

# WEEK OF STOCK MARKET OF KAZAKHSTAN

October 11 - 17

US dollar = 148.00 tenge at official rate for the end of the period

US dollar = 148.01 tenge at weighted average rate of the Exchange for the end of the period

Weekly rate of tenge devaluation – 3.23% APR

## Money market rates as of October 17 and weekly changes

Term	Currency	Rate	Trend
<b>Repo opening at KASE (WA, % APR)</b>			
1-2 days	KZT	3.49	+1.13
7 days	KZT	5.80	–
15 days	KZT	7.00	–
<b>KIBOR (indicative, % APR)</b>			
1 week	KZT	6.90	+0.23
2 weeks	KZT	7.80	+0.30
1 month	KZT	8.70	+0.70
2 months	KZT	9.70	+0.70
3 months	KZT	10.20	+0.62

## Stock market indicators as of October 17 and their weekly change

Index	Value	Trend
<b>Shares of "A" listing</b>		
KASE_Shares	104.0799	-0.17%
<b>Corporate bonds of "A" listing</b>		
KASE_BP	116.56	-0.67%
KASE_BC	103.14	-0.94%
KASE_BY	10.95	+3.16%
<b>Euronotes of Kazakhstan</b>		
KASE_EP	130.67	+0.27%
KASE_EC	113.23	+0.15%
KASE_EY	6.64	-1.04%

## Investment attractiveness of stock exchange instruments from October 11 through 17

Financial instrument	Currency	Yield, % APR	Volume of deals, KZT m	Volume of deals, USD m
<b>Instruments denominated in national currency, tenge</b>				
CS Repo	KZT	*10.17 (*9.84)	293.6 (357.4)	1,984.7 (2,415.9)
MEOKAM, MEAKAM	KZT	8.69 (8.36)	1,882.4 (1,576.2)	12,718.9 (10,652.5)
MEKKAM, notes	KZT	*5.67 (*5.64)	491.7 (192.7)	3,323.0 (1,302.2)
GS Repo	KZT	*4.33 (*2.98)	13,871.4 (7,769.5)	93,720.9 (52,508.2)
<b>Instruments indexed to the US dollar</b>				
SMGZb1	USD	13.00 (13.00)	0 (0)	0 (0)
VITAb2	USD	12.50 (12.50)	0 (0)	0 (0)
ALKSb2	USD	11.99 (12.00)	0 (105.3)	0 (712.1)
KARMB1	USD	11.51 (10.46)	0.5 (0)	3.1 (0)
VTBNb1	USD	11.50 (–)	89.3 (0)	603.5 (0)
CCBNb1	USD	11.07 (11.08)	0 (0)	0 (0)
RGBRb2	USD	11.00 (11.00)	0 (0)	0 (0)
KZASb1	USD	11.00 (11.00)	0 (0)	0 (0)
TEBNb2	USD	10.89 (11.00)	0 (148.8)	0 (1,006.3)
BTASb1	USD	10.70 (10.70)	0 (0)	0 (0)
TEBNb	USD	10.50 (10.50)	0 (0)	0 (0)
ASFib1	USD	10.50 (10.50)	0 (0)	0 (0)
TMJLb2	USD	9.50 (8.80)	51.1 (0)	345.1 (0)
KZTOb	USD	9.24 (9.16)	29.4 (28.5)	198.5 (192.6)
SYRGb1	USD	8.50 (8.50)	0 (0)	0 (0)
VKU036.001	USD	8.40 (8.45)	116.1 (37.6)	784.5 (254.6)
HSBKb	USD	8.36 (8.37)	0 (0)	0 (0)
ARU060.003	USD	8.35 (8.35)	0 (0)	0 (0)
KZOLb	USD	8.08 (7.88)	30.7 (21.5)	207.4 (145.2)
ARU024.002	USD	7.44 (7.99)	0 (4.5)	0 (30.1)
ASU012.002	USD	5.28 (5.34)	0 (0)	0 (0)
<b>Instruments denominated in US dollars</b>				
BTASe1	USD	10.85 (10.85)	0 (0)	0 (0)
KZTOe1	USD	10.14 (9.70)	434.2 (0)	2,934.3 (0)
KKGBe2	USD	9.20 (9.20)	0 (0)	0 (0)
ENU07.05	USD	6.97 (6.93)	893.0 (54.9)	6,033.9 (370.8)
ENU04.10	USD	6.46 (6.57)	35.5 (39.0)	239.4 (263.6)
Supranational bonds	DEM	3.92 (3.89)	0 (39.6)	0 (267.4)
Supranational bonds	USD	2.74 (2.76)	0 (0)	0 (0)

