cost of purchased concentrate. With an increase in the volume of copper cathodes produced from purchased concentrate from 18kt to 27kt, there was a $64.9 million increase (67% increase) in the cost of purchased concentrate. Excluding the effects of purchased concentrate on costs and revenue from cathodes produced from purchased concentrate, the EBITDA excluding special items margin would have remained level at approximately 82%, despite the cost pressures faced by the business.

Significant cost pressures were faced within Kazakhstan due to its buoyant economy and, in common with other companies in the mining industry, there was more widespread pressure on input costs. General cost inflation within Kazakhstan and the mining industry is running in excess of 8% which places pressure on input prices denominated in both US dollars and Kazakhstan tenge. In addition, the Kazakhstan tenge appreciated against the US dollar by 3.1% compared to the corresponding period in 2006. As certain costs are denominated in US dollars, this strengthening of the Kazakhstan tenge leads to higher costs for the Kazakh Mining business whose functional currency is the Kazakhstan tenge.

Employee remuneration increased for both production and administrative staff following a pay rise in the fourth quarter of 2006 which was necessary to bring average salaries within the business into line with the local market. Employee remuneration is increasing generally across Kazakhstan due to rising levels of prosperity and a tightening labour market for skilled labour across the natural resources sector within the CIS.

Transportation and repair costs increased by 62.2% to $45.9 million primarily due to higher costs in transporting ore from the recently opened Kosmurun mine to the Karagaily concentrator some 220km away. A pre-feasibility study is currently in progress on the construction of a new concentrator at Kosmurun which should reduce these transportation costs in the future. In addition, fuel costs increased by 31.0% to $37.4 million reflecting the global increase in costs for gasoline and diesel fuel and the increased transportation relating to the Kosmurun mine referred to previously. Utilities costs doubled to $12.8 million compared to the prior period reflecting increased tariffs and the higher costs to transmit electricity to more remote mines in the East Region and Karaganda Complex.

Selling and distribution costs increased slightly by $2.0 million to $26.2 million, an increase of 8.3%. This relatively small increase was due to a shift in sales from Europe to China in 2007 compared to 2006 with lower relative transportation and tariff charges. Administration costs rose by 53.5% to $133.2 million. This increase is mainly due to increases in employee remuneration, higher levies and charges following the completion of the statutory tax audit in early 2007, and higher social responsibility costs within Kazakhstan which reflect our commitment to the communities in which we operate.

Depreciation, depletion and amortisation increased from $92.3 million to $103.1 million. This was due to a higher book value of property, plant and equipment attributable to rising levels of capital expenditure in recent years as well as the effect of the appreciation of the Kazakhstan tenge against the US dollar.

The cash cost of copper after by-product credits is a key measure in assessing the ability of the Kazakh Mining business to control its production costs and maximise credits from by-product production. For the period ended 30 June 2007, the cash cost of copper after by-product credits amounted to 44.5 USc/lb compared to 25.5 USc/lb in the prior period. This increase was primarily due to the increased cost of purchased concentrate which is reflected within the overall cash cost of copper. The Group continues to maximise by-product credits whilst still focusing on controlling operating costs.

MKM

Although EBITDA excluding special items fell from $40.5 million to $37.1 million, the underlying performance of MKM was masked by the impact of copper price fluctuations on stock valuation, during a period of falling stock levels at MKM which were gradually being managed downwards for working capital purposes. Within earnings, a contribution of approximately $19 million (30 June 2006: $28 million) arose from an increased stock valuation as a result of a combination of rising copper prices and falling stock levels. The impact of this contribution during the period was less than in the prior period and conceals the improvement in the underlying trading performance of MKM compared to the prior period.

A more informed trading performance measure for MKM is the 'Gross Value Add' (GVA) as MKM is primarily a fabricating downstream business. This measure is commonly used in this industry to measure the 'value add' of the production process to purchased raw materials. Despite only a 1.5% increase in sales volumes, the GVA rose from $78.5 million to $104.5 million, an increase of 33.1% due to a combination of higher margin products being sold, improved market conditions and increased conversion charges.

NET FINANCE ITEMS

Net finance costs were $17.5 million during the period, which contrasted with net finance costs of $35.1 million that arose in the prior period.

A net foreign exchange loss of $52.7 million is included within the net finance cost, compared to a loss of $63.8 million that was recognised in the prior period. The foreign exchange loss primarily arose on the high level of US dollar denominated cash deposits and current investments within Kazakhmys LLC as a result of the appreciation of the Kazakhstan tenge against the US dollar which moved from 127.00 KZT/$ as at 31 December 2006 to 122.31 at 30 June 2007, a 3.7% movement.

Finance income primarily relates to interest earned from US dollar and Kazakhstan tenge denominated cash and deposits placed with financial institutions in both the UK and Kazakhstan. Interest income of $45.9 million is 35.0% higher than the prior period amount of $34.0 million reflecting higher cash and deposit balances compared to the prior period resulting from higher commodity prices, and the effect of higher global interest rates on liquid funds.

Finance costs, other than foreign exchange, include a finance cost of $6.1 million which relates to the interest expense on the MKM bank loan, up from $1.7 million in the prior period.

TAXATION

The effective tax rate for the period was 32.4% compared to a rate of 33.2% in the prior period. The overall tax charge was $384.3 million, an increase of $67.3 million compared to the prior period primarily as a result of the increase in earnings within the Group.

Excess profits tax is levied in addition to corporate tax on the profits attributable to certain subsoil contracts where the internal rate of return exceeds 20%. For the period, excess profits tax of $33.1 million was charged to earnings which represented an incremental 2.8% to the effective tax rate, up from 2.6% in the prior period.

Withholding taxes of $20.0 million were accrued during the period representing an incremental 1.7% to the effective tax rate, up from 0.7% in the prior period. These withholding taxes relate to profits arising within Kazakhstan which are expected to be remitted to the UK for dividend purposes.

The effective tax rate has decreased from the prior period principally due to the overprovision of income taxes in previous years which contrasted with an underprovision of income taxes in the six months ended 30 June 2006. Non-taxable income arising from the Balkhash zinc smelter for which Kazakhmys LLC benefits from a tax holiday contributes to a reduction in the effective tax rate although this impact is dependent on the level of zinc production.

Following an increase in trade taxes within Germany, the effective tax rate for MKM increased from 35.98% to 37.34% during the period. However, following the German government's recent decision to reduce corporate tax rates, the effective tax rate for MKM is expected to fall in the second half of the year.

The effective tax rate is expected to remain at levels in excess of the statutory Kazakhstan tax rate of 30% due to excess profits taxes arising on profitable subsoil contracts at the current time of high commodity prices, and the additional withholding taxes payable on dividend distributions from Kazakhstan to the UK.

UNDERLYING PROFIT AND EARNINGS PER SHARE

Profit for the year attributable to equity shareholders increased from $632.7 million to $794.2 million, an increase of 25.5% compared to the prior period. Underlying Profit is seen as a more informed measure of the performance of the business as it removes non-recurring or variable non-trading items from profit attributable for the year, and their resulting tax and minority interest impacts. It therefore provides a more consistent basis for comparing the underlying trading performance of the Group between 2007 and 2006.

The increase of 29.1% in Underlying Profit principally reflects the favourable impact of higher commodity prices on earnings.

The reconciliation of Underlying Profit from profit attributable to equity shareholders is set out below:

$million (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Change %
Profit attributable to equity shareholders of the parent	**794.2**	632.7	25.5
Special items:			
Recognition of negative goodwill	**-**	(6.5)	
Write off/(back) of property, plant and equipment	**3.8**	(10.2)	
Loss on disposal of fixed assets	**1.8**	4.0	
Tax effect of special items	**(0.3)**	(0.8)	
Minority interest effect of special items	**0.1**	0.1	
Underlying Profit	**799.6**	619.3	29.1

Basic earnings per share rose from $1.35 to $1.70, an increase of 25.9%. Earnings per share based on Underlying Profit was $1.71 compared to $1.32 for the prior period, an increase of 29.5%.

DIVIDENDS

The Directors have declared an interim dividend of 13.6 US cents per share in respect of the 2007 financial year.

Taking into account the profitability of the business and underlying growth in earnings of the Group, together with its cash flows and growth requirements, the Directors have declared a special dividend of 50.0 US cents per share and have also announced a share buy-back programme of up to $400 million that will take place from October 2007 as a means of returning cash to shareholders.

Interim and final dividends will be paid in the approximate proportions of one-third and two-thirds of the total annual dividend, respectively. The Directors will also ensure that dividend cover is prudently maintained.

CASH FLOWS

A summary of cash flows is set out below:

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006
EBITDA	**1,318.1**	1,087.5
Recognition of negative goodwill	**-**	(6.5)
Write off/(back) of assets and impairment losses	**4.9**	(5.7)
Gain on disposal of assets held for trading	**(0.5)**	-
Loss on disposal of property, plant and equipment	**1.8**	4.0
Foreign exchange loss adjustment	**(20.1)**	(14.4)
Working capital movements	**(172.7)**	(197.0)
Interest paid	**(6.2)**	(0.2)
Income tax paid	**(427.1)**	(169.2)
Net cash flows from operating activities	**698.2**	698.5
Sustaining capital expenditure	**(83.8)**	(76.2)
Free Cash Flow	**614.4**	622.3
Expansionary and new project capital expenditure	**(566.4)**	(95.4)
Interest received	**57.9**	46.5
Acquisition of subsidiaries, net of cash acquired	**-**	(2.0)
Dividends paid	**(123.2)**	(170.4)
Other movements	**0.8**	0.6
Cash flow movement in net liquid funds	**(16.5)**	401.6

Cash flows from operating activities during the period were $698.2 million in line with the prior period. Despite adverse working capital movements and significantly higher payments to the tax authorities, Free Cash Flow was a healthy $614.4 million.

