

WEEK OF STOCK MARKET OF KAZAKHSTAN

February 27 – March 2, 2012

Date	Index KASE	USDKZT	TONIA	TWINA	KazPrime
24.02.2012	1,245.96	147.62	0.32	0.77	2.00
27.02.2012	1,254.97	147.62	1.53	1.37	2.00
28.02.2012	1,233.24	147.65	0.16	0.25	2.00
29.02.2012	1,253.36	147.74	0.08	0.20	2.00
01.03.2012	1,251.39	147.78	0.10	0.20	2.00
02.03.2012	1,235.93	147.93	0.12	0.16	2.00
Trend	-10.03	0.31	-0.20	-0.62	0
%	-0.8	+0.2	-62.2	-79.8	0

MAIN NEWS OF KAZAKHSTANI STOCK MARKET

February 27 Kazakhmys announced the resumption of mining works at the copper mine

"Konyrat", which suspended its activities in 2008. "It is assumed that the mine will be practiced for about 9 years. Volume of the rock mass will exceed 99 million tons, with ore production of about 57 million tons. In 2012, the company plans to produce 3.5 mln tonn of ore for processing at the Balkhash concentrator", - was stated in the message. It is reported that working out rock quarry of east side will be open. Now on the field stripping works are carried out. Work on the ore will begin in the summer and will reach its design capacity in July 2012. Mine "Konyrat" will provide permanent jobs for about 300 people. It is noted that the acquisition of mining equipment and auxiliary equipment for field operations at the company has committed more than one billion tenge. Fleet mine will be equipped with 17 units of mining equipment, among them - excavators, dump trucks BelAZ with capacity of 130 tons, bulldozers and graders. To support the work acquired refuellers, shift buses, light-duty trucks, cars and gritter for the movement of operations personnel.

February 27 KazMunayGas ExplorationProduction JCS (KMG EP or the Company) held an extraordinary general meeting of shareholders, which had terminated the powers of a member of the Board of Directors Askar Balzhanov.

Reportedly, a new member of the Board of Directors became Lyazzat Kiinov for term of office the Board of Directors of the Company as a whole. Kiinov Lyazzat Ketebaevich graduated from the Kazakh Polytechnic Institute. Doctor of Technical Sciences, Academician of International Engineering Academy. He works in the oil and gas industry since 1971. He passed all stages of professional development in the oil and gas production, worked as an operator of oil and gas NGDU "Zhetybayneft", chief engineer of the territorial-production control "Mangyshlakneftpromhim" chief NGDU "Karazhanbasstermneft", "Komsomolskneft." He has held management positions at JSC NC "KazMunayGas", the Caspian Pipeline Consortium, the Ministry of Oil and Gas RC. Over the years, he led the Mangistau region. He was awarded the Order "Parasat" medal "10 Years of Independence of the Republic of Kazakhstan."

February 27, 2012 an extended meeting of the faction of People's Democratic Party "Nur Otan" in the Majilis of the Parliament of the Republic of Kazakhstan was held, where the issues of the budget for 2012-2014 were discussed.

As indicated, the main theme of the meeting were amendments and addenda to be made into the Law of RK "On Republican Budget for 2012-2014" in the context of the tasks set by Kazakh President Nursultan Nazarbayev in his address to the people of Kazakhstan, "Socio-economic modernization - the main vector of development of Kazakhstan". Prime Minister Karim Massimov spoke at an enlarged meeting of the faction of NDP "Nur Otan". On the issue under discussion the chairman of the National Bank Grigory Marchenko, the Minister of Economic Development and Trade Bakytzhan Sagintayev, Finance Minister Bolat Zhamishev have also spoken. Speaking at a meeting of the faction of NDP "Nur Otan", the chairman of the National Bank Grigory Marchenko announced the results of the regulator in 2011. According to operational data, GDP growth in 2011 was 7.5%. GDP per capita in the last year is estimated at 11,200 U.S. dollars. In general, by the results of 2011 inflation was 7.4%. **At the meeting of the parliamentary faction Minister of Finance Bolat Zhamishev announced amendments to the Law of the Republic of Kazakhstan "On Republican Budget for 2012-2014."** According to Bolat Zhamishev, the income of the republican budget for 2012 is 5,236.9 billion tenge, an increase over the approved budget (4,751 billion) by 485.9 billion tenge. In addition, the Finance Minister said that the source to recalculation of budget should be 186 billion tenge, including in connection with the increase of the guaranteed transfer from the National Fund in the amount of 180 billion tenge, or 15% compared to the approved amount of (1.2 trillion tenge). Pursuant to the instructions of the President about cuts of budget expenditures that do not ensure economic growth and employment, the Government optimized costs of 25.6 billion tenge. As indicated, Bolat Zhamishev said that the priorities of revised budget remain employment, regional development, agriculture, industrial and innovative development, quality improvement of human capital, as well as health care and the scope to improve the quality of

