



12 November 2009

Eurasian Natural Resources Corporation PLC

November 2009 Interim Management Statement and Production Report for the Third Quarter Ended 30 September 2009

London – Eurasian Natural Resources Corporation PLC ('ENRC' or, together with its subsidiaries, the 'Group'), the holding company of a leading diversified natural resources group principally based in Kazakhstan, today announces its November 2009 Interim Management Statement and its Production Report for the Third Quarter ended 30 September 2009.

Highlights for the 9 Months to 30 September 2009

- By Q3 2009 high-carbon ferrochrome and iron ore production had recovered to pre-financial crisis levels. At the end of September 2009 our Kazakhstan operations were at capacity production.
- Alumina production stable; aluminium production at the full Phase 1 smelter capacity rate.
- Principal product prices below those of the comparable period in 2008, but in Q3 2009 were ahead of Q2.
- Continued successful control of unit costs.
- Strong balance sheet maintained, with gross funds as at 30 September 2009 of US\$1.9 billion.

Outlook for the Full Year 2009

- In line with guidance given at the Half Year Results, for H2 2009 the Group's businesses in Kazakhstan, and Tuoli, are expected to run at about capacity.
- Revenue in H2 2009 will reflect higher sales volumes and prices, partially offset by a rise in costs from improved production volumes and some cost increases.
- Capital expenditure expected to total US\$1.2 billion.
- Sustainability of the Chinese economic recovery is now more convincing, and with signs of stability, and even some initial recovery, in the United States, Europe and Russia.
- Industry outlook into 2010 remains uncertain, with the risk of further volatility in volumes and prices.
- Group production volumes for full year 2010 are planned to be close to those of 2008, with additional volume from Tuoli, the aluminium smelter rising towards its full increased capacity and with a modest first-time copper/cobalt contribution from CAMEC.
- Recommended cash offer of £584 million for Central African Mining & Exploration Company PLC ('CAMEC') was declared unconditional in all respects.

"We are pleased with the recovery in our businesses, reflecting both an improvement in market conditions and management's efforts to focus on the control of costs. An economic recovery is now looking more convincing, but we see some uncertainties for the industry into 2010. Management will look to leverage our low cost advantage to sustain production. In addition, we continue to look to develop the Group through capital expenditure and selected acquisitions."

Felix Vulis, Chief Executive Officer



For further information, please contact:

ENRC: Investor Relations

Mounissa Chodieva	+44 (0) 20 7389 1879
James S Johnson	+44 (0) 20 7389 1862
Marianna Adams	+44 (0) 20 7389 1886

ENRC: Press Relations

Julia Kalcheva	+44 (0) 20 7389 1861
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**M: Communications (Press Relations
Advisor**

Hugh Morrison	+44 (0) 20 7920 2334
Edward Orlebar	+44 (0) 20 7920 2323
Elly Williamson	+44 (0) 20 7920 2330

Interim Management Statement and Production Report Conference Call Details

The Chief Financial Officer's briefing will be available as a live conference call for investors and analysts at 09.00 (London time) on Thursday, 12 November 2009. The dial-in number for callers is +44 (0) 20 3037 9118, with the identifier, 'the ENRC call'. From shortly after the conference call there will be a replay available until 20 November 2009: Tel: +44 (0) 20 8196 1998, access code: 1491885#. A recording of the briefing will be posted on the Group's website, www.enrc.com, in due course.

Shortly after this announcement is released the Group will post on its Investor Relations website (at www.enrc.com) an update of its quarterly production data - covering the quarters, half years, nine months and full year periods for 2007, 2008 and up to Q3 2009.

Results timetable

Wednesday, 3 February 2010	Q4 2009 Production Report
Wednesday, 24 March 2010	2009 Preliminary Results Announcement
Thursday, 13 May 2010	May 2010 Interim Management Statement and Q1 2010 Production Report
Wednesday, 9 June 2010	Annual General Meeting
Wednesday, 4 August 2010	Q2 2010 Production Report
Wednesday, 18 August 2010	2010 Half-year Results Announcement
Thursday, 11 November 2010	November 2010 Interim Management Statement and Q3 2010 Production Report

All future dates are provisional and subject to change.