Of the $172.7 million adverse working capital movement, $145.9 million related to a reduction in trade and other payables. This reduction was primarily due to the expiry of a 2006 sales contract whereby in December 2006, the customer made a significant payment in advance of the goods being shipped in early 2007. In addition, there was a general reduction in the level of trade payables outstanding within the Kazakh Mining business in order to obtain better terms with suppliers.

Inventory levels were sharply reduced due to a number of factors: 49kt of copper cathodes held as goods in transit at 31 December 2006 were sold in early 2007; lower levels of purchased concentrate were held at 30 June 2007 due to its utilisation within the production process; and MKM changed working practices within the business in order to reduce inventory levels. These factors were partially offset by the stockpiling of ore at the Nurkazgan mine which is due to be processed in the second half of the year when the new concentrator is brought on-line.

The level of receivables was higher at 30 June 2007 and this was primarily due to credit being given to Chinese customers within the 2007 sales contracts, whereas for the 2006 sales contracts, payment for goods was mostly required in advance of delivery. The difference between the working capital movements across balance sheets, and those seen in the cash flow summary are mainly attributable to the appreciation of the Kazakhstan tenge which is a non-cash movement.

Income tax payments were significantly higher at $427.1 million for the six months ended 30 June 2007 compared with $169.2 million in the prior period to 30 June 2006, an increase of $257.9 million. The higher level of tax payments is mainly attributable to the 2007 schedule of tax payments on account that was agreed with the tax authorities being based on earnings from 2006, which were significantly higher than earnings in 2005 (on which the 2006 tax payments schedule was based upon). In addition, the higher tax payments during 2007 were compounded by a significant catch-up payment in the first quarter of 2007 due to the lower 2006 tax payment schedule referred to previously. The Group also paid around $60 million of excess profits tax to the tax authorities during April 2007 in respect of the year ended 31 December 2006.

Capital expenditure in aggregate (including expenditure on property, plant and equipment, intangible assets and mine stripping costs) amounted to $650.2 million, split between $83.8 million for sustaining capital expenditure and $566.4 million for expansionary and new project capital expenditure. The main items in the latter category were the cost of acquiring Dostan-Temir LLP and the related oil and gas licence, the acquisition of land in Almaty for the construction of a new head office, an advance payment for a new aircraft as part of a fleet replacement programme, expenditure on the recently constructed Balkhash acid plant and the construction of the new concentrator at the Nurkazgan mine.

BALANCE SHEET

Shareholders' funds were $4,662.0 million as at 30 June 2007, an increase of $802.1 million compared with the balance as at 31 December 2006. The increase reflected retained earnings of $794.2 million, favourable currency translation differences of $128.0 million primarily due to the appreciation of the Kazakhstan tenge against the US dollar by 3.7% over the period, being offset by the final 2006 dividend declared during the period of $120.1 million. The currency translation differences were primarily attributable to the consolidation of the results and balances of the Group's Kazakhstan subsidiaries, whose functional currencies are the Kazakhstan tenge, into US dollars.

Property, plant and equipment increased by 7.2% to $2,050.6 million over the period after the effect of depreciation of $109.8 million was more than offset by capital expenditure of $186.8 million and favourable currency translation differences of $69.0 million. Disposals of property, plant and equipment were not significant during the period.

Intangible assets increased by $485.4 million over the period from $28.9 million at 31 December 2006 to $514.3 million at 30 June 2007. This increase was mainly represented by the purchase of Dostan-Temir LLP and the related oil and gas licence and new mining licences for the Aidarly and Akbastau mineral deposits as part of the Group's ongoing exploration programme.

Net liquid funds decreased slightly to $1,740.4 million at 30 June 2007 compared with $1,745.3 million as at 31 December 2006 following the significant capital expenditure on property, plant and equipment, mine stripping costs and intangible assets of $650.2 million, largely offsetting operating cash flows of $698.2 million. Of the net liquid funds balance, $1,604.2 million was held as cash and cash equivalents, $357.2 million was held in the form of deposits with varying maturities of at least three months from inception, and borrowings in MKM were $221.0 million.

During the period, liquid funds held within the Kazakh Mining business were moved from financial institutions based in Kazakhstan to Western Europe, such that at the period end, 25% of the Group's liquid funds were held within Kazakhstan compared to 74% at 31 December 2006. Since the period end, further transfers of liquid funds have been undertaken to ensure that only working capital requirements and a small contingency will be held within Kazakhstan. Whilst these transfers will adversely impact the level of interest income earned on the Group's liquid funds, counterparties located within Western Europe should attract higher credit ratings.

The Company is due to issue 2,559,665 ordinary shares of 20 pence each and has paid $11.5 million in consideration for the transfer to it of 227,959,211 units in Kazakhmys LLC previously owned by minority shareholders. As a result of this, the Company's interest in Kazakhmys LLC will increase from 99.08% as at 30 June 2007 to 99.73%.

INDEPENDENT REVIEW REPORT TO KAZAKHMYS PLC

Introduction

We have been instructed by Kazakhmys PLC to review the financial information of Kazakhmys PLC and its subsidiaries (the Group) for the six months ended 30 June 2007 which comprises the interim consolidated income statement, interim consolidated balance sheet, interim consolidated cash flow statement, the interim consolidated statement of changes in equity and the related notes 1 to 19. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with guidance contained in Bulletin 1999/4 'Review of Interim Financial Information' issued by the United Kingdom Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our work, for this report, or for the conclusions we have formed.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the Directors. The Directors are responsible for preparing the interim report in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4. A review consists principally of making enquiries of Group management and applying analytical procedures to the financial information and underlying financial data, and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 June 2007.

Ernst & Young LLP
London, United Kingdom
3 September 2007

INTERIM CONSOLIDATED INCOME STATEMENT

Six months ended 30 June 2007

$million (unless otherwise stated)	Notes	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Revenues	4	**2,789.3**	2,279.8	5,046.5
Cost of sales		**(1,372.6)**	(1,153.4)	(2,612.4)
Gross profit		**1,416.7**	1,126.4	2,434.1
Selling and distribution expenses		**(41.9)**	(38.1)	(81.4)
Administrative expenses		**(166.7)**	(116.1)	(280.8)
Other operating income		**15.4**	19.9	44.7
Other operating expenses		**(15.3)**	(13.3)	(35.1)
Write (off)/back of assets and impairment losses	5	**(4.9)**	5.7	(9.9)
Profit before taxation, finance items and negative goodwill		**1,203.3**	984.5	2,071.6
Finance income	6	**110.1**	62.9	266.8
Finance costs	6	**(127.6)**	(98.0)	(177.1)
Recognition of negative goodwill		**–**	6.5	6.5
Profit before taxation		**1,185.8**	955.9	2,167.8
Income tax expense	7	**(384.3)**	(317.0)	(754.7)
Profit for the period		**801.5**	638.9	1,413.1
Attributable to:				
Equity shareholders of the Company		**794.2**	632.7	1,399.7
Minority interests		**7.3**	6.2	13.4
		801.5	638.9	1,413.1
Earnings per share attributable to equity shareholders of the Company				
Basic and diluted ($)	8	**1.70**	1.35	2.99
EPS based on Underlying Profit ($)	8	**1.71**	1.32	3.00
Dividends				
Dividend per share (US cents)	9	**25.7**	36.0	48.8
Total amount of dividends	9	**120.1**	168.3	228.1

INTERIM CONSOLIDATED BALANCE SHEET
At 30 June 2007

$million	Notes	**At 30 June 2007**	At 30 June 2006	At 31 December 2006
Assets				
Non-current assets				
Intangible assets	10	**514.3**	30.3	28.9
Tangible assets		**2,105.1**	2,040.8	1,958.3
Property, plant and equipment	11	**2,050.6**	1,988.3	1,912.6
Mine stripping costs		**54.5**	52.5	45.7
Investments		**7.2**	7.3	6.2
		2,626.6	2,078.4	1,993.4
Current assets				
Inventories		**681.8**	541.2	730.6
Prepayments and other current assets		**137.5**	82.3	110.4
Trade and other receivables		**336.4**	304.2	263.5
Investments	12	**357.2**	823.8	1,237.2
Cash and cash equivalents	13	**1,604.2**	582.2	785.4
		3,117.1	2,333.7	3,127.1
TOTAL ASSETS		**5,743.7**	4,412.1	5,120.5
Equity and liabilities				
Equity				
Share capital	14	**173.3**	173.3	173.3
Share premium	14	**503.4**	503.4	503.4
Foreign currency translation reserve	14	**356.6**	421.3	228.6
Reserve fund	14	**37.6**	37.6	37.6
Retained earnings		**3,591.1**	2,210.7	2,917.0
Equity attributable to shareholders of the Company		**4,662.0**	3,346.3	3,859.9
Minority interests		**39.9**	28.7	31.9
Total equity		**4,701.9**	3,375.0	3,891.8
Non-current liabilities				
Deferred tax liability		**353.7**	280.2	347.7
Employee benefits		**36.5**	32.7	32.7
Provisions		**88.5**	55.4	57.4
Borrowings	15	**221.0**	184.6	277.3
		699.7	552.9	715.1
Current liabilities				
Provisions		**10.0**	3.7	1.9
Trade and other payables		**192.5**	193.1	330.4
Dividend payable		**1.4**	1.9	4.4
Income tax payable		**138.2**	285.5	176.9
		342.1	484.2	513.6
Total liabilities		**1,041.8**	1,037.1	1,228.7
TOTAL EQUITY AND LIABILITIES		**5,743.7**	4,412.1	5,120.5

The interim consolidated financial statements were approved by the Board of Directors on 3 September 2007.