The yields at which the deals have been made (volume of deals is not zero) are calculated as average of the deals, for other corporate bonds – as average of offer bids. The correspondent ratio of last week is given in the parentheses. Securities marked by an asterisk are the instruments with less than a year circulation term (for them effective weighted average rate is given).

## THE CORPORATE SECURITIES SECTOR (CS)

In CS purchase-sale sector of KASE a total of 15 deals were concluded amounting to **\$4,291.9 th.** (KZT635.1m). Compared to previous week (12 deals, \$2,181.1 th., or KZT322.3m) the sector's turnover increased 2.0 times. The most traded were first issue euronotes of KazTransOil CJSC (68.4% of total turnover). Then, there were first issue bonds of VALUT-TRANZIT BANK OJSC (14.1%). Interesting feature of the week is that in 5 days the deals were made only in bonds (6 instruments). Therefore, the total capitalization of the companies, whose shares are being traded in the CS sector of KASE, changed just slightly: fell by \$0.03m to **\$899.1m** or KZT133.1bn as of October 17 at KZT/USD rate of the Exchange. The change in capitalization was affected solely by the dynamics of the dollar's exchange rate towards tenge during this period. Dynamics of the quotations of shares (bid prices), which are put out by the market-makers and the specialists, is given as the dynamics of KASE\_Shares index at the beginning of the review. So far, the index is fluctuating in a wide range, since the brokers are still probing the market at different price levels and mainly without luck. However, resulting weekly change in the index was insignificant.

In corporate bonds sector interesting developments were taking place. The volume of deals in **euronotes of KazTransOil CJSC** implies that these securities have become interesting at last. It happened thanks to a decrease in ask price from 99.55% in early September to 94.00% at the beginning and to 93.75% at the end of this period. As a result, yield of KZTOe1 grew by 10.1187 to 10.1941% APR during the week, that is, it began to correspond to a real level of domestic market and the risks of the issuer. Notably, decrease in prices of these euronotes did not depend on the behaviors of the market-maker at the Exchange. Mainly other participants of the trades were the sellers.

The movements of the prices of KZTOe1 fully satisfies the general trend on the corporate bonds market which is reflected in the dynamics of KASE\_BP, KASE\_BC and KASE\_BY indexes (please, look at the table at the beginning). The dynamics of these indexes imply that growth trend of the yields of this type of securities was developing further in this week, with growth rate gradually increasing. Yields of KARMb1 grew from 10.9296% to 11.5106% during the week, KZOLb – from 7.8756% to 8.1002%, KZTOb – from 9.1563% to 9.2187%. The specialists of IRBIS tend to explain this by the preparation of financial institutions to the sales of big state blocks of shares of Corporation Kazakhmys OJSC and Halyk Bank of Kazakhstan OJSC which are to be held in a month. Apparently, during the upcoming month a strong rearrangement of the securities and reallocation of money will take place on the market, since interested entities and their affiliated structures will surely “clean up” and optimize their portfolios in order to get cash to participate in the cautions. It is possible that significant increase in the volumes of deals in corporate bonds, accompanied with the decrease in their prices, is due to the influence of this factor.