About ENRC

ENRC is a leading diversified natural resources group, performing integrated mining, processing, energy, logistics and marketing operations. The operations of the Group comprise: the mining and processing of chrome, manganese and iron ore; the smelting of ferroalloys; the production of iron ore pellets; the mining and processing of bauxite for the extraction of alumina and the production of aluminium; coal extraction and electricity generation; and the transportation and sales of the Group's products. ENRC's production assets are largely located in the Republic of Kazakhstan. The Group's entities, in the period, employed approximately 64,160 (2008: 67,450) people, including about 3,000 added in H1 2008 with the acquisition of Serov and a further 600 with Tuoli in H2 2008. In 2008, the Group accounted for approximately 5 per cent. of Kazakhstan's GDP. The Group currently sells the majority of its products to Russia, China, Japan, Western Europe and the United States. For the Half Year ended 30 June 2009, the Group had revenue of US\$1,695 million (2008: US\$3,442 million) and profit attributable to equity shareholders of the Group of US\$553 million (2008: US\$1,343 million). ENRC has five Divisions: Ferroalloys, Iron Ore, Alumina and Aluminium, Energy and Logistics. ENRC is a UK company with its registered office in London. ENRC's shares are quoted on the London Stock Exchange ('LSE') and the Kazakhstan Stock Exchange ('KASE'). For more information on ENRC visit the Group's website at www.enrc.com.

Forward-looking Statements

This announcement includes statements that are, or may be deemed to be, 'forward-looking statements'. These forward-looking statements can be identified by the use of forward-looking terminology, including the terms 'believes', 'estimates', 'plans', 'projects', 'anticipates', 'expects', 'intends', 'may', 'will', or 'should' or, in each case, their negative or other variations or comparable terminology, or by discussions of strategy, plans, objectives, goals, future events or intentions. These forward-looking statements include matters that are not historical facts or are statements regarding the Group's intentions, beliefs or current expectations concerning, among other things, the Group's results of operations, financial condition, liquidity, prospects, growth, strategies, and the industries in which the Group operates. Forward-looking statements are based on current plans, estimates and projections, and therefore too much reliance should not be placed upon them. Such statements are subject to risks and uncertainties, most of which are difficult to predict and generally beyond the Group's control. By their nature, forward-looking statements involve risk and uncertainty because they relate to future events and circumstances. The Group cautions you that forward-looking statements are not guarantees of future performance and that if risks and uncertainties materialise, or if the assumptions underlying any of these statements prove incorrect, the Group's actual results of operations, financial condition and liquidity and the development of the industry in which the Group operates may materially differ from those made in, or suggested by, the forward-looking statements contained in this announcement. In addition, even if the Group's results of operations, financial condition and liquidity and the development of the industry in which the Group operates are consistent with the forward-looking statements contained in this announcement, those results or developments may not be indicative of results or developments in future periods. A number of factors could cause results and developments to differ materially from those expressed or implied by the forward-looking statements including, without limitation, general economic and business conditions, industry trends, competition, commodity prices, changes in regulation, currency fluctuations, changes in business strategy, political and economic uncertainty. Subject to the requirements of the Prospectus Rules, the Disclosure and Transparency Rules and the Listing Rules or any applicable law or regulation, the Group expressly disclaims any obligation or undertaking publicly to review or confirm analysts expectations or estimates or to release publicly any updates or revisions to any forward-looking statements contained herein to reflect any changes in the Group's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Disclosure and Transparency Rules

This Interim Management Statement ('IMS') and Production Report is drafted to meet the requirements of the Disclosure and Transparency Rules of the United Kingdom Financial Services Authority ('FSA') to provide additional information to shareholders. The IMS and Production Report should not be relied on for any other purpose or by any other party.

A copy of this announcement will be available on ENRC's website at www.enrc.com.



November 2009 Interim Management Statement ('IMS')

The information in the IMS, unless stated otherwise, relates to the nine months ended 30 September 2009, and is compared to the corresponding nine months of 2008. Save as set out in this statement, there have been no material events, transactions or changes to the financial position of the Group since 30 June 2009. The Group's performance trends since 30 September 2009 to date remain broadly consistent with those described herein.

Revenue

Sales volumes for the Group, in the first nine months of 2009, exceeded management's expectations held at the beginning of the year, following a stronger than anticipated recovery in activity. Nonetheless, revenue was substantially reduced compared to the prior nine month period, reflecting both lower prices and sales volumes. However, revenue benefited in Q3 2009 versus Q2 from both higher prices and volumes.

In the Ferroalloys Division, production was increased progressively through the first nine months of 2009 and by Q3 capacity utilisation was 86% (Q2 2009: 70%), in line with management guidance at the Half Year Results. This stronger than expected recovery in production reflected materially better sales than had been expected at the beginning of the year. Production for the Division in the first nine months of 2009 was much lower than in the comparable period, reflecting production cutbacks announced in Q4 2008 (Kazchrome by 35%). Revenue was substantially lower in the first nine months than in the comparable period, reflecting lower sales volumes, the fall in realised prices and a higher proportion of spot sales. Average ferroalloy prices in the first nine months of 2009 decreased 56% on the comparable period; prices were 18% higher in Q3 2009 against Q2.