INTERIM CONSOLIDATED CASH FLOW STATEMENT
Six months ended 30 June 2007

$million	Notes	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Cash flows from operating activities				
Cash receipts from customers		**2,674.2**	2,340.4	5,076.6
Cash paid to employees and suppliers		**(1,542.7)**	(1,472.5)	(3,034.3)
Cash inflow before interest and income tax paid		**1,131.5**	867.9	2,042.3
Interest paid		**(6.2)**	(0.2)	(6.8)
Income tax paid		**(427.1)**	(169.2)	(623.3)
Net cash inflow from operating activities	16	**698.2**	698.5	1,412.2
Cash flows from investing activities				
Interest received		**57.9**	46.5	77.2
Proceeds from disposal of property, plant and equipment		**2.4**	0.1	3.4
Purchase of property, plant and equipment		**(186.8)**	(165.0)	(338.0)
Mine stripping costs		**(11.6)**	(5.9)	(6.7)
Purchase of intangible assets		**(451.8)**	(0.7)	(0.4)
Licence payments for subsoil contracts		**(0.8)**	(0.9)	(1.6)
Proceeds from disposal of non-current investments		**0.8**	1.1	2.6
Acquisition of non-current investments		**(1.6)**	(1.3)	(0.7)
Proceeds from disposal of assets held for trading		**51.7**	1.0	1.0
Acquisition of assets held for trading		**–**	–	(50.8)
Investment in short-term bank deposits, net		**833.9**	(447.2)	(784.7)
Acquisition of subsidiaries, net of cash acquired		**–**	(2.0)	(2.0)
Net cash flows from/(used) in investing activities		**294.1**	(574.3)	(1,100.7)
Cash flows from financing activities				
Proceeds from contribution to charter capital of subsidiary by minority interests		**–**	1.6	1.6
Proceeds from borrowings		**–**	167.0	249.5
Repayment of borrowings		**(58.7)**	(41.4)	(41.5)
Dividends paid by the Company		**(120.1)**	(168.3)	(230.4)
Dividends paid by subsidiary to minority interests		**(3.1)**	(2.1)	(3.0)
Net cash flows used in financing activities		**(181.9)**	(43.2)	(23.8)
Net increase in cash and cash equivalents	17	**810.4**	81.0	287.7
Cash and cash equivalents at the beginning of the period	17	**785.4**	522.0	522.0
Effect of exchange rate changes on cash and cash equivalents	17	**8.4**	(20.8)	(24.3)
Cash and cash equivalents at the end of the period	13	**1,604.2**	582.2	785.4

INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Six months ended 30 June 2007

		Attributable to equity shareholders of the parent							
$million	Notes	Share capital	Share premium	Foreign currency translation reserve	Reserve fund	Retained earnings	Total	Minority interests	Total equity
At 1 January 2006		173.3	503.4	147.9	9.4	1,765.8	2,599.8	26.3	2,626.1
Profit for the period		–	–	–	–	632.7	632.7	6.2	638.9
Currency translation differences		–	–	273.4	–	–	273.4	3.3	276.7
		–	–	273.4	–	632.7	906.1	9.5	915.6
Contribution to charter capital of subsidiary by minority shareholders		–	–	–	–	–	–	1.6	1.6
Transfer to reserve fund		–	–	–	28.2	(28.2)	–	–	–
Gain from dilution of minority interest in subsidiary		–	–	–	–	8.7	8.7	(8.7)	–
Acquisition of minority interest in subsidiary		–	–	–	–	–	–	0.9	0.9
Equity dividends declared by subsidiary to minority shareholders		–	–	–	–	–	–	(0.9)	(0.9)
Equity dividends declared by the Company	9	–	–	–	–	(168.3)	(168.3)	–	(168.3)
At 30 June 2006		173.3	503.4	421.3	37.6	2,210.7	3,346.3	28.7	3,375.0
At 1 January 2006		173.3	503.4	147.9	9.4	1,765.8	2,599.8	26.3	2,626.1
Profit for the year		–	–	–	–	1,399.7	1,399.7	13.4	1,413.1
Currency translation differences		–	–	80.7	–	–	80.7	0.4	81.1
		–	–	80.7	–	1,399.7	1,480.4	13.8	1,494.2
Contribution to charter capital of subsidiary by minority shareholders		–	–	–	–	–	–	1.6	1.6
Transfer to reserve fund		–	–	–	28.2	(28.2)	–	–	–
Gain from dilution of minority interest in subsidiary		–	–	–	–	7.8	7.8	(7.8)	–
Acquisition of minority interest in subsidiary		–	–	–	–	–	–	1.0	1.0
Equity dividends declared by subsidiary to minority shareholders		–	–	–	–	–	–	(3.0)	(3.0)
Equity dividends declared by the Company	9	–	–	–	–	(228.1)	(228.1)	–	(228.1)
At 31 December 2006		173.3	503.4	228.6	37.6	2,917.0	3,859.9	31.9	3,891.8
Profit for the period		**–**	**–**	**–**	**–**	**794.2**	**794.2**	**7.3**	**801.5**
Currency translation differences		**–**	**–**	**128.0**	**–**	**–**	**128.0**	**1.2**	**129.2**
		–	**–**	**128.0**	**–**	**794.2**	**922.2**	**8.5**	**930.7**
Equity dividends declared by subsidiary to minority shareholders		**–**	**–**	**–**	**–**	**–**	**–**	**(0.5)**	**(0.5)**
Equity dividends declared by the Company	9	**–**	**–**	**–**	**–**	**(120.1)**	**(120.1)**	**–**	**(120.1)**
At 30 June 2007		**173.3**	**503.4**	**356.6**	**37.6**	**3,591.1**	**4,662.0**	**39.9**	**4,701.9**

NOTES TO THE INTERIM CONSOLIDATED FINANCIAL STATEMENTS
Six months ended 30 June 2007

1. General information
Kazakhmys PLC is a public limited company incorporated in the United Kingdom of Great Britain and Northern Ireland. The Company's registered address is 6th Floor, Cardinal Place, 100 Victoria Street, London, SW1E 5JL, United Kingdom. The Group comprises the Company and its consolidated subsidiaries.

The Group's operations are primarily conducted through the Company's principal subsidiary, Kazakhmys LLC. Its major business is the mining and processing of copper ore into cathode copper and copper wire, and the refining and sale of precious metals and other by-products of its copper mining process. It also provides other services to various external customers.

These interim consolidated financial statements are for the six months ended 30 June 2007. The information for the year ended 31 December 2006 does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. A copy of the statutory accounts for that year, which were prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) of the IASB, as adopted by the European Union up to 31 December 2006, has been delivered to the Register of Companies. The auditors' report under section 235 of the Companies Act 1985 in relation to those accounts was unqualified.

2. Basis of preparation
(a) Interim Consolidated Financial Statements

The interim consolidated financial statements have been prepared in accordance with IAS 34 'Interim Financial Reporting'. The interim consolidated financial statements do not include all the information and disclosures required in the annual financial statements, and should be read in conjunction with the Group's annual financial statements for the year ended 31 December 2006.

(b) Comparative figures

Where a change in the presentational format of the interim consolidated financial statements has been made during the period, comparative figures have been restated accordingly.

3. Significant accounting policies
The interim consolidated financial statements have been prepared under a historical cost basis, except for certain classes of property, plant and equipment which have been revalued at 1 January 2002 to determine deemed cost as part of the first-time adoption of IFRS at that date, and derivative financial instruments which have been measured at fair value. The interim consolidated financial statements are presented in US dollars ($) and all monetary amounts are rounded to the nearest million ($million) except when otherwise indicated.

The accounting policies adopted are consistent with those followed in the preparation of the Group's annual financial statements for the year ended 31 December 2006, except for the adoption of new Standards and Interpretations, noted below. Adoption of these standards and interpretations did not have any significant effect on the financial position or performance of the Group.

- IFRS 7 'Financial Instruments: Disclosures' and consequential amendments to IAS 1 'Presentation of Financial Statements: Capital disclosures'. The Group adopted IFRS 7 and IAS 1 as of 1 January 2007, which require an entity to disclose additional information about its financial instruments, their significance and the nature and extent of risks to which they give rise.
- IFRIC 9 'Reassessment of Embedded Derivatives'. The Group adopted IFRIC 9 as of 1 January 2007, which states that the date to assess the existence of an embedded derivative is the date that an entity first becomes party to the contract that significantly modifies the cash flows.

- IFRIC 10 'Interim financial reporting and impairment'. The Group adopted IFRIC 10 as of 1 January 2007, which requires that an entity must not reverse an impairment loss recognised in a previous interim period in respect of goodwill or an investment in either an equity instrument or a financial asset carried at cost.

In preparing the interim consolidated financial statements the Group has adopted all the extant accounting standards issued by the IASB and all the extant interpretations issued by the IFRIC as at 30 June 2007.

The following foreign exchange rates against the US dollar have been used in the preparation of the interim consolidated financial statements:

	30 June 2007		30 June 2006		31 December 2006	
	Spot	**Average**	Spot	Average	Spot	Average
Kazakhstan tenge	**122.31**	**123.16**	118.69	127.10	127.00	126.09
Euro	**0.74**	**0.75**	0.80	0.81	0.76	0.80
UK pound sterling	**0.50**	**0.51**	0.55	0.56	0.51	0.54

4. Segment information

Segment information is presented in respect of the Group's primary basis of segmentation in business segments, which are based on the Group's management and internal reporting structures.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise corporate head office assets and liabilities, income taxes payable, deferred taxes and dividends payable/receivable as well as the assets and liabilities of Kazakhmys Petroleum LLP.

The Group's activities principally relate to:

- Kazakh Mining business which involves the production and sale of:
  - Copper cathodes and copper rod;
  - Zinc and zinc concentrate;
  - Gold and silver; and
  - Other by-products (lead, rhenium, selenium, cadmium, sulphuric acid).
- German copper processing operation of semi-finished products; and
- Kazakh oil and gas exploration and development activity.