The capitalization of bonds market of the Exchange based on the best bid prices, which are regularly put out by the market-makers of these securities at the Exchange, was fixed at **\$527.4m** or KZT78,066.8bn as of October 17. Some decrease in capitalization as a result of a decrease in prices was compensated by the admittance of first issue securities of VALUT-TRANZIT BANK OJSC into the KASE securities lists. In nominal terms (total face value of the bonds that were admitted into trade lists of KASE) is estimated at \$585.0m or KZT86,590.4m as of the check date.

Data on the deals, bid and offer information in purchase and sale sector of the securities, as well as description of trade codes are given in the tables.

### Results of the trades in shares from October 11 through 17

(USD per share, unless otherwise specified)

Issuer	Securities	Last price	WA price	Volume, #	Volume, USD th.	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0	0.1540	0.3080
Almaty Kus OJSC	ALKSp			0	0	0.0900	0.1700
Almaty Kus OJSC	ALKSp3			0	0	0.0680	0.0700
CNPC-Aktobemunaigas OJSC	AMGZ			0	0	*6.00	
CNPC-Aktobemunaigas OJSC	AMGZp	17.50		0	0	*2.50	
Astana-finance OJSC	ASFI	10.000		0	0	5.000	10.000
AMB OJSC	ATFBp	6.760		0	0	6.750	6.820
Bank TuranAlem OJSC	BTAS	74.19		0	0	80.50	79.00
Bank CenterCredit OJSC	CCBN	1.4370		0	0	1.1492	1.3844
Halyk Bank of Kazakhstan OJSC	HSBK	1.2200		0	0	0.6100	1.2200
KAZKOMMERTSBANK OJSC	KKGB	0.4500		0	0	0.2000	0.3500
Corporation Kazakhmys OJSC	KZMS	11.970		0	0	12.000	
Corporation Kazakhmys OJSC	KZMSp	4.710		0	0	5.000	
Kazakhtelecom	KZTK	17.030		0	0	12.000	17.000
Kazakhtelecom	KZTKp	12.800		0	0	12.500	14.000
Raushan OJSC	RAUS			0	0		*4.1500
SHNOS OJSC	SYRG	1.6300		0	0	1.5500	
Temirbank OJSC	TEBN	1.095		0	0	2.000	6.750
Temirbank OJSC	TEBNp			0	0	3.380	6.750
UKTMK OJSC	UTMK	35.000		0	0	20.000	40.000

Issuer	Securities	Last price	WA price	Volume, #	Volume, USD th.	Best bid	Best offer
UKTMK OJSC	UTMKp	25.0000		0	0	23.0000	46.0000
VALUT-TRANZIT BANK OJSC	VTBN	2.5480		0	0	1.4872	2.8363
VALUT-TRANZIT BANK OJSC	VTBNp	2.3033		0	0	1.7576	3.1402
Zerde OJSC	ZERD	0.0075		0	0		*0.0074
<b>TOTAL</b>	<b>24</b>			<b>0</b>	<b>0</b>		

#### Results of the trades in bonds from October 11 through 17

(% APR till maturity, unless otherwise specified)

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb2	USD	12.0000		0	12.5542	11.9942
Astana-finance OJSC	ASF1b1	USD	10.4985		0	10.9958	10.5024
Bank TuranAlem OJSC	BTASb1	USD	11.2037		0	11.1994	10.6969
TuranAlem Finance B.V.	BTASe1	USD			0	12.1469	10.8505
Bank CenterCredit OJSC	CCBNb1	USD	11.4988		0	11.9874	11.0728
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	11.0000		0	13.4950	8.3564
Karazhanbasmunai OJSC	KARMB1	USD	11.5106	11.5106	3.1	11.5106	11.5106
KAZKOMMERTSBANK OJSC	KKGBe2	USD			0	11.2017	9.2031
DAGOK Kustanaiasbest OJSC	KZASb1	USD	11.7958		0	11.9960	10.9996
NOC Kazakhoil CJSC	KZOLb	USD	8.1002	8.0848	207.4	7.9040	8.1613
NOTC KazTransOil CJSC	KZTOb	USD	9.2187	9.2435	198.5	9.2187	9.2684
NOTC KazTransOil CJSC	KZTOe1	USD	10.1941	10.1434	2,934.3	10.4019	8.6254
RG Brands OJSC	RGBRb2	USD	12.4999		0	11.9952	11.0039
SHAHARMUNAIGAS OJSC	SMGZb1	USD	13.5162		0	19.0044	12.9978
SHNOS OJSC	SYRGb1	USD			0	11.9958	8.5038
Temirbank OJSC	TEBNb	USD	10.4964		0	10.9030	10.5008
Temirbank OJSC	TEBNb2	USD	11.0000		0	11.2070	10.8914
Kazakhstan Temir Joly	TMJLb2	USD	9.4966	9.4966	345.1	9.4966	9.4966
VITA LLP	VITAb2	USD	13.4926		0.	13.4959	12.5042
VALUT-TRANZIT BANK OJSC	VTBNb1	USD	11.4961	11.4961	603.4	11.4961	11.4961
<b>TOTAL</b>	<b>20</b>				<b>4,291.9</b>		