In the Iron Ore Division, production increased progressively through the first nine months of 2009. In Q3 2009 primary concentrate production capacity utilisation was at 100% (Q2 2009: 80%), in line with management guidance at the Half Year Results. Nonetheless, production for the nine months was substantially below that of the comparable period, reflecting production cutbacks of 50% announced in Q4 2008, although sales volumes were better than had been initially expected. Revenue from iron ore concentrate sales saw a significant decline, whilst pellet revenue was reduced to a greater extent, reflecting lower demand for the higher-priced product. In Q3 2009, compared to Q2, sales volumes to China and MMK both saw strong growth. Average sales prices in the first nine months of 2009 declined 30% on the comparable period; but increased 10% in Q3 2009 against Q2, as a result of higher spot prices.

In the Alumina and Aluminium Division, alumina production volumes in the first nine months of 2009 were steady on the comparable period, and with an increase in the proportion feeding the Division's own aluminium production. Higher aluminium sales volumes reflected production at the smelter's Phase 1 run rate capacity in 2009 and a managed reduction in inventory. Revenue nonetheless deteriorated substantially, due to the 45% decline in the London Metal Exchange ('LME') average price for aluminium for the first nine months of 2009 against the corresponding period; for Q3



2009 the average LME price increased 21% on Q2. In Q3 2009, compared to Q2, alumina and aluminium production volumes remained broadly steady.

Energy Division third-party revenue showed a moderate decline compared to the comparable nine month period. Third-party coal sales volumes fell sharply because of lower customer demand, reflecting both the weak economic environment and a milder winter, whilst internal coal demand increased. The decline in coal was partially offset by stronger third-party electricity sales, as more electricity was available for external sales due to reduced activity in the Ferroalloys and Iron Ore Divisions. Whilst Kazakhstani tenge electricity and coal prices increased, the tenge devaluation led to a net reduction in US dollar prices versus the comparable period; thermal coal prices fell 20% and electricity prices reduced 12%. In Q3 2009, compared to Q2, third-party Energy Division revenue increased with higher coal and electricity prices and increased sales volumes.

In the Logistics Division, third-party revenue was adversely affected by lower volumes of shipments and railway line repairs. Compared to Q2 2009, third-party revenue was higher in Q3, with increased activity partially offset by lower prices.

Costs

In Q3 2009 the Group continued to successfully control the unit cost of sales (inclusive of Mineral Extraction Taxes ('MET')) and achieved further reductions against those prevailing in H1 2009 in the Ferroalloys and Iron Ore Divisions, although unit costs rose for alumina and coal. Costs for the Group as a whole fell substantially for the first nine months of 2009 compared to the prior year period, although by less than revenue, with the Group's management focused on cost saving initiatives. The main drivers, other than the benefit of the devaluation, were the reduction in key input materials costs and savings on labour expenses, partially offset by the first-time net impact of MET (2008: royalties) and significant inventory destocking especially in ferroalloys and iron ore. Distribution costs decreased substantially, mainly reflecting lower volumes, partially offset by a change in the geographic mix of sales. Selling, general and administrative expenses also saw a very sharp reduction.

Taxation

In line with previous guidance, the Group's effective tax rate for the year is expected to be between 24% and 26% of Profit Before Tax ('PBT') and MET, charged in Cost of sales, between 10% and 12% of PBT.

The Government of The Republic of Kazakhstan recently announced a proposal to maintain the present 20% Corporate Income Tax ('CIT') rate for the period 2010 to 2012 and, at the same time, to maintain the currently applicable rates of MET. For the Group, the introduction of the proposed changes would result in a one-off re-measurement of deferred tax balances; the impact on the Group's consolidated 2009 income tax expense is not expected to be material.



Balance Sheet

The Group's financial position is robust, with gross funds as at 30 September 2009 of US\$1,857 million, having paid US\$271 million for its stake in CAMEC but including a restricted amount relating to the recommended cash offer for CAMEC of US\$665 million. The Group continued to pay down its trade finance facility in line with the pre-determined schedule to December 2010; the amount outstanding was US\$428 million as at 30 September 2009. Since 30 September 2009, the Group has paid an interim dividend of US\$77 million.

Capital Expenditure and Projects Update

During Q3 2009 the principal areas of capital expenditure were: Ferroalloys Division - a second enrichment plant (operational August 2009); Alumina & Aluminium Division - the ongoing construction of Phase 2 of the aluminium smelter (to be completed by no later than Q1 2010), and an anode plant; and Energy Division - the installation of overburden stripping equipment (to be completed by end 2009) and an additional power turbine unit.

For the full year 2009 the Group expects capital expenditure to be approximately US\$1.2 billion, including about US\$400 million for capital repairs and other smaller projects. Following a review of deferred capital expenditure projects the Group decided to go ahead with a 100 ktpa expansion of alumina production.

