

13 January 2017

Steppe Cement Ltd
Preliminary Update for the Year ended 31 December 2016

Steppe Cement Ltd (“Steppe Cement” or the “Company”) recorded revenue for the year ended 31 December 2016 of 17,941 million Tenge (“KZT”), which was 8% lower than the KZT 19,537 million recorded for the corresponding year ended 31 December 2015. A sales volume of 1,570,140 tonnes of cement was achieved in 2016, a 4% decrease over the 1,643,136 tonnes for the previous year. Average price (ex-VAT) for delivered cement was KZT 11,426 per tonne in 2016, a 4% decrease compared with KZT 11,890 per tonne in 2015 mostly due to competition among local companies and the start-up of two dry kilns in the country during the year. For 2016, the average ex-factory price stood at KZT 9,596 per tonne (6% below 2015) representing US\$ 28 per tonne based on 2016’s average exchange rate of 340 for revenue vs 208 in 2015.

In 2016, the cement market consumption in Kazakhstan is estimated to have decreased to 8.9 million tonnes or 8% below 2015. The fourth quarter marked a shift in strategy as Steppe Cement tried to maintain higher prices at the expense of market share. The strategy may be revised depending on the overall market reaction and the market share until the high season in 2017. Steppe Cement’s market share remained broadly stable at 17% during 2016. Kazakhstan imported 0.5 million tonnes of cement (vs 1.2 million in 2015), and exported 0.4 million tonnes (vs 0.1 million in 2015).

The full results and audited accounts denominated in US\$ are expected to be published in April 2017.

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

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