public services. In addition, this year large-scale implementation of the "Employment Programme-2020", and start of the program "Affordable Housing - 2020" will be launched.

February 27 Eurasian Development Bank said that the experts of EDB, which is the Governor of ACF funds, visited Bishkek from 20 to 23 February 2012 to begin preparation of Conclusion of the Governor on the Application of Kyrgyzs republic of the financial loan from ACF in the amount of 106.7 million dollars. During meetings held with the Government and the NB of Kyrgyz Republic, and representatives of international organizations, experts have discussed the current macroeconomic and fiscal situation in the country, the main parameters of the state budget in 2012, as well as medium-term development plans. "The situation in the economy stabilizes. There is a confident recovery of economic activity, lower inflation and foreign trade imbalance. Plans and strategies for the medium term have been developed. In this case, we believe that it is very important to develop a clear mechanism for implementation of medium-term plans and ensure their coordination and integrity. Also, the level of expected expenditures for 2012 and medium term, based on a rather optimistic plan for the Government to increase budget revenues is causing some concern. In developing these plans to the authorities, in particular, one must take into account the downside risks in the global economy, which involves the creation of certain reserves to mitigate possible shocks. In the coming weeks the Governor to continue discussions with the Government to clarify the size of the loan and the list of reforms that he would support", - said Deputy Chairman of EDB Sergei Shatalov

February 28 press office of SWF "SK" reported that Kanat Dosmukametov was appointed as Managing Director of the Fund. K. Dosmukametov previously served as President of the Treasury Committee of the Ministry of Finance of the Republic of Kazakhstan. As reported in SK, he will oversee the Department of Corporate Finance and Treasury and the Directorate for the management of financial institutions.

February 28 Moody's Investors Service reported that it withdrew ratings of "Alpha-Bank" JCS (Kazakhstan). Moody's removed the following ratings of Alfa-Bank Kazakhstan: long-term local currency deposit rating of B2; long-term foreign currency deposit rating of B2; short-term local and foreign currency deposit rating of Not Prime, and the bank financial strength rating (BFSR) E +. The outlook on all ratings at the time of review is "stable". Moody's withdrew ratings on its own business reasons.

February 28 JSC Subsidiary Bank "Sberbank of Russia" (Almaty) reported that the OJSC "Sberbank of Russia" with the support of SB JSC "Sberbank" opened a credit line of 2 billion U.S. dollars for a period of 5 years for ENRC Group, one of the leaders of the world market production of ferrochrome and iron ore. The funds will be spent on investment projects of the Group. As stated, the deal opens a list of the most significant events in 2012 in the global market debt financing, and exemplifies the Bank's strategy to develop international operations.

February 28 the Committee for control and supervision of financial market and financial organizations of the National Bank of Republic of Kazakhstan reported that:

- **Total assets of banks as of February 1 amounted to KZT 12,987.5 billion, increasing over the last month by 169.6 billion or 1.3%.** On February 1 the total estimated capital of the banking sector amounted to KZT 1,982.3 billion, an increase over the year by 27.2 billion or 1.4%. Assets denominated in foreign currency amounted to 35.1% of total assets or KZT 4,552.9 billion. The amount of doubtful loans of the fifth category and bad loans (taking into account the provisions of homogeneous loans) was KZT 3,594.3 billion or 34.4% of the total loan portfolio, a decrease of this index for January amounted to 76.6 billion tenge or 2.1%.
- **For 1 month of 2012 total assets of insurance (reinsurance) companies increased by 4.1%, amounting on February 1 KZT 403.6 billion.** Total equity capital increased by 0.7% to KZT 233.9 billion. The amount of insurance reserves amounted to 142.7 billion tenge. The volume of premiums taken under direct insurance contracts as of February 1, 2012 amounted to 22.3 billion tenge, which is 7.7% more than in 2011. The volume of premiums for compulsory insurance was 2.9 billion (a decrease of 9.4% compared with the same date last year), on voluntary personal insurance premiums amounted to 8.4 billion (an increase of 40 0% compared to the same date last year), the voluntary property insurance, 11.0 billion (a decrease of 3.5% compared with the same date last year).
- **The total amount of pension savings increased in January by 44.8 billion tenge (1.7%), amounting on January 1, 2012 KZT 2,696.2 bln.** Total pension contributions for January 2012 amounted to KZT 37.4 billion. The amount of net investment income from the investment of pension assets (net of commissions), distributed to individual pension accounts of depositors (receivers) as of February 1, 2012 amounted to 574.6 billion tenge. In the total amount of pension savings share of net investment income on February 1, 2012 was 21.3%. Pension payments and transfers to insurance companies of pension funds as of February 1,

2012 amounted to 243.1 billion tenge. During January 2012 pension funds implemented payments to recipients totaling KZT 8.6 billion. Transfers of pension savings from one fund to another, as of February 1, 2012 amounted to 1,446.6 billion tenge.

- **As of February 1, 2012 the sum of the total assets of mortgage companies amounted to 98.9 billion tenge, an increase in January by 0.5 billion or 0.5%.** Total liabilities compared with the data on January 1, 2012 increased by 0.4 billion or 0.5% to KZT 80.1 billion. Shareholders' equity on the balance of the mortgage institutions amounted to 18.8 billion tenge.
At the reporting date the aggregate loan portfolio of mortgage companies amounted to 59.7 billion tenge, which is lower than on January 1 this year by 0.5 billion or 0.8%.

March 1 a statement of the Government and the National Bank on the main directions of economic policy for 2012 was published, which stated that in 2012 the National Bank will continue to work to further improve the mechanism of minimum reserve requirements in terms of improving the efficiency of its use. As pointed out, monetary policy will aim to strike a balance between internal and external competitiveness of Kazakhstan's economy. In carrying out the exchange rate policy large variations in the real exchange rate of national currency, which could have a negative impact on the competitiveness of domestic production in a constantly changing world situation, will not be accepted. As noted, depending on the economic situation, the National Bank of Kazakhstan will seek to further reduce their participation in the foreign exchange market in order to increase the flexibility of the tenge.

March 1 Agency on Statistics of the Republic of Kazakhstan reported that:

- **Inflation in the Republic of Kazakhstan in February 2012 was 0.4%.** Prices for food goods for the past month increased by 0.6%, non-food goods – by 0.3%, and payable services – 0.2%. In the past month the price increase was recorded for meat by 1.6%, sugar - by 1.4%, fish and seafood - 0.7%, fruits and vegetables - by 0.6%, tea - 0.5%, bakeries and pastry - 0.4%, dairy products, butter, rice - by 0.3%. Reduce in prices was marked for cereals by 3.2%, sunflower oil - 1.3%, flour - by 0.6%, eggs - by 0.2%. Prices of detergents increased by 0.6%, glass and ceramic products - by 0.5%, personal care products - by 0.4%, clothing and footwear - by 0.3%, pharmaceutical products - by 0.2%. Solid fuel has risen in price by 1.3%, diesel fuel - by 0.4%. The level of prices for health services, rail passenger transport over long distances rose by 1.3%, hairdressing and personal care facilities - by 0.6%, leisure and sporting activities, preschool and primary education - by 0.2%. In the area of housing and communal services payments for the maintenance of housing rose by 0.7%, garbage collection - by 1.1%.
- **The subsistence minimum in February 2012 amounted to 15,959 tenge per capita.** The subsistence minimum in the average per capita, calculated on the basis of minimum standards of consumption of basic food products, in February 2012 compared with the previous month increased by 0.9%, February 2011 - 4%. In its structure the share of the cost of meat and fish was 23.5%, milk, oil and fat products, and eggs - 16.7%, fruits and vegetables - 9.6%, bread and cereal products - 8%, sugar, tea and spices - 2.2%.
- **Food prices in February 2012 compared to February 2011 increased by 5%.** In February 2012 compared with the corresponding month in 2011 prices for confectionery grew by 8.2%, bakery and pastry products - by 6.6%, dairy products - by 6.2%, coffee, tea and cocoa - 5.4%, alcoholic beverages - by 4.4%, pasta - 4.3%, bread - by 2.1%, oils and fats - by 1.8%, cereals - by 1.7%. Falling of prices was observed for sugar - by 19.5%, fruits and vegetables - by 15.8%, flour - 3%. The price increase for meat and meat products during this period was 20.2%. The level of prices for beef was higher by 29.1%, and mutton - by 28%, horse meat - by 22.2%, pork - by 15.2%, meat products - by 10.3%, poultry - by 5.4%.
- **The prices of manufacturers of industrial products in February 2012 rose by 0.2%.** In February 2012 compared to January prices in manufacturing industry increased by 0.9%, in mining - dropped by 0.1%. Manufactured products increased by 0.2%, production services - by 0.1%.