Offer for CAMEC

On 18 September 2009 the Group announced a recommended £584 million cash offer for Central African Mining & Exploration Company PLC ('CAMEC'). On 10 November 2009, ENRC announced that it had reduced the minimum acceptance condition as set out in the Offer Document (posted to shareholders on 9 October 2009) to 85%, from 90%, and declared the offer unconditional in all respects.

Outlook

Our outlook remains broadly consistent with the comments at our Half Year Results. In Q4 2009 the Group's businesses in Kazakhstan, and Tuoli, are expected to run at about capacity production, whilst the utilisation rate at Serov remains under review. We expect revenue in H2 2009 to reflect higher sales volumes and increased prices, relative to H1 2009, partially offset by a rise in costs from greater production volumes and some cost increases.

As highlighted previously, we have become more convinced of the sustainability of the Chinese recovery, which has been key to our production and price performance. In the United States, Europe and Russia the situation remains mixed, although there are signs of stabilisation and even some early signs of recovery. This reflects the initial effects of Government stimulus packages worldwide and the end of destocking. Nonetheless, we continue to anticipate uncertainty into 2010, with the risk for the industry of further volatility in commodity prices and volumes as supply still continues to outpace demand for many commodities and in many regions. For the ongoing businesses of the Group, we are planning production volumes in 2010 will be close to 2008 levels, with additional volume from Tuoli, the aluminium smelter rising towards



its full increased capacity and a modest first-time copper/cobalt contribution from CAMEC.



Notes

1. Costs: Cost of sales plus Distribution costs plus Selling, general and administrative expenses plus Other operating income/(expenses) net.
2. On 4 April 2008, the Group announced the completion of the acquisition of a controlling interest in the Serov group and certain related entities ('Serov'). Serov's results have been consolidated in the Group's Income Statement and Balance Sheet with effect from 4 April 2008.
3. On 15 October 2008 the Group completed its acquisition of a 50% stake in Xinjiang Tuoli Taihang Ferro-Alloy Co. LTD ('Tuoli'), a Chinese ferroalloys producer. The joint venture company has been renamed Xinjiang Tuoli ENRC Taihang Chrome Co. Ltd ('Tuoli'). Tuoli is accounted for by the Group as a subsidiary.
4. On 16 February 2009 the Group acquired a 25% interest in Shubarkol Komir JSC ('Shubarkol'), a major semi-coke and thermal coal producer in Kazakhstan, for a gross cash consideration of US\$200 million less 25% net debt. In addition the Group has a right of first refusal, combined with a call option, over all or part of the remaining shares in Shubarkol held by EFIC. The call option is exercisable (at the Group's discretion) at any time until 31 January 2011 and is expected to be subject to the approval of the Group's shareholders with any required regulatory approvals having been obtained. Shubarkol is accounted for as an associate.
5. On 18 September 2009 the Group announced a recommended cash offer for Central African Mining & Exploration Company PLC ('CAMEC'), to acquire the entire issued and to be issued ordinary share capital. The Offer was 20 pence in cash for each CAMEC Share and valued the entire issued and to be issued ordinary share capital of CAMEC at approximately £584 million. CAMEC is an UK AIM listed Africa focused emerging mining company, with operations centred around copper and cobalt, coal, bauxite, platinum, trucking and logistics and fluorspar. For the year ended 31 March 2009, CAMEC reported a loss before tax of US\$415 million and had total assets as at 31 March 2009 of US\$1,627 million. On 10 November 2009, ENRC announced that it had reduced the minimum acceptance condition as set out in the Offer Document (posted to shareholders on 9 October 2009) to 85%, from 90%, and declared the offer unconditional in all respects.
6. The Directors approved an interim dividend for the first six months of the year ended 31 December 2009 of US 6 cents per ordinary share in the Company. This was paid on Thursday, 8 October 2009 to all registered shareholders on the Register of Members as at the close of business on 28 August 2009.
7. The Kazakhstani tenge ('KZT') to US dollar ('US\$') spot exchange rate as at 30 September 2009 was KZT150.95/US\$1.00. The average exchange rate for the nine months ended 30 September 2009 was KZT146.73/US\$1.00 (nine months 2008: KZT120.34/US\$1.00); the average exchange rate for Q3 2009 was KZT150.76/US\$1.00.
8. On 4 February 2009 the National Bank of Kazakhstan announced that it would support the Kazakhstani tenge within a range of approximately +/-3% of KZT150/US\$1.00, resulting in the devaluation of the tenge to this level. The weakening of the KZT against the US dollar gives rise to foreign currency translation losses on the carrying value of net assets, which on consolidation are charged directly to equity. The devaluation has a beneficial impact on the profitability of ENRC's core commodity businesses as its revenues are largely based on US dollar metals prices and most of its costs are in KZT. In addition, foreign exchange gains and losses on monetary assets and liabilities (primarily relating to term deposits and intercompany balances), are recorded in the Income Statement. However, there is an adverse impact for the Energy and Logistics Divisions since most of their revenues are denominated in KZT. Inflationary pressures may occur later in 2009 due to the change in the relative purchasing power of the KZT against the US dollar for imported goods and services.
9. In the Group's Half Year Results announcement, on 19 August 2009, the Group disclosed the impact of the devaluation of the Kazakhstani tenge in early February 2009 which gave rise to significant one-off foreign exchange movements on the revaluation of US dollar denominated balances in the Kazakhstani operations. In the Income Statement for the Half Year to 30 June 2009 the Group recognised foreign exchange gains totalling US\$239 million; this total is expected to be broadly unchanged for the full year 2009. Separately, in the Group's Balance Sheet as at 30 June 2009, the devaluation impact on net assets was reflected in a significant one-off reduction in the currency translation reserve within equity of US\$1,340 million; this is expected to be broadly unchanged at the year end 31 December 2009.



