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Steppe Cement Ltd

### **Fitch Ratings Update on Central Asia Cement Bonds**

Central Asia Cement JSC (“CAC”), a fully-owned subsidiary of Steppe Cement Ltd, has decided to discontinue the rating update by Fitch Ratings on its 5-year 1.49 billion Kazakh Tenge unsecured bonds with a 10% annual coupon payable semi-annually (trading code CACMb2). Fitch Ratings was hired to perform a rating exercise in conjunction with the listing of the bonds in November 2012 and assigned a rating of B (kaz).

In arriving at this decision to discontinue rating update by Fitch Ratings, CAC has considered the following:

- a) Only one rating company is required by the Kazakhstan Stock Exchange and a local independent rating agency, RA Expert, which had been engaged since pre-listing of the bonds, will continue to provide annual rating update on the bonds till maturity in 2017. Their current local rating for CAC is A.
- b) There are currently only five Kazakh institutions as bondholders. Two of whom comprising half of the total bonds are pension funds that will be merged with all other pension funds in Kazakhstan.
- c) Since listing in November 2012, the trading of the bonds has been minimal, with just 1000 Kazakh tenge transacted till today.

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