(a) Business segments

Kazakh Mining

The Kazakh Mining business, which involves the processing and sale of copper and other metals, is managed as one business segment. The products are subject to the same risks and returns, exhibit similar long-term financial performance and are sold through the same distribution channels. The Group mines substantially all the copper ore it processes and utilises most of the copper concentrate it processes. The Group has a number of activities that exist solely to support the mining operations including power generation, coal mining and transportation. These other activities generate less than 10% of total revenues (both external and internal) and the related assets are less than 10% of total assets.

The UK operation consists of two functions:

- A trading function responsible for the purchases of products from the Kazakh Mining operations, application of an appropriate mark-up and then onward sale to third parties; and
- A corporate head office function.

For the purposes of business segmental reporting, the trading function is regarded as a sales function on behalf of the Kazakh Mining business and consequently the assets and liabilities related to those trading operations, i.e. trade creditors and trade receivables, are included with the Kazakh Mining business segment. The expenses, assets and liabilities of the corporate head office function are included within unallocated items.

The price at which sales are made to the Company by Kazakhmys LLC is based on the prevailing price of commodities as determined by the LME.

MKM

MKM operates in Germany and manufactures copper and copper alloy semi-finished products. MKM faces different risks to the Group's Kazakh Mining business and is therefore shown as a separate business segment.

Kazakhmys Petroleum LLP

In April 2007, the Group acquired Kazakhmys Petroleum LLP (previously called Dostan-Temir LLP), a company which holds a licence to conduct oil and gas exploration and development activity in the East Akzhar petroleum block in Western Kazakhstan. In accordance with IAS 14 'Segment reporting', since the revenues, results and net assets of the company are all less than 10% of the Group's, the expenses, assets and liabilities of Kazakhmys Petroleum LLP are included within unallocated items.

Segmental information by business segment for the periods ended 30 June 2007, 30 June 2006 and 31 December 2006 is presented below.

(i) Income statement information

	Six months ended 30 June 2007			Six months ended 30 June 2006			Year ended 31 December 2006		
$million	**Kazakh Mining**	**MKM**	**Total**	Kazakh Mining	MKM	Total	Kazakh Mining	MKM	Total
Sales to external customers	**1,978.0**	**811.3**	**2,789.3**	1,520.9	758.9	2,279.8	3,330.4	1,716.1	5,046.5
Gross profit	**1,364.6**	**52.1**	**1,416.7**	1,073.0	53.4	1,126.4	2,364.5	69.6	2,434.1
Operating costs	**(171.2)**	**(26.3)**	**(197.5)**	(99.9)	(23.4)	(123.3)	(282.4)	(48.0)	(330.4)
Segment results	**1,193.4**	**25.8**	**1,219.2**	973.1	30.0	1,003.1	2,082.1	21.6	2,103.7
Unallocated costs			**(15.9)**			(18.6)			(32.1)
Profit before taxation, finance items and negative goodwill			**1,203.3**			984.5			2,071.6
Net finance (costs)/income			**(17.5)**			(35.1)			89.7
Recognition of negative goodwill			**–**			6.5			6.5
Profit before taxation			**1,185.8**			955.9			2,167.8
Income tax expense			**(384.3)**			(317.0)			(754.7)
Profit for the period			**801.5**			638.9			1,413.1

(ii) Balance sheet information

$million	At 30 June 2007 Kazakh Mining	MKM	Total	At 30 June 2006 Kazakh Mining	MKM	Total	At 31 December 2006 Kazakh Mining	MKM	Total
Assets									
Tangible and intangible assets	**1,974.2**	**160.7**	**2,134.9**	1,900.1	167.8	2,067.9	1,816.1	166.1	1,982.2
Non-current investments	**5.2**	**2.0**	**7.2**	4.1	3.2	7.3	3.5	2.7	6.2
Operating assets [1]	**736.1**	**419.8**	**1,155.9**	527.5	387.8	915.3	713.4	395.2	1,108.6
Current investments	**357.2**	**–**	**357.2**	823.8	–	823.8	1,237.2	–	1,237.2
Cash and cash equivalents	**1,179.9**	**18.0**	**1,197.9**	96.8	18.6	115.4	405.0	30.0	435.0
Segment assets	**4,252.6**	**600.5**	**4,853.1**	3,352.3	577.4	3,929.7	4,175.2	594.0	4,769.2
Unallocated assets:									
Non-current assets			**1,635.8**			1,154.5			1,156.3
Current assets			**10.0**			21.6			6.0
Dividends receivable			**–**			–			304.5
Cash and cash equivalents			**406.3**			466.8			350.4
Elimination			**(1,161.5)**			(1,160.5)			(1,465.9)
Total assets			**5,743.7**			4,412.1			5,120.5
Liabilities									
Employee benefits and provisions	**125.9**	**9.1**	**135.0**	82.9	8.9	91.8	85.0	7.0	92.0
Operating liabilities [2]	**86.5**	**73.0**	**159.5**	147.8	29.5	177.3	599.5	37.9	637.4
Segment liabilities	**212.4**	**82.1**	**294.5**	230.7	38.4	269.1	684.5	44.9	729.4
Unallocated liabilities:									
Other payables			**44.6**			26.9			12.0
Deferred tax liability			**353.7**			280.2			347.7
Borrowings			**221.0**			184.6			277.3
Income tax payable			**138.2**			285.5			176.9
Elimination			**(10.2)**			(9.2)			(314.6)
Total liabilities			**1,041.8**			1,037.1			1,228.7

[1] Operating assets include inventories, trade and other receivables and prepayments and other current assets.
[2] Operating liabilities include trade and other payables and dividends payable by Kazakhmys LLC to the Company.

(iii) Earnings before interest, tax, depreciation and amortisation (EBITDA) excluding special items[1] by business segments

$million	Six months ended 30 June 2007 Kazakh Mining	MKM	Unallocated	Total	Six months ended 30 June 2006 Kazakh Mining	MKM	Unallocated	Total	Year ended 31 December 2006 Kazakh Mining	MKM	Unallocated	Total
Profit/(loss) before taxation, finance items and negative goodwill	**1,193.4**	**25.8**	**(15.9)**	**1,203.3**	973.1	30.0	(18.6)	984.5	2,082.1	21.6	(32.1)	2,071.6
Special items:												
Add/(less): write off/(back) of property, plant and equipment	**3.8**	**–**	**–**	**3.8**	(10.2)	–	–	(10.2)	1.4	–	–	1.4
Add/(less): loss/(gain) on disposal of property, plant and equipment	**1.7**	**0.1**	**–**	**1.8**	3.6	(0.1)	0.5	4.0	8.9	0.1	0.6	9.6
Profit /(loss) before taxation, finance items and negative goodwill excluding special items	**1,198.9**	**25.9**	**(15.9)**	**1,208.9**	966.5	29.9	(18.1)	978.3	2,092.4	21.7	(31.5)	2,082.6
Add: depreciation and depletion	**101.8**	**11.1**	**0.5**	**113.4**	91.4	10.4	0.1	101.9	200.8	21.8	0.4	223.0
Add: amortisation	**1.3**	**0.1**	**–**	**1.4**	0.9	0.2	–	1.1	2.4	0.4	–	2.8
EBITDA excluding special items	**1,302.0**	**37.1**	**(15.4)**	**1,323.7**	1,058.8	40.5	(18.0)	1,081.3	2,295.6	43.9	(31.1)	2,308.4

[1] EBITDA excluding special items is defined as profit before interest, taxation, depreciation and amortisation, as adjusted for special items. Special items are those items which are non-recurring or variable non-trading in nature and which do not impact the underlying trading performance of the business.

(iv) Net liquid funds/(debt) by business segments

$million	Kazakh Mining	MKM[1]	Unallocated[2]	Total	Kazakh Mining	MKM	Unallocated	Total	Kazakh Mining	MKM	Unallocated	Total
	Six months ended 30 June 2007				Six months ended 30 June 2006				Year ended 31 December 2006			
Cash and cash equivalents	**1,179.9**	**18.0**	**406.3**	**1,604.2**	96.8	18.6	466.8	582.2	405.0	30.0	350.4	785.4
Current investments	**357.2**	**–**	**–**	**357.2**	823.8	–	–	823.8	1,237.2	–	–	1,237.2
Borrowings	**–**	**(305.5)**	**(270.0)**	**(575.5)**	–	(378.5)	–	(378.5)	–	(359.9)	–	(359.9)
Inter-segment borrowings	**–**	**84.5**	**270.0**	**354.5**	–	194.0	–	194.0	–	82.6	–	82.6
Finance leases	**–**	**–**	**–**	**–**	–	(0.1)	–	(0.1)	–	–	–	–
Net liquid funds/(debt)	**1,537.1**	**(203.0)**	**406.3**	**1,740.4**	920.6	(166.0)	466.8	1,221.4	1,642.2	(247.3)	350.4	1,745.3

[1] Borrowings of MKM include amounts borrowed from the Kazakh Mining segment

[2] Unallocated borrowings include amounts borrowed by the corporate head office functions from the Kazakh Mining segment.