Production Report for the Third Quarter Ended 30 September 2009

The information in the Production Report, unless stated otherwise, relates to the three months ended 30 September 2009, and is compared to the corresponding three months ended 30 September 2008.

Group production volumes in Q3 2009 improved on the levels of Q2 2009. Production in the Ferroalloys and Iron Ore Divisions increased substantially, whilst in the Alumina and Aluminium Division production was sustained at existing capacity levels. Ore grades remained broadly consistent in all products. In the Energy Division, electricity generation saw a slight decline but internal sales increased significantly. Coal production increased, reflecting higher internal and external demand. Logistics volumes increased, reflecting improved activity in Ferroalloys, Iron Ore and coal.

- **Ferroalloys Division*** (including Serov and Tuoli). Production volumes recovered in Q3 2009 and were only marginally below the comparable period of 2008. For saleable manganese concentrate, an increase in production of 3.7% was achieved. The change in production in Q3 2009 versus Q3 2008 was:
 - 4.4% decrease for saleable chrome ore; and
 - 7.0% decrease for total ferroalloys.

Ferrochrome production decreased 2.1% compared to Q3 2008, reflecting previously announced production cutbacks, but increased 20.7% from Q2 2009. High-carbon ferrochrome was slightly higher whilst silicomanganese production was broadly steady. Serov added saleable chrome ore production of 19 kt and total ferroalloys production of 52 kt, with 12 furnaces of 17 in operation at the end of September. Tuoli's output was 11 kt in Q3 2009, having restarted at the end of Q2 2009, with all four furnaces in operation at the end of September.

- **Iron Ore Division.** Production volumes increased slightly compared to Q3 2008, reflecting a recovery from the previously announced production cutbacks:
 - 1.9% for iron ore extraction;
 - 0.9% for primary concentrate; and
 - 1.3% for saleable ore.

In Q3 2009, compared to Q3 2008, there was a change in the saleable mix with an increased proportion of saleable concentrate. Pellet production was broadly in line with the previous year whilst saleable concentrate production increased 2.4%. Against Q2 2009, pellet production increased 47.7% and saleable concentrate production rose 13.5%.

- **Alumina and Aluminium Division.** There was a 6.0% increase in bauxite mining and a 0.5% increase in alumina production compared to Q3 2008. The Division produced 31 kt of aluminium, in line with the Phase 1 run rate capacity.
- **Energy Division.** Coal production volumes increased 9.9% compared to Q3 2008, in response to increased internal and external demand. Electricity generation increased 14.1% compared to Q3 2008, reflecting increased available capacity. Internal sales rose 19.6% against Q2 2009 due to higher production levels in other Divisions.
- **Logistics Division.** The tonnage of goods transported by railway increased 2.5% versus the comparable period in 2008, as a result of improved activity in the principal operating Divisions. Volumes rose 18.7% against Q2 2009.

* Within the Ferroalloys Division production volumes, unless otherwise stated, include Serov, which was incorporated by the Group from 4 April 2008, and Tuoli, which was acquired on 15 October 2008. All references to 't' in the Production Report are to metric tonnes unless otherwise stated and all references to 'kt' are to thousand metric tonnes unless otherwise stated.



FERROALLOYS DIVISION

Ore Mining and Processing (Including Serov from Q2 2008 and Tuoli from Q4 2008)

