

---

## **Kazakhmys H1 net profit down by 15pct**

*Wednesday, 02 Sep, 2009*

London listed miner Kazakhmys PLC reported a better than expected 15.1% fall in H1 net profit and said that its full year copper output would exceed earlier targets by as much as 5%.

It said that net profit dropped to USD 516 million for the 6 months to June 30th 2009 from USD 608 million during the same period a year earlier. That was ahead of expectations of USD 217 million in a Dow Jones Newswires survey of four analysts. Revenue slid 41.9% to USD 1.65 billion from USD 2.84 billion per year earlier reflecting sharply lower commodity prices.

The miner said that negotiations to sell 25% of its Ekibastuz GRES-1 power station to state holding company Samruk Kazyna are at an advanced stage.

Kazakhmys in May 2008 purchased the Ekibastuz GRES-1 power station for USD 1.1 billion making the miner the country's biggest power generator. The company also purchased a related coal mine bringing the total purchase price to USD 1.26 billion. But the plant needs about USD 1 billion in additional investment to increase capacity nearly 78%.

The miner said that "Given the capital commitment needed to deliver this increase in capacity and the potential output of Ekibastuz GRES-1 which is substantially above our own needs, we may consider reducing our holding further."

The miner said that it would not pay an interim dividend. The company added that it expected to exceed the 300,000 tonnes copper production target it had set earlier in the year by as much as 15,000 tonnes.

Kazakhmys' 26% stake in compatriot Eurasian Natural Resources Corporation PLC contributed USD 184 million to the company's earnings before interest, taxes, depreciation and amortization or Ebitda. The company said that "We believe that this significant holding provides strategic opportunities but any future potential action with the stake will be based solely on creating value for all our shareholders."

(Sourced from Dowjones.com)

**For more news visit at [www.steelguru.com](http://www.steelguru.com)**