(v) Capital expenditure, depreciation, write off/(back) of assets and impairment losses by business segments

$million	Kazakh Mining	MKM	Unallocated	Total	Kazakh Mining	MKM	Unallocated	Total	Kazakh Mining	MKM	Unallocated	Total
	Six months ended 30 June 2007				Six months ended 30 June 2006				Year ended 31 December 2006			
Property, plant and equipment	**182.6**	**2.6**	**1.6**	**186.8**	159.0	3.0	3.0	165.0	328.4	4.4	5.2	338.0
Mine stripping costs	**11.6**	**–**	**–**	**11.6**	5.9	–	–	5.9	6.7	–	–	6.7
Intangible assets	**7.3**	**–**	**478.4**	**485.7**	0.7	–	–	0.7	8.8	0.2	–	9.0
Capital expenditure	**201.5**	**2.6**	**480.0**	**684.1**	165.6	3.0	3.0	171.6	343.9	4.6	5.2	353.7
Depreciation and depletion	**101.8**	**11.1**	**0.5**	**113.4**	91.4	10.4	0.1	101.9	200.8	21.8	0.4	223.0
Amortisation	**1.3**	**0.1**	**–**	**1.4**	0.9	0.2	–	1.1	2.4	0.4	–	2.8
Depreciation, depletion and amortisation	**103.1**	**11.2**	**0.5**	**114.8**	92.3	10.6	0.1	103.0	203.2	22.2	0.4	225.8
Write off/(back) of assets and impairment losses	**3.9**	**1.0**	**–**	**4.9**	(7.0)	1.3	–	(5.7)	8.3	1.6	–	9.9

(b) Revenues by product

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Kazakh Mining			
Copper cathodes	**1,406.9**	1,060.2	2,389.0
Zinc concentrate	**154.1**	59.1	128.0
Copper rods	**117.7**	98.6	196.1
Silver in granules	**98.5**	117.8	239.1
Zinc metal	**89.3**	102.4	201.3
Gold bullion	**29.2**	28.2	51.2
Other by-products	**50.4**	14.7	38.1
Other revenue	**31.9**	39.9	87.6
	1,978.0	1,520.9	3,330.4
MKM			
Wire	**385.1**	416.5	925.8
Sheet steel and steel strips	**247.3**	190.6	432.8
Tubes and bars	**161.3**	119.5	272.9
Metal trade	**17.6**	32.3	84.6
	811.3	758.9	1,716.1
Total revenues	**2,789.3**	2,279.8	5,046.5

Provisional pricing
Almost all copper sales agreements provide for provisional pricing of sales in the month of sale with final pricing settlement based on the average LME copper price for the month following the sale.

For the six months ended 30 June 2007 gains of $70.3 million (30 June 2006: $57.5 million, 31 December 2006: $49.8 million) relating to the difference between provisional pricing and final pricing have been included within revenues.

At 30 June 2007, copper sales totalling 7,423 tonnes (30 June 2006: 2,496 tonnes, 31 December 2006: 4,262 tonnes) remained to be finally priced and were recorded at that date at an average price of $7,758 per tonne (30 June 2006: $8,474 per tonne, 31 December 2006: $6,761 per tonne) based on provisional invoices. The gain on sales contracts of $2.2 million arising in July 2007 and relating to contracts previously priced in June 2007 will be recognised in the second half of the year ending 31 December 2007.

(c) Revenues by destination

				Six months ended 30 June 2007
$million	**Europe**	**China**	**Other**	**Total**
Sales to third parties	**1,565.4**	**867.3**	**356.6**	**2,789.3**

				Six months ended 30 June 2006
$million	Europe	China	Other	Total
Sales to third parties	1,659.2	302.5	318.1	2,279.8

				Year ended 31 December 2006
$million	Europe	China	Other	Total
Sales to third parties	3,770.1	641.8	634.6	5,046.5

5. Write off/(back) of assets and impairment losses

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Write off/(back) of property, plant and equipment	**3.8**	(10.2)	1.4
Provisions against/(release of provisions for) prepayments and other current assets	**0.6**	(1.2)	0.1
Release of impairment of investments	**–**	–	(1.9)
Provisions against/(release of provisions for) trade and other receivables	**0.5**	1.1	(8.3)
Provisions against obsolete inventories	**–**	4.6	18.6
	4.9	(5.7)	9.9

6. Finance income and finance costs

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Finance income:			
Interest income	**45.9**	34.0	78.5
Foreign exchange gains	**64.2**	28.9	188.3
Total finance income	**110.1**	62.9	266.8
Finance costs:			
Interest expense	**(6.1)**	(1.7)	(8.0)
Interest on employee obligations	**(1.7)**	(1.0)	(3.0)
Unwinding of discount on provisions	**(2.9)**	(2.6)	(4.2)
Finance costs before foreign exchange losses	**(10.7)**	(5.3)	(15.2)
Foreign exchange losses	**(116.9)**	(92.7)	(161.9)
Total finance costs	**(127.6)**	(98.0)	(177.1)

7. Income tax

(a) Income tax expense

Major components of income tax expense for the periods presented are:

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Current income tax			
Corporate income tax – current period (UK)	**12.8**	0.2	5.2
Corporate income tax – current period (overseas)	**336.4**	281.0	653.5
Corporate income tax – prior periods	**(3.2)**	15.0	0.4
Excess profits tax – current period	**29.9**	24.3	77.3
Excess profits tax – prior periods	**(6.7)**	–	(49.4)
	369.2	320.5	687.0
Deferred income tax			
Corporate income tax – current period	**15.7**	(4.5)	63.0
Corporate income tax – prior periods	**(10.5)**	–	17.1
Excess profits tax – current period	**9.9**	1.0	(12.4)
	15.1	(3.5)	67.7
Income tax expense	**384.3**	317.0	754.7

(b) Income tax reconciliation

The tax assessed on the profit for the period is higher than the standard rate of corporation tax in the tax jurisdictions in which the Group operates.

A reconciliation of income tax expense applicable to accounting profit before income tax at the statutory income tax rate to income tax expense at the Group's effective income tax rate for the periods presented is as follows:

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Profit before taxation	**1,185.8**	955.9	2,167.8
At statutory income tax rate of 30%	**355.7**	286.8	650.3
(Over)/underprovided in previous years – deferred income tax	**(10.5)**	–	17.1
(Over)/underprovided in previous years – current income tax	**(3.2)**	15.0	0.4
Unrecognised tax losses	**–**	5.6	10.4
Effect of higher tax rate in Germany	**1.4**	1.4	0.5
Unremitted overseas earnings	**20.0**	6.8	91.8
Non deductible expenses/(non taxable income):			
Non taxable income on zinc plant	**(19.7)**	(26.5)	(46.4)
Recognition of negative goodwill	**–**	(2.0)	(2.0)
Non deductible expenses	**7.5**	4.6	17.1
Excess profits tax	**33.1**	25.3	15.5
At effective income tax rate of 32.4% (30 June 2006: 33.2%, 31 December 2006: 34.8%)	**384.3**	317.0	754.7

Corporate income tax is calculated at 30% of the assessable profit for the period for the Company and Kazakhmys LLC. The MKM tax rate is calculated at 37.34% (30 June 2006: 35.98%, 31 December 2006: 35.98%) and relates to German corporate income tax and trade tax.

Excess profits tax is levied on profitable subsoil contracts where the cumulative internal rate of return exceeds 20% in a given period. The effective rate for excess profits tax for those subsoil contracts liable to this tax is 15% (30 June 2006: 8%, 31 December 2006: 13%).

8. Earnings per share

(a) Basic and diluted EPS

Basic EPS is calculated by dividing profit for the period attributable to equity shareholders of the Company by the weighted average number of ordinary shares of 20 pence each outstanding during the period. The Company has no dilutive potential ordinary shares.

The following reflects the income and share data used in the EPS computations.

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Net profit attributable to equity shareholders of the Company	**794.2**	632.7	1,399.7

Number (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Number of shares			
Weighted average number of ordinary shares of 20 pence each for EPS calculation	**467,474,200**	467,474,200	467,474,200
EPS – basic and diluted ($)	**1.70**	1.35	2.99

(b) EPS based on Underlying Profit

The Group's Underlying Profit is the profit for the period after adding back items which are non-recurring or variable in nature, which do not impact the underlying trading performance of the business and their resultant tax and minority interest effects, is shown in the table below. EPS based on Underlying Profit is calculated by dividing Underlying Profit by the weighted average number of ordinary shares of 20 pence each outstanding during the period. The Directors believe EPS based on Underlying Profit provides a more consistent measure for comparing the underlying trading performance of the Group.

The following shows the reconciliation of Underlying Profit from the reported profit and the share data used in the computations for EPS based on Underlying Profit:

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Net profit attributable to equity shareholders of the Company	**794.2**	632.7	1,399.7
Special items:			
Recognition of negative goodwill	**–**	(6.5)	(6.5)
Write off/(back) of property, plant and equipment	**1.8**	(10.2)	1.4
Loss on disposal of property, plant and equipment	**–**	4.0	9.6
Tax effect of non-recurring items	**(0.3)**	(0.8)	(1.5)
Minority interest effect of non-recurring items	**0.1**	0.1	–
Underlying Profit	**799.6**	619.3	1,402.7

Number (unless otherwise stated)	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Weighted average number of ordinary shares of 20 pence each for EPS based on Underlying Profit calculation	**467,474,200**	467,474,200	467,474,200
EPS based on Underlying Profit – basic and diluted ($)	**1.71**	1.32	3.00

9. Dividends paid and proposed

The dividends declared and paid during the six months ended 30 June 2007 and 2006, and the year ended 31 December 2006 are as follows:

Dividends declared by the Company during reporting periods

	Per share US cents	Amount $million
Six months ended 30 June 2007		
Final dividend in respect of year ended 31 December 2006 (sourced from 2006 earnings)	**25.7**	**120.1**
Six months ended 30 June 2006		
Final dividend in respect of year ended 31 December 2005 (sourced from 2005 earnings)	36.0	168.3
Year ended 31 December 2006		
Final dividend in respect of year ended 31 December 2005 (sourced from 2005 earnings)	36.0	168.3
Interim dividend in respect of year ended 31 December 2006 (sourced from 2006 earnings)	12.8	59.8
	48.8	228.1

Dividends declared by the Company after period end

	Per share US cents	Amount $million
Declared by Directors on 3 September 2007 (not recognised as a liability as at 30 June 2007)		
Interim dividend in respect of year ended 31 December 2007 [1]	13.6	63.9
Special dividend in respect of year ended 31 December 2007 [1]	50.0	235.0
	63.6	298.9

[1] Based on the number of ordinary shares in issue of 470,033,865 following the issue of ordinary shares in consideration for the transfer of additional units in Kazakhmys LLC previously owned by minority shareholders (see note 19(b)).