		Q3 2009	Q3 2008	Q3 2009 v Q3 2008 % growth	Q2 2009	Q3 2009 v Q2 2009 % growth
Chrome ore						
Ore extraction (Run of Mine, 'RoM')	000' t	1,204	1,137	5.9%	1,088	10.7%
Processing of low grade stockpiles	000' t	0	375	NA	0	NA
Saleable ore production	000' t	967	1,011	(4.4)%	823	17.5%
Internal consumption of saleable ore	000' t	740	727	1.8%	581	27.4%
- percentage		76.5%	71.9%		70.6%	
Manganese ore						
Ore extraction (RoM)	000' t	739	717	3.1%	642	15.1%
Processing of low grade stockpiles	000' t	190	301	(36.9)%	201	(5.5)%
Saleable concentrate production	000' t	363	350	3.7%	247	47.0%
Internal consumption of saleable concentrate	000' t	86	87	(1.1)%	80	7.5%
- percentage		23.7%	24.9%		32.4%	
Iron-Manganese ore						
Ore extraction (RoM)	000' t	15	148	(89.9)%	13	15.4%
Processing of low grade stockpiles	000' t	103	64	60.9%	12	758.3%
Saleable concentrate production	000' t	38	133	(71.4)%	12	216.7%

In Q3 2009 production volumes in the Ferroalloys Division moved closer to the levels of the comparable period of 2008, reflecting a steady recovery from the production cutbacks initiated in Q4 2008 in response to significantly reduced customer demand and in an effort to avoid an inventory build-up.

Chrome ore extraction amounted to 1,204 kt (Q3 2008: 1,137 kt), an increase of 5.9% from the comparable quarter. The Division produced 967 kt of saleable chrome ore, a decrease of 4.4% compared to Q3 2008, but an increase of 17.5% relative to Q2 2009. Of the saleable chrome ore produced, 740 kt, representing 76.5% (Q3 2008: 71.9%), was consumed internally to produce chrome ferroalloys.



A second 700 ktpa chrome ore pelletiser was successfully commissioned on schedule at Donskoy GOK at the beginning of July 2009.

Manganese ore extraction increased 22 kt, or 3.1%, to 739 kt (Q3 2008: 717 kt), and increased 97 kt, or 15.1%, relative to Q2 2009. The processing of low grade stocks was broadly in line with Q2 2009 but decreased 36.9% compared to Q3 2008. Total manganese concentrate production increased 3.7% to 363 kt (Q3 2008: 350 kt). Saleable concentrate production increased 47.0% compared to Q2 2009 in response to recovering demand.

Production at Zhairam GOK, which mainly sells concentrates to export markets, increased 6.4% to 199 kt (Q3 2008: 187 kt), ahead 60.5% compared to Q2 2009. Production of 164 kt at Kazmarganets, which supplies manganese concentrates to the Aksu Ferroalloys Plant of TNC Kazchrome for use in silico-manganese production, was the same as in Q3 2008 but an increase of 34.4% compared to Q2 2009. The proportion of total manganese concentrate production consumed internally was slightly lower than in the comparable period (Q3 2009: 23.7%; Q3 2008: 24.9%). Production of saleable iron-manganese concentrate resumed in the quarter, but remained lower than in the comparable period of 2008 due to very weak demand.



Ferroalloys Production - Including Serov from Q2 2008 and Tuoli from Q4 2008

		Q3 2009	Q3 2008	Q3 2009 v Q3 2008 % growth	Q2 2009	Q3 2009 v Q2 2009 % growth
Ferrochrome	000' t	332	339	(2.1)%	275	20.7%
- High-carbon	000' t	304	297	2.4%	257	18.3%
- Medium-carbon	000' t	9	18	(50.0)%	3	200.0%
- Low-carbon	000' t	19	24	(20.8)%	14	35.7%
Ferrosilicochrome	000' t	28	46	(39.1)%	12	133.3%
Silico-manganese	000' t	41	42	(2.4)%	38	7.9%
Ferro-silicon	000' t	12	17	(29.4)%	7	71.4%
Total ferroalloys	000' t	413	444	(7.0)%	332	24.4%
Internal consumption of ferroalloys	000' t	51	68	(25.0)%	64	(20.3)%
- percentage		12.3%	15.3%		19.3%	

Note: table may not sum precisely due to roundings.

In Q3 2009, the Ferroalloys Division produced 413 kt of ferroalloys, a decrease of 7.0% compared to Q3 2008. Within this, the Division produced 332 kt of ferrochrome, a decrease of 2.1% compared to Q3 2008 but an increase of 20.7% against Q2 2009. High-carbon ferrochrome production increased 2.4% compared to Q3 2008, and increased 18.3% versus Q2 2009. Internal consumption of ferroalloys decreased 17 kt, or 25.0%, compared to Q3 2008, and the rate of internal consumption of total ferroalloys production decreased to 12.3% (Q3 2008: 15.3%)

Serov low-carbon ferrochrome production was at 87% of its level of Q3 2008, whilst the production of medium-carbon ferrochrome, stopped at the end of 2008, had not been restarted by the end of Q3 2009, reflecting market conditions. Medium-carbon ferrochrome production at Kazchrome decreased 9.1% compared to Q3 2008. Serov contributed 52 kt to total ferroalloys production in Q3 2009, with production about two times higher than in Q2 2009 (see Note 2 below). As at the end of September 2009, Serov was operating 12 furnaces out of 17.

