

Steppe Cement Ltd

13 April 2017

Market update for the quarter ended 31 March 2017

In the first quarter of 2017, Steppe Cement Ltd (“Steppe Cement” or the “Company”) sold 124,669 tonnes of cement for 1,528 million Tenge, compared to 190,935 tonnes of cement for 2,004 million Tenge in the first quarter of 2016, representing a decrease of 35% and 24% respectively.

The cement market in Kazakhstan during 1Q 2017 decreased by 5% over the corresponding quarter last year. The market consumption reduced by 12% in March 2017 partly due to the extended holidays.

Steppe Cement continued the strategy of increasing prices at the expense of market share and as a result its market share decreased from 16% in the first quarter of 2016 to 10% in the first quarter of 2017.

Average price for the current quarter for delivered cement was 12,257 Tenge per tonne (ex VAT) compared with 10,494 Tenge per tonne in the corresponding quarter of 2016, an increase of 17%. Ex-factory price for the current quarter stood at 10,500 Tenge per tonne, compared to 8,689 Tenge per tonne in 1Q 2016, an increase of 21%.

Steppe Cement maintains a significant clinker stock in preparation for the summer season.

The Company estimates Kazakhstan’s cement market demand will be reduced to 8.5 million tonnes in 2017 from 8.9 million tonnes in 2016. Exports from Kazakhstan have increased by 75% in the first quarter and will continue the same pattern during the rest of the year.

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

Contact Stephen Allen or Oliver Morse on +61 8 9480 2500.

Broker contact: Charlie Cryer at +44 20 3440 6800.