10. Intangible assets

During the six months ended 30 June 2007, the Group acquired licences totalling $485.3 million (30 June 2006: $6.5 million, 31 December 2006: $8.8 million). Included within this amount is $450.0 million in relation to the purchase of Dostan-Temir LLP and the related oil and gas licence, which together have been treated as an asset acquisition. Of the $485.3 million, $33.9 million was capitalised by Group in respect of contractual reimbursements to the Government for geological information and investments made to society (30 June 2006: $5.9 million, 31 December 2006: $8.6 million). These latter amounts are non-cash items and are recorded within provisions for payments of licences. In addition to the above, during the six months ended 30 June 2007 intangible assets:

- increased by $1.1 million as a result of foreign exchange movements on translation;
- increased by $0.4 million as a result of other intangible asset acquisitions; and
- decreased by $1.4 million as a result of the amortisation expense.

11. Property, plant and equipment

During the six months ended 30 June 2007, the Group acquired property, plant and equipment with a cost of $186.8 million (30 June 2006: $165.0 million, 31 December 2006: $338.0 million), of which $115.8 million related to new and expansionary projects (30 June 2006: $95.4 million, 31 December 2006: $260.1 million).

Assets with a book value of $4.2 million were disposed of by the Group during the six months ended 30 June 2007 (30 June 2006: $4.1 million, 31 December 2006: $13.0 million) resulting in a loss on disposal of $1.8 million (30 June 2006: $4.0 million, 31 December 2006: $9.6 million).

In addition to the above additions and disposals, during the six months ended 30 June 2007 property, plant and equipment:

- increased by $69.0 million as a result of foreign exchange movements on translation;
- decreased by $3.8 million as a result of write offs; and
- decreased by $109.8 million as a result of the depreciation expense.

12. Current investments

Current investments include bank deposits of $357.2 million (30 June 2006: $823.8 million, 31 December 2006: $1,186.7 million) with a maturity at inception of greater than three months, and assets held for trading of $nil (30 June 2006: $nil, 31 December 2006: $50.5 million). Bank deposits are held with major Kazakhstan banks and local branches of international financial institutions.

13. Cash and cash equivalents

$million	**As at 30 June 2007**	As at 30 June 2006	As at 31 December 2006
Cash deposits with maturities of less than three months	**1,477.0**	435.4	647.3
Cash at bank	**126.8**	146.6	137.8
Petty cash	**0.4**	0.2	0.3
	1,604.2	582.2	785.4

Cash deposits are principally held with major western European and U.S. financial institutions and their triple A rated managed liquidity funds.

14. Share capital and reserves

(a) Authorised and allotted share capital

	Number	£ million	$million
At 30 June 2007, 30 June 2006 and 31 December 2006			
Authorised share capital – ordinary shares of 20 pence each	**750,000,000**	**150.0**	**–**
Allotted and called up share capital	**467,474,200**	**93.5**	**173.3**

(b) Reserves

(i) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of Kazakhmys LLC and MKM into US dollars.

(ii) Reserve fund

In accordance with legislation of the Republic of Kazakhstan the reserve fund comprises prescribed transfers from retained earnings amounting to 15% of Kazakhmys LLC's charter capital. During the six months ended 30 June 2006, the reserve fund was increased by $28.2 million as a result of the contributions to charter capital of Kazakhmys LLC (see Note 14(c)).

(c) Capital contributions to charter capital of Kazakhmys LLC

Between 31 January 2006 and 14 March 2006, the Company made capital contributions of $186.8 million to its subsidiary, Kazakhmys LLC. Minority shareholders contributed a further $1.6 million to the charter capital. As the Company took up the rights of minority shareholders who did not subscribe to the initial capital contribution, the Company's share in Kazakhmys LLC increased from 98.68% at 31 December 2005 to 99.08% at 30 June 2006, 31 December 2006 and 30 June 2007.

15. Borrowings

In May 2006, MKM entered into a loan credit agreement with Deutsche Bank for a long-term loan of €230 million to repay borrowings from Dresden Bank and intercompany balances due to Kazakhmys LLC, and for general working capital purposes. The interest payable is EURIBOR + 1.45%. The Deutsche Bank loan is secured over the inventories and receivables of MKM. At 30 June 2007, the amount of inventories and receivables of MKM held as security for the borrowings was $223.6 million and $196.0 million (30 June 2006: $199.5 million and $188.2 million, 31 December 2006: $240.9 million and $154.2 million) respectively. Kazakhmys LLC acts as guarantor of the loan.

16. Reconciliation of profit before taxation to net cash inflow from operating activities

$million	**Six months ended 30 June 2007**	Six months ended 30 June 2006	Year ended 31 December 2006
Profit before taxation	**1,185.8**	955.9	2,167.8
Interest income	**(45.9)**	(34.0)	(78.5)
Interest expense	**6.1**	1.7	8.0
Depreciation and depletion	**113.4**	101.9	223.0
Amortisation	**1.4**	1.1	2.8
Recognition of negative goodwill	**–**	(6.5)	(6.5)
Write off/(back) of assets and impairment losses	**4.9**	(5.7)	9.9
Unrealised foreign exchange loss/(gain)	**37.2**	46.5	(39.2)
Gain on disposal of assets held for trading	**(0.5)**	–	–
Loss on disposal of property, plant and equipment	**1.8**	4.0	9.6
Operating cash flows before changes in working capital and provisions	**1,304.2**	1,064.9	2,296.9
Decrease/(increase) in inventories	**68.6**	(123.0)	(339.2)
Increase in prepayments and other current assets	**(35.9)**	(32.7)	(64.8)
Increase in trade and other receivables	**(63.6)**	(7.3)	(11.1)
Increase in employee benefits	**2.8**	0.7	2.3
Increase/(decrease) in provisions	**1.3**	(9.5)	2.1
(Decrease)/increase in trade and other payables	**(145.9)**	(25.2)	156.1
Cash inflow before interest and income tax paid	**1,131.5**	867.9	2,042.3
Interest paid	**(6.2)**	(0.2)	(6.8)
Income tax paid	**(427.1)**	(169.2)	(623.3)
Net cash inflow from operating activities	**698.2**	698.5	1,412.2

17. Movement in net liquid funds

$million	At 1 January 2007	Cash flow	Net exchange translation	Other non-cash movements[1]	**At 30 June 2007**
Cash and cash equivalents	785.4	810.4	8.4	–	**1,604.2**
Current investments	1,237.2	(885.6)	47.2	(41.6)	**357.2**
Borrowings	(277.3)	58.7	(2.4)	–	**(221.0)**
Net liquid funds	1,745.3	(16.5)	53.2	(41.6)	**1,740.4**

$million	At 1 January 2006	Cash flow	Net exchange translation	Other non-cash movements [1]	At 30 June 2006
Cash and cash equivalents	522.0	81.0	(20.8)	–	582.2
Current investments	356.5	446.2	73.2	(52.1)	823.8
Borrowings	(48.8)	(125.7)	(10.8)	0.8	(184.5)
Finance leases	(0.2)	0.1	–	–	(0.1)
Net liquid funds	829.5	401.6	41.6	(51.3)	1,221.4

$million	At 1 January 2006	Cash flow	Net exchange translation	Other non-cash movements [1]	At 31 December 2006
Cash and cash equivalents	522.0	287.7	(24.3)	–	785.4
Current investments	356.5	834.5	12.8	33.4	1,237.2
Borrowings	(48.8)	(208.2)	(13.8)	(6.5)	(277.3)
Finance leases	(0.2)	0.2	–	–	–
Net liquid funds	829.5	914.2	(25.3)	26.9	1,745.3

[1] Other non-cash movements comprise foreign exchange losses/gains incurred by the Company's subsidiaries and recognised in the consolidated income statement.

18. Related party disclosures

(a) Transactions with related parties

Transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation.

The Group operates a number of companies under trust management agreements with local and state authorities. The activities include heating distribution systems, road maintenance and aviation services. The purpose of these agreements is to provide public and social services without any material financial benefit for the Group. Transactions between the Group and these companies are conducted on an arm's length basis. The volume and quantities of these transactions between the Group and the other related parties are not significant.

(b) Option agreement with Executive Chairman

On 14 March 2006, the Company announced that an entity wholly owned by the Company's Executive Chairman, Vladimir Kim, had agreed to acquire a 25% stake in ENRC Kazakhstan Holding B.V. (EKH), the holding company for certain assets of the Eurasia Natural Resources group's metals and mining business. EKH primarily operates in Kazakhstan producing, in particular, chrome, iron ore and alumina. Following the completion of a subsequent restructuring of the EKH group of companies, a new entity ultimately wholly owned by Vladimir Kim, is now the direct holder of an 18.8% interest in the issued share capital of Eurasian Natural Resource Corporation PLC (ENRC), representing the original 25% stake in EKH. The Company has been given the benefit of a call option in respect of Vladimir Kim's shareholding in ENRC. The terms of the call option allow the Company, at its absolute discretion, from 1 January 2007 to and until 31 December 2007, to call for Vladimir Kim's interest in ENRC to be transferred to the Company for a consideration representing 100% of the initial investment of $751 million plus a 10% margin (reflecting the risk of the initial investment) and the actual financing and transaction costs incurred by Vladimir Kim less any dividends paid to Vladimir Kim as a result of holding the stake. This is provided that, as required by the Listing Rules, this consideration and the terms of the option are determined by an independent adviser to be fair and reasonable so far as the remaining shareholders of the Company are concerned. Vladimir Kim is not permitted to dispose of his interest in ENRC before 1 January 2008 without the consent of the Company. The proposed exercise of the call option will comply with all class tests and related party rules relevant to the Company.