Tuoli restarted production in one of its four furnaces at the end of June 2009. Capacity utilisation increased steadily in Q3, with an additional furnace being put into operation each month. As at the end of September 2009, all four furnaces were in operation. Tuoli contributed 11 kt to total ferroalloys production in Q3 2009 (see Note 3 below).

Ferroalloys capacity utilisation in Q3 2009 for Kazchrome was 92% (Q2 2009: 81%), for Serov 69% (Q2 2009: 34%) and for Tuoli 50% (Q2 2009: 0%). Overall, the capacity utilisation rate for the Division in Q3 2009 was 86% (Q2 2009: 70%).



IRON ORE DIVISION

		Q3 2009	Q3 2008	Q3 2009 v Q3 2008 % growth	Q2 2009	Q3 2009 v Q2 2009 % growth
Ore extraction (RoM)	000' t	10,980	10,776	1.9%	8,367	31.2%
Primary concentrate production	000' t	4,556	4,514	0.9%	3,596	26.7%
Saleable concentrate production	000' t	2,540	2,481	2.4%	2,238	13.5%
Saleable pellet production	000' t	1,859	1,860	(0.1)%	1,259	47.7%

In Q3 2009, the Iron Ore Division extracted 10,980 kt of iron ore, an increase of 1.9%, reflecting a recovery in demand in both the Russian and Chinese markets. Ore extraction rose in Q3 2009 against Q2 2009 by 2,613 kt, or 31.2%. The Division produced 4,556 kt of primary concentrate, a slight increase of 0.9% compared to Q3 2008, but an increase of 960 kt, or 26.7%, compared to Q2 2009.

In Q3 2009 saleable concentrate production (with an iron content of 65.3%) increased 13.5% compared to Q2 2009 and was broadly at the same level as production in Q3 2008 (2,481 kt).

Saleable pellet production (with an iron content of 63.2%) increased 47.7% in Q3 2009 against Q2 2009 to 1,859 kt (Q2 2009: 1,259 kt) and was at the same level as in the comparable period (Q3 2008: 1,860 kt).

Primary concentrate capacity utilisation in Q3 2009 was 100% (Q2 2009: 80%). Pellet capacity utilisation was approximately 83% (Q2 2009: 56%).



ALUMINA AND ALUMINIUM DIVISION

		Q3 2009	Q3 2008	Q3 2009 v Q3 2008 % growth	Q2 2009	Q3 2009 v Q2 2009 % growth
Bauxite extraction (RoM)	000' t	1,414	1,334	6.0%	1,307	8.2%
Alumina production	000' t	404	402	0.5%	399	1.3%
Internal consumption of alumina - percentage	000' t	59 14.6%	61 15.2%	(3.3)%	59 14.8%	0.0%
Aluminium production	000' t	31	32	(3.1)%	30	3.3%
Gallium production	kilogrammes	4,848	4,892	(0.9)%	4,722	2.7%

Alumina and Aluminium Division production remained largely unaffected by the weaker market conditions, primarily due to the long-term contract and the continued strength of the business with the Division's principal customer. In Q3 2009, the Alumina and Aluminium Division extracted 1,414 kt of bauxite, an increase of 6.0%. Alumina production from bauxite was steady versus Q3 2008.

Production commenced at the aluminium smelter during Q4 2007 and reached the Phase 1 run rate capacity of 125 ktpa in Q2 2008. Internal consumption of alumina amounted to 59 kt in Q3 2009, representing 14.6% (Q3 2008: 15.2%) of total alumina production.

Primary aluminium production in Q3 2009 was 31 kt, broadly the same as in the previous quarters of 2009, with the smelter working at its full Phase 1 run rate capacity.

Gallium production in Q3 2009 was 4,848 kilogrammes, a 0.9% decrease.



ENERGY DIVISION

		Q3 2009	Q3 2008	Q3 2009 v Q3 2008 % growth	Q2 2009	Q3 2009 v Q2 2009 % growth
Coal extraction (RoM)	000' t	4,636	4,220	9.9%	4,144	11.9%
Energy Division consumption of coal	000' t	1,979	1,729	14.5%	2,045	(3.2)%
- percentage		42.7%	41.0%		49.3%	
Sales of coal to other Group Divisions	000' t	1,042	1,024	1.8%	985	5.8%
- percentage		22.5%	24.3%		23.8%	
Electricity generation	GWh	3,203	2,808	14.1%	3,318	(3.5)%
Sales of electricity to other Group Divisions	GWh	2,281	2,214	3.0%	1,907	19.6%
- percentage		71.2%	78.8%		57.5%	

In Q3 2009, the Energy Division extracted 4,636 kt of coal, an increase of 9.9% compared to Q3 2008. The 416 kt increase in coal extraction was predominantly due to increased internal consumption. Against Q2 2009, external consumption of coal increased substantially, reflecting greater demand in both Russia and Kazakhstan.

