

RNS Number : 7352W
Steppe Cement Limited
03 August 2009
Steppe Cement Limited

Preliminary interim results for the half-year ended 30 June 2009

The preliminary highlights of first half 2009 results include:

- Revenue in Kazakh Tenge ("KZT") declined 38.4% to KZT 3,881 million vs. KZT 6,300 million in the first half of 2008.
- Sales volume (tonnes) for cement rose to 442,227 tonnes compared to 412,042 tonnes in the first half of 2008, an increase of 7.3% year-on-year.
- Whilst the cement market in Kazakhstan decreased by 25% to 2.1 million tonnes in the first half of 2009 from 2.8 million tonnes in the corresponding period in 2008, Steppe Cement's market share increased to 20.3%, compared to 14.5% in the corresponding period in 2008.
- Average price for delivered cement decreased 42.6% to KZT 8,776 per tonne (ex-VAT) vs. KZT 15,290 per tonne in the corresponding period in 2008.
- Ex-factory price for the current period stood at KZT 7,727 per tonne or USD 51.4 per tonne at the current exchange rate.
- Ex-factory price has increased since May 2009 and reached KZT 10,477 per tonne to date in July 2009.
- Steppe Cement's net debt level reduced by USD 19.6 million from USD 92.2 million as at end 2008 to USD 72.6 million mainly due to the fund raising exercise completed in May 2009 and repayment of bank borrowings in Q209.
- Steppe Cement's wholly-owned subsidiary, Karcement JSC recognised approximately KZT 1,909 million in foreign exchange losses primarily arising from the devaluation of the KZT against the USD by 25% from KZT 120.9 at end of 2008 to KZT150.4 as of 30 June 2009.
- Interest expense for both Line 5 and 6 totaled KZT 305 million.
- The merger between Central Asia Cement Holding B.V. ("CAC BV") and Steppe Cement Holdings B.V. ("SCH BV") was completed in July. The assets of CAC BV were transferred to SCH BV and CAC BV ceased to exist. The merger of these subsidiaries enables Steppe Cement to achieve future cost savings as the Kazakhstan operations are consolidated under SCH BV.

Steppe Cement maintains its estimate of cement market of 4.5 million tonnes for 2009, against 5.7 million tonnes in 2008.

Steppe Cement's AIM nominated adviser is RFC Corporate Finance Ltd.

Contact Stephen Allen or Trinity McIntyre on +61 8 9480 2500.

This information is provided by RNS
The company news service from the London Stock Exchange