

14 July 2016

Steppe Cement Ltd

Market update for the first half of 2016

In the first half of 2016, Steppe Cement Ltd (“Steppe Cement” or the “Company”) sold 761,771 tonnes of cement for 8,190 million Tenge, which compares with 717,654 tonnes of cement for 8,277 million Tenge in the first half of 2015. This represents an increase of 6% and a decrease of 1% respectively over the same period in 2015.

Average price for the current period for delivered cement was 10,751 Tenge per tonne (ex VAT), compared with 11,533 Tenge per tonne in the corresponding period of 2015 as companies defended their market shares.

Ex-factory price for the current period was 8,781 Tenge per tonne, compared with 9,665 Tenge per tonne in the corresponding period of 2015.

The cement market in Kazakhstan decreased by 10% during the first half of 2016 compared to the same period last year. However overall cement shipments from local companies remained stable compared to 2015 as imports decreased by 63% (representing 5% of the local market) and exports doubled due to the favorable exchange rate against the currencies of the surrounding countries.

Steppe Cement’s local market share increased to 18% in the first half of 2016 from 16% in the same period of 2015 and exported 4% of its sales compared to none in 2015.

The Company currently estimates country consumption at 9 million tonnes for 2016.

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