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

**In the repo sector of CS** a total of 9 deals were made amounting **\$2,768.0 th.** (KZT409.5m). Of this number, 6 deals (\$1,984.7 th.) were repo opening deals and 3 (\$783.3 th.) – closing deals. Volume of deals in previous week reached \$5,644.9 th. (KZT835.2m).

**In all CS trade floors of KASE** (including initial additional offering) a total of 24 deals were concluded in 4,739,708 securities amounting to **\$7,059.9 th.** (KZT1,044.6m). Last week volume of 33 deals equaled \$7,826.0 th. (KZT1,157.6m).

## SECTOR OF GOVERNMENT SECURITIES (GS)

**In GS purchase and sale sector** of KASE (including euronotes of Kazakhstan and supranational bonds) a total volume of 80 deals reached **KZT3,418.7m** (\$23,099.2 th.). Last week the turnover did not exceed KZT2,356.9m with 91 deals made.

The main factor that affected the activity of the trades in this sector of the market – serious problems of the banks with short-term liquidity, caused by budgetary payments of their clients by the results of the third quarter. The latter led to a significant growth of sales of dollars at the KASE and negatively affected the correspondent accounts of the second tier banks. Under such a situation not only the repo deals became active (see below), but also the trades in the shortest discounted securities. Besides, lately the Ministry of Finance is increasing the issue volume of MEKKAM noticeably, since the corrections of the budget requires the review of the budget financing through the GS issues. New tasks that the Treasury had to face with are going to be solved by the Ministry of Finance by increasing short-term borrowing temporarily. Thus, deformation of the turnover structure of the sector, which is shown in the table, on one hand, is caused by a decrease in liquidity of the interbank market, and on the other hand – general change in the structure of issued and outstanding debt. The third factor that increased the proportion of euronotes of Kazakhstani in circulation was described above, and apparently, is caused by the preparation of financial institutions for purchasing the big state blocks of shares of Corporation Kazakhmys OJSC and Halyk Bank of Kazakhstan OJSC.

**Parameters of stock exchange transactions in GS from October 11 through 17**

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.		Volume, mln tenge discounted		Number of deals
	min	max	last deal	weighted average	
<b>Discounted GS (KZT): notes, MEKKAM-6, 12</b>			<b>14.4% (8.2%) of purchase and sale sector's turnover</b>		
less than 8	4.98	5.18	5.18	5.06 (5.00)	70.1
15 - 28	5.15	6.50	5.16	5.67 ( -)	185.4
29 - 36	5.12	5.18	5.18	5.13 ( -)	106.9
43 - 56	5.26	5.26	5.26	5.26 ( -)	1.5
57 - 63	5.48	5.48	5.48	5.48 ( -)	20.8
92 - 181	6.00	6.10	6.00	6.05 ( -)	107.0
Total					491.7 (192.6)
<b>Coupon GS (KZT): MEOKAM-24, 36</b>			<b>55.1% (81.0%) of purchase and sale sector's turnover</b>		
less than 730	7.98	9.10	8.00	8.42 (7.92)	955.42
731 - 1,095	8.31	9.10	8.98	8.97 (8.85)	926.97
Total					1,882.4 (1,911.0)
<b>Coupon bonds (USD/KZT): VKU</b>			<b>3.4% (1.8%) of purchase and sale sector's turnover</b>		
731 - 1,095	8.40	8.40	8.40	8.40 (8.45)	116.11
Total					116.1 (42.1)
<b>Euronotes of Kazakhstan (USD)</b>			<b>27.2% (7.3%) of purchase and sale sector's turnover</b>		
*1,083	6.46	6.46	6.46	6.46 (6.57)	35.5
**2,004 - 2,010	6.90	6.99	6.95	6.97 (6.93)	893.0
Total					928.5 (171.6)
<b>GRANDTOTAL</b>					<b>3,418.7 (2,356.9)</b>
					<b>80 (69)</b>