March 2 KazMunayGas Exploration Production JCS ("KMG EP" or the "Company") has published consolidated financial statements for the year ended December 31, 2011. As noted, revenues grew by 19% compared with 2010 and amounted to KZT 708 billion (4,832 million U.S. dollars) due to higher oil prices and supply prices in the domestic market, partially offset by lower export volumes. Net profit amounted to KZT 209 billion (1,425 million U.S. dollars) and earnings per share 2,950 tenge (U.S. \$ 3.4 per GDR), having decreased compared to 2010 by 11% and 9%, respectively. "The results of the Company in 2011 were affected with fall in production and exports as a result of illegal protests that took place in May-August 2011, as well as the introduction of electronic trading platform in 2010 and the doubling of rates in 2011", - was stated in the report of the Company.

Stock exchange market

Secondary market sector

During the study period at KASE on the secondary market sale 210 deals were concluded

	current	change for	
	week	1 week	2 weeks
Average daily volume. USD th.	1,365.7	+45.2%	+54.0%
Average daily volume. KZT m.	201.8	+45.1%	+53.4%
Stake of nego deals. number (%)	0.02	0.01 pp	+0.02 pp
Stake of nego deals. volume (%)	0.02	0.02 pp	+0.02 pp
KASE members	31	+10.7%	-11.4%
Number of shares denominations*	18	0	+20.0%
Stake of pension funds. gross (%)	0	-1.1 pp	0
on purchase	1.0	-0.4 pp	+0.04 pp
on sale	0	-0.7 pp	0
Stake of individuals. gross (%)	41.4	-2.5 pp	+4.8 pp
on purchase	19.3	-0.5 pp	-12.4 pp
on sale	63.4	-4.5 pp	+22.1 pp
Stake of nonresidents. gross (%)	8.4	+2.7 pp	-0.1 pp
on purchase	7.0	-2.5 pp	-5.8 pp
on sale	9.8	+7.8 pp	+5.5 pp

*on which the deals on KASE have been conducted

In the described period fall of average daily prices was detected for 9 instruments, growth was demonstrated by 4 instruments involved in the transaction; prices of 5 instruments have not changed. The negative change in the weighted average share price was fixed at the levels from 0.06% (CCBN) to 29.63% (MMGZp), positive - from 0.71% (RDGZ) to 60.52% (MREK).

Detailed information on share trades at KASE is given in the table below:

Results of share trades on KASE, including STF of RFCA within February 27 – March 2, 2012, only by data on deals made on the secondary market of KASE by the methods of opened trades):