The accounting treatment of the option is governed by IAS 39 'Financial Instruments: Recognition and Measurement'. IAS 39 contains special accounting requirements for those equity instruments that do not have a quoted market price in an active market and derivatives that are linked to, and must be settled by delivery of, such unquoted equity instruments. If the fair value of such equity instruments cannot be reliably measured, they must be measured at cost, less impairment. To be able to reliably measure the option, the variability in the range of fair value estimates should not be significant, and the probabilities of the various estimates within the range should be capable of being reasonably assessed. There currently remain significant differences in the fair value estimates being obtained for ENRC from external advisers and those estimated by other parties, and the probability of each value cannot be reasonably assessed. The Directors have therefore considered the requirements of IAS 39 in this regard and are of the view that the fair value cannot be reliably measured on the basis that, to-date, insufficient information on ENRC's financial performance, position and cash flows has been made available to the Company in order to arrive at a reliable valuation of the option as construed by IAS 39. Consequently the option is valued at cost, which is nil, due to the fact that no payment was made by the Company to enter into the option with Vladimir Kim.

19. Events after the balance sheet date

(a) Business acquisition

On 5 July 2007 the Group acquired 96.34% of the ordinary shares of Eurasia Gold Inc. (Eurasia Gold) a company listed on the Toronto Stock Exchange. Since the offer was accepted by holders of more than 90% of the Eurasia Gold shares, Kazakhmys Gold Inc., an indirectly wholly owned subsidiary of Kazakhmys PLC, is now exercising its right under the compulsory acquisition provisions of the Business Corporations Act (British Columbia) to acquire all outstanding Eurasia Gold shares not already owned by Kazakhmys Gold Inc. at the same price of CA$0.85 for each Eurasia Gold share. The principal activity of Eurasia Gold and its subsidiaries is the mining and processing of gold ore into refined ore.

Eurasia Gold was purchased for a consideration of $260.1 million. The Group will finalise the determination of fair values of the purchased company by 31 December 2007 due to the timing of the acquisition. At the acquisition date, the net identifiable assets and liabilities of Eurasia Gold, including preliminary fair value adjustments, were as follows:

$million	Carrying value at acquisition date	Preliminary fair value adjustments	Preliminary fair value at acquisition [1]
Assets			
Property, plant and equipment [2]	16.2	230.8	247.0
Other assets (including intangible assets) [2]	2.0	(1.2)	0.8
Inventories [3]	11.2	4.2	15.4
Trade and other receivables	9.0	–	9.0
Cash and cash equivalents	11.6	–	11.6
Liabilities			
Deferred tax liabilities [4]	–	(47.7)	(47.7)
Provisions	(1.2)	–	(1.2)
Loans and borrowings	(9.2)	3.3	(5.9)
Trade and other payables	(4.0)	–	(4.0)
Net identifiable assets	35.6	189.4	225.0
96.34% share of the fair value of net assets acquired			**216.8**
Goodwill arising on purchase of 96.34% interest [5]			**43.3**
Purchase consideration paid			**260.1**

[1] Fair values at acquisition will be finalised by 31 December 2007.
[2] Fair value adjustments have been made to reflect initial estimates of the fair values of land and buildings, plant and machinery, reserves and resources and other exploration and development projects.
[3] Inventories have been revalued to their net realisable value.
[4] The increase in the deferred tax liability largely reflects the tax effect of the fair value adjustments.
[5] Goodwill has been recognised as a consequence of the requirement to recognise a deferred tax liability on the fair value adjustments.

(b) Purchase of Kazakhmys LLC minority share

The Company is due to issue 2,559,665 ordinary shares of 20 pence each and has paid $11.5 million in consideration for the transfer to it of 227,959,211 units in Kazakhmys LLC previously owned by minority shareholders. As result of this, the Company's interest in Kazakhmys LLC will increase from 99.08% as at 30 June 2007 to 99.73% and the allotted and called up share capital of the Company will increase from 467,474,200 to 470,033,865 ordinary shares of 20 pence each.

(c) Exercise of option agreement with Executive Chairman

On 3 September 2007, the independent Directors of the Board approved an announcement setting out their decision to exercise the call option over Vladimir Kim's 18.8% interest in Eurasian Natural Resources Corporation PLC for an estimated cost of $810 million. This is subject to the approvals of the Government of Kazakhstan and the independent shareholders of the Company.

(d) Interim dividend

On 3 September 2007 the Directors declared an interim dividend in respect of the year ended 31 December 2007 of 13.6 US cents per ordinary share together with a special dividend of 50.0 US cents per ordinary share. The interim and special dividends will be paid together on 5 October 2007 to shareholders on the register as at 14 September 2007. For those shareholders who have elected to receive their dividends in sterling, the currency conversion rate to convert the dividend into UK pounds sterling will be £0.4970 to the US dollar. This is based on the average exchange rates for the five business days ending two days before the date of the interim results announcement.

PRODUCTION AND SALES FIGURES

Six months ended 30 June 2007

1. Summary of significant production and sales figures

kt (unless otherwise stated)	**30 June 2007**	30 June 2006
Kazakh Mining:		
Ore mined	**17,994**	20,127
Copper content in ore mined (%)	**1.21**	1.10
Copper cathode production:		
From own concentrate	**163**	169
From purchased concentrate	**27**	18
Total copper cathodes produced (excluding tolling)	**190**	187
Tolling	**1**	1
Total copper cathodes produced (including tolling)	**191**	188
Total copper cathodes and copper rods sold	**220**	178
MKM:		
Wire sales	**79**	82
Flat sales	**34**	31
Tubes and bars sales	**23**	21
Total MKM sales	**136**	134

2. Mining

Metal Mining

	Ore mined		Copper		Zinc		Gold		Silver	
	30 June 2007 kt	30 June 2006 kt	**30 June 2007 %**	30 June 2006 %	**30 June 2007 %**	30 June 2006 %	**30 June 2007 g/t**	30 June 2006 g/t	**30 June 2007 g/t**	30 June 2006 g/t
Zhezkazgan Complex:										
North	**1,344**	1,620	**0.66**	0.67	**–**	–	**–**	–	**8.66**	7.31
South	**3,137**	3,434	**0.69**	0.73	**–**	–	**–**	–	**17.50**	12.82
Stepnoy	**1,447**	1,693	**0.80**	0.79	**–**	–	**–**	–	**12.01**	17.42
East	**2,753**	2,886	**0.81**	0.91	**–**	–	**–**	–	**17.06**	20.04
West	**1,047**	1,386	**0.37**	0.40	**–**	–	**–**	–	**10.92**	12.93
Annensky	**1,649**	2,435	**1.04**	1.13	**–**	–	**–**	–	**25.60**	22.17
Zhaman-Aybat	**1,439**	596	**1.30**	1.11	**–**	–	**–**	–	**9.08**	5.46
Total Zhezkazgan Complex	**12,816**	14,050	**0.81**	0.82	**–**	–	**–**	–	**15.42**	15.54
Balkhash Complex:										
Kounrad	**178**	1,175	**0.31**	0.34	**–**	–	**–**	–	**0.80**	1.89
Shatyrkul	**213**	244	**2.22**	2.04	**–**	–	**0.29**	0.29	**1.90**	2.48
Sayak I and Sayak III	**702**	867	**1.05**	1.12	**–**	–	**0.27**	0.25	**5.44**	5.95
Total Balkhash Complex	**1,093**	2,286	**1.15**	0.82	–	–	**0.27** [1]	0.26 [1]	**4.00**	3.49
East Region:										
Orlovskoe	**618**	833	**4.61**	4.28	**4.23**	3.90	**0.57**	0.57	**54.40**	54.47
Belousovskoe	**72**	132	**0.83**	0.91	**2.84**	3.26	**0.48**	0.50	**43.00**	49.85
Irtyshskoe	**202**	252	**1.33**	1.19	**3.07**	2.63	**0.36**	0.29	**53.10**	40.02
Nikolaevskoe	**275**	380	**1.72**	1.06	**3.05**	2.07	**0.61**	0.21	**29.89**	22.04
Yubileyno-Snegirikhinskoe	**203**	189	**3.09**	4.32	**3.23**	3.17	**0.62**	0.57	**42.86**	42.74
Artemyevskoe	**803**	532	**1.71**	1.68	**5.44**	6.85	**1.49**	1.75	**109.06**	161.32
Total East region	**2,173**	2,318	**2.60**	2.63	**4.28**	4.04	**0.89**	0.75	**69.90**	70.90
Karaganda Region:										
Abyz	**–**	184	**–**	1.68	**–**	3.47	**–**	3.71	**–**	47.65
Nurkazgan	**1,106**	1,023	**1.17**	1.22	**–**	–	**0.31**	0.31	**2.65**	3.76
Kosmurun	**806**	266	**4.00**	4.29	**2.10**	–	**1.63**	1.53	**28.17**	22.70
Total Karaganda Region	**1,912**	1,473	**2.36**	1.83	**2.10** [2]	3.47 [4]	**0.86**	0.96	**13.41**	12.67
Total Kazakh Mining	**17,994**	20,127	**1.21**	1.10	**3.69** [3]	4.00 [5]	**0.77**	0.70 [6]	**21.09**	20.34

[1] Production only from Shatyrkul and Sayak I and Sayak III mines in Balkhash Complex.
[2] Production only from Kosmurun mine.
[3] Production only from East Region and Kosmurun mine of Karaganda Region.
[4] Production only from Abyz mine.
[5] Production only from East Region and Abyz mine of Karaganda Region.
[6] Production only from Balkhash Complex (excluding Kounrad mine), East Region and Karaganda Region.