**Notes:** for euronotes (\* - third issue, \*\* - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange, over domestic devaluation indexed bonds - official exchange rate; yield over coupon bonds are shown at semiannual basis.

In GS repo sector 189 deals for a total of KZT26,047.5m were made during the period. Of this number 102 deals (for KZT13,871.4m) were repo opening deals and 87 (KZT12,176.1m) were repo closing deals. Last period the turnover of this market sector equaled KZT13,939.8m. After closing of the trades on October 17 total amount of opened repo reached KZT6,688.6m.

Total of 269 deals amounting to KZT29,466.2m were made in GS on all trade floors of KASE during the week (purchase-sale and repo sector). A week ago volume of 194 deals did not exceed KZT16,296.7m. This week the proportion of the stock market turnover in total volume of deals on Kazakhstani secondary market for GS for comparable operations equaled 96.8%, for last week it was 86.1%.

**INFORMATION ON COMPANIES**

**Bank CenterCredit OJSC** (Almaty) informed the KASE of the attraction of \$11.0m syndicated loan. As Bank CenterCredit OJSC informs the loan was granted by a syndicate of foreign banks led by . Interest rate of the loan is LIBOR + 3.75%. Presumed date of starting the loan use is October 15, 2001, repayment date – April 15, 2001.

**Astana-finance OJSC** (Astana) informed the KASE of the convocation of extraordinary general shareholders meeting on November 8, 2001 with the following agenda:

- On acquiring the status of the big member of Tsesnabank OJSC.
- Dismissal of the Board of directors of Astana-finance OJSC ahead of schedule.
- Election of new Board of directors of Astana-finance OJSC.
- Election of the Chairman of the Board of directors of Astana-finance OJSC.

The meeting will be held at: 54, Bigeldinov St., Astana.

**UKTMK OJSC** (Oskemen; production and sale of non-ferrous metals, high quality titanium sponge, commodity magnesium) provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

**Comparable figures of financial and economic activities of UKTMK OJSC in I half of 2001**

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change, %
	July 1 '00	July 1 '01	
Authorized capital	21,582	21,582	0
Shareholders' equity	5,677,489	6,251,439	+10.1
Total assets	7,765,157	7,012,145	-9.7
Net working capital	1,540,587	2,116,241	+37.4

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Accounts receivable	505,611	931,350	+84.2
Liabilities, total	2,087,668	760,706	-63.6
Loans attracted	961,124	293,000	-69.5
Accounts payable	1,081,425	426,694	-60.5
Sales	2,226,060	4,767,441	+114.2
Cost of goods sold	1,905,466	3,839,201	+101.5
Net income of the period	35,665	458,115	+1,184.5
Book value of a share, KZT	5,261.32	5,793.20	+10.1

Compared to I half of 2000: **shareholders' equity** of the company increased by KZT574.0m as a result of an increase in final amount of undistributed income by KZT671.2m with a decrease in fixed assets re-evaluation fund by KZT97.3m; **assets** decreased by KZT753.0m (decrease in inventory by KZT1.4 bn with an increase in accounts receivable by KZT425.7m and cash and their equivalents by KZT207.7m); **liabilities** fell by KZT1.3 bn (repayment of short-term credits for KZT668.1m and accounts payable – for KZT654.7m); **sales** rose by KZT2.5 bn; **cost of goods sold** rose by KZT1.9 bn. As a result, the company received a **net income** of KZT458.1m, which is KZT422.5m more than in similar period of last year.

