

Steppe Cement Ltd  
9 April 2013

Market update for the quarter ended 31 March 2013

In the first quarter of 2013, Steppe Cement Ltd (“Steppe Cement”) sold 166,121 tonnes of cement for 2,272 million Tenge, compared to 170,080 tonnes of cement for 1,953 million Tenge in the first quarter of 2012, representing a decrease of 2% and an increase of 16% respectively.

The total market consumption in Kazakhstan during 1Q 2013 increased by 17% over the same quarter last year. The market share of Steppe Cement declined from 18% in the first quarter of 2012 to 15% in the first quarter of 2013.

Steppe Cement chose to maintain high cement prices during the quarter as a consequence of the production constraints that occurred in the last quarter of 2012 as a result of an exceptionally harsh winter. We expect to recover the volumes during the coming two quarters, having built up a larger inventory than last year.

The average price during the current quarter for delivered cement was 13,677 Tenge per tonne (ex VAT) compared with 11,483 Tenge per tonne in the corresponding quarter of 2012, an increase of 19%.

The ex-factory price for the current quarter stood at 10,850 Tenge per tonne or USD72 per tonne, an increase of 18% over the same period in the previous year.

Steppe Cement estimates Kazakhstan’s cement market to be 7.7 million tonnes for 2013, representing an increase of 10% from 2012.

The Line 5 project remains on schedule for October 2013 completion. The monthly photographic reports are available at <http://www.steppecement.com/line5/>.

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