Coal Mining

kt	Coal mined 30 June 2007	30 June 2006	Waste stripped 30 June 2007	30 June 2006	Strip ratio 30 June 2007	30 June 2006
Molodezhnoe	**3,217**	3,231	**5,822**	4,699	**1.81**	1.45
Kuu-Chekinskoe	**429**	500	**1,917**	2,048	**4.47**	4.09
Total	**3,646**	3,731	**7,739**	6,747	**2.12**	1.81

3. Processing

Copper processing

	Copper concentrate produced 30 June 2007 kt	30 June 2006 kt	Copper in concentrate 30 June 2007 %	30 June 2006 %
Zhezkazgan Complex:				
Zhezkazgan No.1	**100**	90	**40.3**	39.6
Zhezkazgan No.2	**89**	104	**39.3**	39.5
Satpayev	**58**	86	**30.5**	28.0
Total Zhezkazgan Complex	**247**	280	**37.7**	36.0
Balkhash Complex:				
Balkhash	**92**	133	**17.2**	18.3
Total Balkhash Complex	**92**	133	**17.2**	18.3
East Region:				
Orlovskoe	**128**	160	**20.6**	20.1
Belousovskoe	**10**	6	**16.6**	13.5
Irtyshskoe	**14**	13	**15.8**	13.4
Nikolaevskoe	**79**	81	**17.0**	16.0
Total East Region	**231**	260	**18.9**	18.4
Karaganda Region:				
Karagaily (Abyz)	**–**	44	**–**	3.8
Karagaily (Kosmurun)	**159**	27	**15.5**	17.3
Total Karaganda Region	**159**	71	**15.5**	9.0
Own copper concentrate processed by third party	**21**	17	**26.2**	24.2
Total Kazakh Mining (own concentrate)	**750**	761	**24.4**	24.1
Purchased concentrate	**73**	91	**25.7**	21.0
Total Kazakh Mining (own and purchased concentrate)	**823**	852	**24.5**	23.8

4. Zinc and precious metals processing

	Zinc concentrate produced		Zinc in concentrate		Silver[1]		Gold[1]	
	30 June 2007 kt	30 June 2006 kt	**30 June 2007 %**	30 June 2006 %	**30 June 2007 g/t**	30 June 2006 g/t	**30 June 2007 g/t**	30 June 2006 g/t
Zhezkazgan Complex:								
Zhezkazgan No.1	**–**	–	**–**	–	**715.1**	776.6	**–**	–
Zhezkazgan No.2	**–**	–	**–**	–	**705.8**	701.3	**–**	–
Satpayev	**–**	–	**–**	–	**733.1**	576.9	**–**	–
Total Zhezkazgan Complex	**–**	–	**–**	–	**715.9**	687.5	**–**	–
Balkhash Complex:								
Balkhash	**–**	–	**–**	–	**63.0**	54.4	**2.5**	2.8
Total Balkhash Complex	**–**	–	**–**	–	**63.0**	54.4	**2.5**	2.8
East Region:								
Orlovskoe	**42**	51	**45.3**	45.0	**105.8**	106.7	**1.2**	1.2
Belousovskoe	**5**	7	**41.4**	43.9	**223.2**	590.8	**3.3**	5.7
Irtyshskoe	**8**	7	**36.0**	38.4	**557.3**	422.9	**2.4**	2.3
Nikolaevskoe	**38**	28	**41.9**	40.9	**207.1**	137.2	**2.5**	1.4
Artemyevskoe (KazZinc)	**59**	56	**53.0**	51.7	**2,479.2**	2,697.5	**13.9**	14.5
Total East Region	**152**	149	**46.8**[2]	44.1[2]	**172.7**[2]	143.2[2]	**1.8**[2]	1.4[2]
Karaganda Region:								
Karagaily	**–**	5	**–**	33.8	**84.9**	124.7	**3.6**	8.4
Total Karaganda Region	**–**	5	**–**	33.8	**84.9**	124.7	**3.6**	8.4
Total Kazakh Mining	**152**	154	**46.8**	45.8	**323.7**	330.5	**2.5**	2.9

[1] Grade in grams per tonne of copper concentrate
[2] Production from own concentrators.

5. Copper Smelter/Refinery − copper cathodes production

	Concentrate smelted		Copper in concentrate		Copper cathodes	
	30 June 2007 kt	30 June 2006 kt	**30 June 2007 %**	30 June 2006 %	**30 June 2007 kt**	30 June 2006 kt
Zhezkazgan Complex:						
Own concentrate	**282**	329	**35.6**	33.0	**90**	102
Purchased concentrate	**6**	9	**32.9**	26.8	**4**	3
Other [1]	**4**	3	**30.4**	35.8	**-**	1
Total Zhezkazgan Complex	**292**	341	**35.5**	32.9	**94**	106
Balkhash Complex:						
Own concentrate	**453**	461	**18.0**	16.6	**73**	65
Purchased concentrate	**94**	83	**24.9**	20.1	**23**	15
Other [1]	**2**	22	**68.7**	6.3	**–**	1
Total Balkhash Complex	**549**	566	**19.3**	16.7	**96**	81
Total Kazakh Mining (excluding tolling)	**841**	907	**24.9**	22.8	**190**	187
Tolling	**1**	1	**58.9**	74.2	**1**	1
Total Kazakh Mining (including tolling)	**842**	908	**23.9**	22.3	**191**	188

[1] Includes materials recovered (slag, scrap, etc.) reprocessed at both Zhezkazgan and Balkhash Complexes.

6. Copper Smelter/Refinery − copper rod and acid production

kt	**Copper rod** **30 June 2007**	30 June 2006	**Acid production** **30 June 2007**	30 June 2006
Total Kazakh Mining (all Zhezkazgan Complex)	**18**	14	**81**	106

7. Zinc Smelter/Refinery − zinc metal production

	Zinc concentrate smelted		**Zinc in concentrate**		**Zinc metal**	
	30 June 2007 kt	30 June 2006 kt	**30 June 2007 %**	30 June 2006 %	**30 June 2007 kt**	30 June 2006 kt
Total Kazakh Mining (all Balkhash Complex)	**76**	85	**34.1**	45.7	**27**	34

8. Precious metal production

koz	**Silver** **30 June 2007**	30 June 2006	**Gold** **30 June 2007**	30 June 2006
Kazakh Mining	**10,104**	10,660	**52**	54
Tolling	**7**	32	**19**	24
Total Kazakh Mining (including tolling)	**10,111**	10,692	**71**	78

9. Other production − Kazakh Mining

	30 June 2007	30 June 2006
Electricity power space (GWh)	**3,203**	3,358
Heating power (KGcal)	**2,488**	2,431
Enamel wire (t)	**440**	195
Lead dust (t)	**5,428**	7,236

10. Kazakh Mining sales

	30 June 2007		30 June 2006	
	kt [1]	**$million**	kt [1]	$million
Copper cathode	**203**	**1,406.9**	163	1,060.2
Copper rod	**17**	**117.7**	15	98.6
Total copper sales	**220**	**1,524.6**	178	1,158.8
Zinc concentrate	**132**	**154.1**	81	59.1
Zinc metal	**25**	**89.3**	37	102.4
Silver (koz)	**7,395**	**98.5**	10,835	117.8
Gold (koz)	**45**	**29.2**	47	28.2

[1] Kilotonne (unless otherwise stated).

11. Average realised prices

	30 June 2007	30 June 2006
Copper ($/t)	**6,930**	6,510
Zinc ($/t)	**3,572**	2,768
Silver ($/oz)	**13.32**	10.87
Gold ($/oz)	**649**	600

12. MKM production and sales

	30 June 2007		30 June 2006	
kt	**Production**	**Sales**	Production	Sales
Wire rod	**60**	**59**	62	62
Drawn wire	**20**	**20**	20	20
Total wire	**80**	**79**	82	82
Pre-rolled	**2**	**2**	1	1
Sheets	**7**	**7**	8	7
Strips	**25**	**25**	23	23
Total flat	**34**	**34**	32	31
Tubes	**10**	**10**	10	10
Bars	**13**	**13**	11	11
Total tubes and bars	**23**	**23**	21	21
Total MKM	**137**	**136**	135	134

GLOSSARY

Capital Employed
The aggregate of equity attributable to shareholders, minority interests and borrowings

Cash cost of copper after by-products
The US cents per pound cost of copper after revenues arising from by-products

CIS
Commonwealth of Independent States

Dollar or $
United States dollars, the currency of the United States of America

EBITDA
Earnings before interest, tax, depreciation and amortisation

EPS
Earnings per share

EPS based on Underlying Profit
Earnings per share based on Underlying Profit is calculated by dividing Underlying Profit by the weighted average number of ordinary shares of 20 pence each outstanding during the year

EPT
Excess profits tax

ENRC
Eurasian Natural Resources Corporation PLC

EURIBOR
European Inter Bank Offer Rate

Free Cash Flow
Net cash flows from operating activities less sustaining capital expenditure on tangible and intangible assets and investment in mine stripping costs

g/t
grammes per metric tonne

GWh
Gigawatt-hour, one gigawatt-hour represents one hour of electricity consumed at a constant rate of one gigawatt

Government

The Government of the Republic of Kazakhstan

IAS
International Accounting Standards

JORC
Joint Ore Reserves Committee

Kazakh Mining
The Kazakh mining operations, which involve the processing and sale of copper and other metals

Kazakhmys LLC
Kazakhmys Corporation LLC, the Group's principal operating subsidiary in Kazakhstan

Kazakhstan
The Republic of Kazakhstan

Kgcal
One thousand Gigacalories, units of heat energy

km
Kilometres

koz
Thousand ounces

kt
Thousand metric tonnes

KZT or tenge
Kazakhstan tenge, the official currency of Kazakhstan

LME
London Metal Exchange

LSE
London Stock Exchange

MKM
Mansfelder Kupfer und Messing GmbH, the Group's operating subsidiary in the Federal Republic of Germany

Ounce or oz
A troy ounce

ROCE
Return on Capital Employed, defined as profit before taxation, finance items and negative goodwill over capital employed

$/t or $/tonne
US dollars per metric tonne

Special items
Those items which are non-recurring or variable in nature and which do not impact the underlying trading performance of the business. Special items are set out in note 4(a) to the financial statements

t
metric tonnes

Underlying Profit
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