**RG Brands OJSC** (Almaty; production and sales of natural juices and beverages, offering marketing services) provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

**Comparable figures of financial and economic activities of RG Brands OJSC in I half of 2001**

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Authorized capital	426,487	705,000	+65.3
Shareholders' equity	444,758	751,772	+69.0
Total assets	892,088	1,805,027	+102.3
Net working capital	348,050	806,655	+131.8
Accounts receivable	325,056	673,684	+107.3
Liabilities, total	507,371	1,053,254	+107.6
Accounts payable	301,370	110,288	-63.4
Loans attracted	171,120	942,966	+451.1
Sales	266,747	407,245	+52.7
Cost of goods sold	197,754	305,346	+54.4
Net income of the period	16,842	11,562	-31.4

Compared to I half of 2000 growth took place in: **shareholders' equity** of the company – by KZT307.0m as a result of an increase in paid part of authorized capital by KZT278.5m, final amount of undistributed income by KZT15.3m, additional unpaid capital (fixed assets re-evaluation fund) by KZT13.2m; **assets** – by KZT912.9m, including: long-term investments – by KZT410.8m, accounts receivable by KZT348.6m, inventory – by KZT126.1m, other assets – by KZT27.4m; **liabilities** – by KZT545.9m, which is caused by an increase in attracted funds (credits and issue bonds) by KZT737.0m with a decrease in accounts payable by KZT191.1m; **sales** – by KZT140.5m; **cost of goods sold** – by KZT107.6m; **expenses of the period** – by KZT37.9m (77.2%) as a result of an increase in interest expenses. As a result, the company received a **net income** of KZT11.6m, which is KZT5.3m less than in similar period of last year.

**DAGOK Kustanaiasbest OJSC** (Jetikara, Kostanai region; extraction and concentration of chrysotile-asbestos ore and production of commodity asbestos and accompanying construction materials on its base) provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

**Comparable figures of financial and economic activities of DAGOK Kustanaiasbest OJSC in I half of 2001**

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Authorized capital	460,000	460,000	0
Shareholders' equity	1,650,604	1,395,515	-15.5
Total assets	4,304,930	4,796,264	+11.4
Net working capital	405,942	701,924	+72.9
Accounts receivable	2,370,001	1,943,559	-18.0
Liabilities, total	2,654,326	3,400,749	+28.1
Loans attracted	548,071	597,204	+9.0
Accounts payable	2,056,406	1,866,307	-9.2
Sales	1,654,749	1,526,793	-7.7
Cost of goods sold	1,040,675	1,428,755	+37.3
Net income (loss) of the period	423,635	(104,024)	-124.6

Compared to I half of 2000: **shareholders' equity** of the company decreased by KZT255.1m as a result of a decrease in undistributed income; **assets** increased by KZT491.3m, caused by an increase in long-term

investments – by KZT408.9m, residual value of fixed assets – by KZT307.2m, other assets – by KZT201.6m with a decrease in accounts receivable by KZT426.4m; **liabilities** increased by KZT746.4m, which is caused by floatation of bonds for KZT868.5m (with a decrease in other liabilities by KZT122.1m); **sales** fell by KZT128.0m; **cost of goods** sold rose by KZT388.1m; **expenses of the period** fell by KZT45.1m (17.6%). As a result, the company incurred a **loss** of KZT104.0m against KZT423.6m of net income received in similar period of last year.

**Bank Caspian OJSC** (Almaty) provided the KASE with its financial statements for the I half of 2001: balance sheet and income statement.