Share code on KASE	Last deal:				Price, KZT per share:		Volume of deals Th. USD	Num. of deals	Best for The period: Demand	Best for The period: Supply
	min	max	price	trend,%	min	max				
	for last 365 days:									
BSUL	640.00	640.00	640.00	0	629.99	640.00	16.8	3	640.00	640.00
BTAS	0.60	0.62	0.60	-33.33	0.20	6.39	8.5	6	0.62	0.60
CCBN	255.00	265.00	262.73	+1.64	233.00	625.00	937.1	19	265.00	255.00
GB_ENRC	1,700.00	1,700.00	1,700.00	+2.91	1,275.00	2,450.00	0.5	2	1,700.00	1,700.00
GB_KZMS	2,436.00	2,719.00	2,436.00	-9.10	1,780.00	3,550.00	210.3	16	2,719.00	2,436.00
HSBK	206.00	215.00	210.00	+1.44	185.01	390.00	41.4	27	215.00	205.00
KKGB	233.00	246.00	236.30	-2.36	185.00	550.00	76.1	11	246.00	233.00
KKGBp	148.00	148.00	148.00		142.00	225.00	5.7	1	148.00	148.00
KZTK	25,000.00	25,400.00	25,000.00	-0.81	16,800.00	27,999.98	879.1	44	25,400.00	25,000.00
KZTKp	19,351.00	22,000.00	21,150.00	-3.86	7,490.00	22,888.00	585.9	29	22,000.00	19,351.00
MMGZp	4,222.01	5,950.00	4,222.01		4,000.01	10,450.00	19.7	2	5,950.00	4,222.01
MREK	1,600.00	2,167.00	2,167.00		1,182.00	3,000.00	92.8	3	2,167.00	1,715.00
RDGZ	15,000.00	15,500.00	15,250.00	+1.13	12,100.00	21,000.00	177.8	17	15,500.00	15,000.00
RDGZp	11,500.00	11,999.00	11,700.00	-2.50	11,000.00	20,510.00	40.6	9	11,999.00	11,500.00
SATC	50.00	50.00	50.00	0	49.99	72.00	15.9	2	50.00	50.00
TEBNp	770.00	770.00	770.00	0	500.00	900.00	3,223.9	2	770.00	770.00
TSBN	670.00	670.00	670.00	0	670.00	942.85	26.7	2	670.00	670.00
ZERDp	5.39	5.40	5.39	-0.19	5.00	5.56	304.6	11	5.40	5.39
18							6,663.3	206		

Notes: Trends are given relative to the last deal of the previous 30 days period. If deals were not made in the previous month the trend is not calculated.

Corporate bonds market

Secondary market sector

In this sector of KASE during the analyzed period 55 deals were made.

	current week	Change for	
		1 week	2 weeks
Average daily volume. USD th.	10,159.2	+67.2%	+21.1%
Average daily volume. KZT m.	1,501.2	+67.2%	+20.7%
Stake of nego deals. number (%)	0.02	-0.04 pp	-0.003 pp
Stake of nego deals. volume (%)	0.01	-0.2 pp	+0.01 pp
KASE members	30	-3.2%	-14.3%
Number of bonds denominations*	20	-1.0%	+11.1%
Stake of pension funds. gross (%)	0	-15.0 pp	-13.9 pp
on purchase	0	-15.9 pp	-18.4 pp
on sale	10.7	-3.3 pp	+1.3 pp
Stake of individuals. gross (%)	0.1	-1.1 pp	-1.9 pp
on purchase	0.1	+0.04 pp	-2.8 pp
on sale	0.1	-2.2 pp	-1.1 pp
Stake of nonresidents. gross (%)	0	-51.0 pp	0
on purchase	100.0	0	0
on sale	0	-1.9 pp	0

* on which deals were made at KASE

Following the period, growth of average net price on the open market bonds characterized 10 names of bonds, fall - 9 names. Yield to maturity on deals rose in the week for 9 bonds, declined - for 7 bonds. Positive changes in bond yield to maturity were in the range from 0.0002% (ATFBb3) to 3.00% (ORDKb2), negative - from 0.00002% (REALb1) to 1.56% (KKGBe4).