Electricity generation in the period was 3,203 GWh, an increase of 14.1%. In Q3 2008 a turbine block was out of service for a planned refurbishment.

Electricity supplied by the Energy Division to other Group entities was 2,281 GWh, or 71.2% of total energy generation. This was a net 67 GWh increase from the comparable quarter of 2008 (when 78.8% of total energy generation was consumed by other Group entities).

The increase in internal consumption compared to Q3 2008 reflected an increase in the Ferroalloys Division's consumption of 92 GWh. This was mainly due to additional electricity supply to the Aktobe smelter using the new State electricity net line connecting Western Kazakhstan to the rest of the system. There was a 22 GWh reduction in internal energy consumption by the Iron Ore Division due to an increase of approximately 11% in electricity generation at the Division's internal power plant. Consumption at the aluminium smelter decreased by 3GWh, reflecting a small decrease in aluminium production. There was a 19.6% increase in internal energy consumption overall in Q3 2009 versus Q2 2009 (Q2 2009: 1,907 GWh), reflecting increased demand from the Ferroalloys and Iron Ore Divisions.

External sales of electricity of 685 GWh increased 66.7% compared to Q3 2008 (Q3 2008: 411 GWh) as internal consumption saw limited growth and the increase in total energy generation allowed for more electricity to be available for external sales. External sales of electricity decreased compared to Q2 2009, to support higher production levels in the Group's Divisions.



LOGISTICS DIVISION

		Q3 2009	Q3 2008	Q3 2009 v Q3 2008 % growth	Q2 2009	Q3 2009 v Q2 2009 % growth
Tonnage of products transported by railway	000' t	15,757	15,373	2.5%	13,271	18.7%
<i>Percentage of products tonnage attributable to third parties</i>		11.0%	16.0%		8.7%	

In Q3 2009 the Logistics Division transported 15,757 kt by railway, an increase of 2.5% compared to Q3 2008. This is the highest quarterly tonnage transported by railway during 2008-09. There was an increase of 18.7% in the tonnage of products transported in Q3 2009 versus Q2 2009 reflecting the substantial improvement in activity in the Ferroalloys and Iron Ore Divisions and in coal.



Notes

1. Definition of Run of Mine ('RoM'): uncrushed ore in its natural state, as when it is blasted.

2. On 4 April 2008, the Group announced the completion of the acquisition of a controlling interest in the Serov group and certain related entities ('Serov'). Serov's results were consolidated in the Group's Income Statement with effect from Q2 2008.

Ferroalloys Division: Serov - Ore Mining and Processing – Quarter ended 30 September 2009

		Q3	Q3	Q2
		2009	2008	2009
Chrome ore				
Ore extraction (RoM)	000' t	30	33	18
Saleable ore production	000' t	19	20	11
Internal consumption of saleable ore	000' t	32	23	10
- <i>percentage</i>		168.4%	115.0%	90.9%
Consumption of saleable ore from Kazchrome	000' t	61	71	22

Note: internal consumption of saleable ore above 100% reflects consumption from stock.



Ferroalloys Division: Serov – Ferroalloys Production – Quarter ended 30 September 2009

		Q3 2009	Q3 2008	Q2 2009
Ferrochrome	000' t	39	45	13
- High-carbon	000' t	26	22	2
- Medium-carbon	000' t	0	8	0
- Low-carbon	000' t	13	15	11
Ferrosilicochrome	000' t	9	15	10
Ferro-silicon	000' t	4	10	2
Total ferroalloys	000' t	52	69	25
Internal consumption of ferroalloys	000' t	14	19	10
- <i>percentage</i>		26.9%	27.5%	40.0%
Internal consumption of ferroalloys from Kazchrome (High-carbon Ferrochrome and Ferrosilicochrome)	000' t	0	3	1

Note: table may not sum precisely due to roundings.

- On 15 October 2008 the Group announced the completion of the acquisition of a 50% stake in Xinjiang Tuoli Taihang Ferro-Alloy Co. LTD, a Chinese ferroalloys producer. The joint venture company has been renamed Xinjiang Tuoli ENRC Taihang Chrome Co. Ltd ('Tuoli'). Tuoli is accounted for by the Group as a subsidiary and its results were consolidated in the Group's Income Statement with effect from Q4 2008.

Ferroalloys Division: Tuoli – Ferroalloys Production – Quarter ended 30 September 2009

		Q3 2009	Q2 2009
Ferrochrome	000' t	11	0
- High-carbon	000' t	11	0
Total ferroalloys	000' t	11	0
Consumption of saleable ore from Kazchrome	000' t	24	1

Note: table may not sum precisely due to roundings.

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