

11 October 2017

Steppe Cement Ltd

Market Update for the Third Quarter ended 30 September 2017

Third quarter 2017 revenue of KZT 9,312 million was 27% higher than revenue of KZT 7,316 million achieved in the corresponding quarter in 2016. For the 9 months ended 30 September 2017, Steppe Cement Ltd (“Steppe Cement”) recorded revenue of KZT 17,865 million compared with KZT 15,506 million in the corresponding 9-month period in 2016, representing a 15% increase.

A sales volume of 685,745 tonnes was achieved during the third quarter, a 12% increase from the third quarter of 2016 due to good clinker output and stock availability. For the first 9 months of 2017, the sales volume decreased by 3% to 1,336,078 tonnes from 1,371,024 tonnes in the corresponding 9-month period in 2016.

The average price (ex-VAT) for delivered cement was KZT 13,372 per tonne in the first 9 months compared with KZT 11,310 per tonne in the corresponding period in 2016. For the first 9 months of 2017, the ex-factory price stood at KZT11,198 per tonne, an increase of 18% over KZT9,451 in 2016.

For the first 9 months of 2017, the cement market in Kazakhstan was the same as in 2016 at 7.3 million tonnes. Imports increased from 5% to 7% of total consumption and exports from Kazakhstan more than doubled to 0.7 million tonnes. Steppe Cement maintains its estimate of the cement market for 2017 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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