More detailed data on corporate bonds on KASE is shown in the table below:

**Results of bond trades on KASE including STF of RFCA within February 27 – March 2, 2012
(only on data of deals . made on secondary market of KASE by the methods of open trading):**

Bond code on KASE	Yield to maturity for a buyer. % APR:						Amount of deals, th. USD	Number of deals	best for the	
	on the last deal:			for last, 365 days,:					demand	supply,
	min.	max.	yield	min.	min,	max,				
ASBNe13	16.36	16.36	16.36		13.22	18.58	3,235.9	1		16.07
ATFBb5	4.00	5.75	5.75	+1.8	4.00	9.00	273.5	9	4.00	5.75
ATFBb3	4.00	4.00	4.00	+0.0002	4.00	7.99	1.2	2	4.00	4.00
CCBNb18	7.50	7.50	7.50	-0.0000002	6.00	9.60	3,258.7	2	7.20	7.50
CCBNe3	15.28	15.28	15.28		6.21	16.35	676.5	1	15.28	15.28
EXBNb2	8.00	8.00	8.00	-0.0001	8.00	18.50	9.0	13	8.00	8.00
KASPb1	12.00	12.00	12.00		12.00	12.00	14,511.7	5	9.00	12.00
KKGBe4	7.08	7.08	7.08	-1.6	7.08	10.80	22.0	1	7.08	7.89
KKGBe5	10.29	10.29	10.29		8.49	10.29	22.0	1	6.70	10.29
KKGBe8	10.50	10.50	10.50		9.01	11.16	2,975.0	2	10.50	10.50
KMGZe5	-1.31	-1.31	-1.31		-1.31	-0.48	1,135.5	2	4.86	5.45
KZAPe1	3.66	3.79	3.66	-0.1	3.66	5.47	2,515.6	2	3.66	3.79
ORDKb2	12.00	15.00	15.00	+3.0	12.00	16.00	21.3	2	12.00	15.00
PRKRb4	7.80	7.80	7.80		5.00	8.30	69.5	1	7.80	7.80
PRKRb5	7.50	7.50	7.50	+0.7	6.80	7.50	6,876.1	2	7.50	8.50
REALb1	10.00	10.00	10.00		9.99	17.50	1,085.8	2	10.00	10.00
TSBNb11	9.00	9.00	9.00	-0.004	9.00	9.00	11,967.4	2	9.00	9.00
TXBNb6	6.40	6.80	6.80	+0.0000004	6.35	6.98	1,502.8	2	6.30	6.80
19							50,218.0	53		

Notes: Trends are given relative to the last deal of the previous 30 days period. If deals were not made in the previous month the trend is not calculated.

GOVERNMENT SECURITIES (GS) SECTOR

Primary market sector

February 28 at KASE trade system placement of long-term treasury bills of the Ministry of Finance of the Republic of Kazakhstan MEUJKAM-204 fifth edition (KZKAKY170058, MUJ204_0005; 1,000 tenge, 28/02/12, 02/28/29, 30/360) was held, on which the Ministry of Finance planned to attract KZT 20,000.0 mln. The subject of bargaining was fixed coupon rate. The auction was attended by 13 primary dealers, which were members of KASE. Through these subjects, investors filed 2,588 applications, of which by the expiration time 25 warrants were active. The total amount of active applications (demand volume) was 140,964.0 million tenge. **As a result of trade, the issuer granted the application for purchase of 20 million bonds in the amount of KZT 20,000,000,000.00 (100.0% of planned volume of placement).** The fixed coupon rate was 0.01% per annum.

Secondary market sector)

During the period, total volume of 48 deals made on KASE was 31,167.2 million tenge (\$210.9 million). Share exchange turnover in the overall volume of Kazakhstan secondary market for government securities of comparable sales and purchases in the analyzed period was 100.0%.

Parameters of Exchange's transactions in GS within February 27 - March 2, 2012

Days till maturity	Yield to maturity for a buyer. % APR.				Volume, mln. KZT on discount	Number of deals
	min	max	last deal	weighted average		
Discount (KZT): MEKKAM, National Bank notes					96.0% (0%) of purchase and sale sector net turnover	
57 - 63	1.00	1.00	1.00	1.00	998.3	1
64 - 91	0.98	1.00	1.00	1.00	13,975.6	10
92 - 181	1.07	1.25	1.20	1.17	14,955.7	11
Total					29,929.6 (0)	22 (0)
Coupon (KZT): MEUKAM, MEOKAM, MEUJKAM					4.0% (100.0%) of purchase and sale sector net turnover	
Less than 730	1.00	1.65	1.00	1.30	249.2	3
More than 2191	3.06	5.24	3.10	5.24 (5.57)	988.4	23
Total					1,237.6 (2,430.8)	26 (11)
TOTAL					31,167.2 (2,430.8)	48 (11)

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