

8 October 2018

Steppe Cement Ltd

Market Update for the Third Quarter ended 30 September 2018

Third quarter 2018 revenue of KZT 11,696 million was 26% higher than revenue of KZT 9,312 million achieved in the corresponding quarter in 2017. For the 9 months ended 30 September 2018, Steppe Cement Ltd ("Steppe Cement") recorded revenue of KZT 22,416 million compared with KZT 17,865 million in the corresponding 9-month period in 2017, representing a 25% increase.

A sales volume of 648,761 tonnes was achieved during the third quarter, a 5% decrease from the third quarter of 2017 due to prioritising price vs volume since the beginning of the season. For the first 9 months of 2018, the sales volume increased by 4% to 1,386,989 tonnes from 1,336,078 tonnes in the corresponding 9-month period in 2017.

The average price (ex-VAT) for delivered cement was KZT 16,161 per tonne in the first 9 months compared with KZT 13,372 per tonne last year. For the first 9 months of 2018, the ex-factory price stood at KZT12,893 per tonne, an increase of 15% over KZT11,198 in 2017.

For the first 9 months of 2017, the cement market in Kazakhstan was 7.2 million tonnes, 1% lower than in 2017. Imports stood the same at 7% of total consumption and exports from Kazakhstan more than doubled to 1.5 million tonnes. Steppe Cement maintains its estimate of the cement market for 2018 at 9 million tonnes, with Steppe Cement's market share at 17%.

Steppe Cement's AIM nominated adviser and broker is RFC Ambrian Limited.

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