

Steppe Cement Ltd

Market Update for the Third Quarter ended 30 September 2011

Third quarter 2011 revenue of KZT 5,646 million was 40% higher than the corresponding quarter in 2010. For the 9 months ended 30 September 2011, Steppe Cement Ltd (“Steppe Cement”) recorded revenue of KZT 11,933 million compared to KZT 8,741 million in the corresponding 9 month period in 2010, representing a 37% improvement.

Sales volume of 447,022 tonnes was achieved during the third quarter, a 5% increase over the third quarter of 2010. For the first 9 months of 2011, the sales volume increased by 11% to 1,048,122 tonnes from 947,919 tonnes in the corresponding 9 month period in 2010.

Average price (ex-VAT) for delivered cement was KZT 11,385 per tonne in the first 9 months compared to KZT 9,221 per tonne in the corresponding period in 2010. For the 9 months, ex-factory price stood at KZT 9,712 per tonne representing USD66 per tonne based on current exchange rates.

For the first 9 months of 2011, the cement market in Kazakhstan increased by 11% compared to the corresponding period in 2010. Steppe Cement estimates the cement market for 2011 to be 6.3 million tonnes. Imports into Kazakhstan declined to 15% from 20% in the corresponding 9-month period in 2010 and Steppe Cement’s market share was similar to the one in 2010.

The Company's Nominated Adviser is RFC Corporate Finance Ltd.
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