

**16 August 2012**

**KAZAKHSTAN KAGAZY PLC ANNOUNCES FINANCIAL RESULTS FOR 2Q 2012**

**Almaty, Kazakhstan** - Kazakhstan Kagazy PLC (KAG LI) (the “Group”) announces its non-audited consolidated financial results for the 6 months period ended 30 June 2012 (the “Period”).

**Financial highlights**

- Group revenue of US\$ 40.0 million (US\$ 39.1 million a year ago)
- Gross profit of US\$ 18.3 million (US\$ 17.0 million a year ago)
- Gross margin of 45.8% (43.5% a year ago)
- Operating profit of US\$ 9.4 million (US\$ 5,5 million a year ago)
- Total comprehensive loss of US\$ (4.8) million (US\$ (6.7) million a year ago)
- EVA<sup>2</sup> of US\$ (7.5) million (US\$ (10.2) million a year ago)
- Operating Cash Flows of US\$ 11.5 million (US\$ 11.4 million a year ago)

Revenue and gross profit

| In millions of USD          | 6 months of 2012 | 6 months of 2011 |
|-----------------------------|------------------|------------------|
| Paper Business Revenue      | 31.1             | 32.2             |
| Gross Profits               | 13.8             | 13.4             |
| Gross Profit Margin         | 44.3%            | 41.8%            |
| <hr/>                       |                  |                  |
| Logistics’ Business Revenue | 8.8              | 6.9              |
| Gross Profits               | 4.5              | 3.6              |
| Gross Profit Margin         | 51.0%            | 51.6%            |

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Financial report is available at <http://kazakhstankagazy.com/en/investor-relations/reporting-and-events/reports.html> and at [www.morningstar.com](http://www.morningstar.com) – official mechanism for the storage of regulated information in UK

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*The content of this document includes forward-looking statements. These relate to Kazakhstan Kagazy’s future prospects, developments and strategies, including statements regarding target returns. Forward-looking statements are identified by their use of terms and phrases such as "believe", "could", "would", "envisage", "estimate", "intend" "seek", "may", "plan", "will" or the negative of those, variations or*

<sup>2</sup> EVA (Economic Value Added) measures the firm’s ability to generate profits in excess of the cost of the capital employed to generate those profits.  $EVA = NOPAT - (Cost\ of\ Capital * Capital)$ . NOPAT = Net Operating Profits After Taxes

*comparable expressions, including references to assumptions. These statements are based on Kazakhstan Kagazy's current beliefs, assumptions and expectations of its future performance, and are subject to risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Accordingly, these beliefs, assumptions and expectations can change as a result of many possible events or factors that may cause Kazakhstan Kagazy's business, financial condition, liquidity, results of operations and actual returns to vary materially and target returns to be revised from those expressed or implied in the forward-looking statements. None of the data in this statement has been audited and where any reference is made in this statement to the past performance of investments by persons associated with Kazakhstan Kagazy or other investments, you should bear in mind that such information is not necessarily indicative of the future performance of the relevant investments or of Kazakhstan Kagazy's future performance.*