**Comparable figures of financial and economic activities of Bank Caspian OJSC in I half of 2001**

(in th. KZT, unless otherwise specified)

Ratio	As of	As of	Change,
	July 1 '00	July 1 '01	%
Authorized capital (less treasury stock)	834,661	993,223	+19.0
Shareholders' equity	1,058,477	1,610,953	+52.2
Total assets	4,722,682	12,917,851	+173.5
Liquid assets	2,255,433	4,215,473	+86.9
Loans granted (net)	1,602,736	7,237,171	+351.6
Liabilities, total	3,664,205	11,306,898	+208.6
Loans and deposits	3,070,242	9,202,500	+199.7
Operating income	524,348	1,093,258	+108.5
General expenses	491,242	982,531	+100.0
Net income of the period	33,106	110,727	+234.5

Compared to I half of 2000 growth took place in: **shareholders' equity** of the company – by KZT552.5m, including: paid part of authorized capital – by KZT158.6m, accumulations in funds and reserves – by KZT254.3m, additional capital – by KZT79.7m and final amount of undistributed income – by KZT59.9m; **assets** – by KZT8.2m, of which: increase in loan portfolio – by KZT5.6 bn, securities in the bank's portfolio – by KZT1.1 bn, correspondent account – by KZT710.7m, other assets – by KZT790.8m; **liabilities** – by KZT7.9 bn, which is caused by a growth in: deposits – by KZT4.8 bn, credits attracted – by KZT1.3 bn, other liabilities – by KZT1.5 bn; **operating income** – by KZT568.9m; **expenses** – by KZT491.3m; **Net income** of the bank in I half of 2001 equaled KZT110.7m, which is KZT77.6m, or 3.3 times more than in similar period of 2000.

Also, Bank Caspian OJSC provided the KASE with a copy of a state registration certificate of its 6th issue of shares. The issue consists of 1,569,000 inscribed common shares only at KZT210.0 each for a total of KZT329,490.0 th. They have been assigned a national identification number of KZ1C31450014. The issue has been entered into the State register under the number A3145-5.

**NOC Kazakhoil CJSC** (Astana) provided the KASE with non-consolidated financial statements for the I half of 2001: balance sheet, income and cash flow statements, as well as major indicators for the I half of 2001 of main subsidiaries: Uzenmunaigas OJSC, Kazakhoil-Emba OJSC and Atyrau NPZ OJSC.

**Comparable figures of financial and economic activities of NOC Kazakhoil CJSC and its three subsidiaries in I half of 2001**

(in m KZT, unless otherwise specified)

Indicator	as of July	as of July	Change, %
	1, 01*	1, 00	
<b>NOC Kazakhoil CJSC</b>			
Sales (works done, services)	11,021	3,674	+200.0
Production expenses	2,987	1,119	+166.9
Net income (loss)	5,199	2,045	+154.2
Average listed number of workers	286	298	-4.0
Payments made to budgetary and off-budgetary funds	7,114	2,518	+182.5
Accounts receivable	6,825	9,816	-30.5
Accounts payable	1,289	4,082	-68.4
including budgetary payments	89	3,577	-97.5
Capital investments	1,978	1,391	+42.2
<b>Uzenmunaigas OJSC</b>			
Extraction volume, th. tons	2,012	1,721	+16.9
Average price per ton of oil, KZT	18,340	14,829	+23.7
Extraction cost of 1 ton of oil, KZT	6,575	6,219	+5.7
Sales (works done, services)	36,507	26,778	+36.3
Production expenses	23,409	17,800	+31.5
Net income (loss)	9,296	7,456	+24.7
Average listed number of workers	6,849	6,569	+4.3

Indicator	as of July 1, 01*	as of July 1, 00	Change, %
Payments made to budgetary and off-budgetary funds	12,191	5,021	+142.8
Accounts receivable	2,898	3,075	-5.8
Accounts payable	3,472	4,350	-20.2
including budgetary payments	1,202	1,806	-33.4
Capital investments	12,964	8,028	+61.5
<b>Kazakhoil-Emba OJSC</b>			
Extraction volume, th. tons	1,173	1,121	+4.6
Average price per ton of oil, KZT	17,606	14,413	+22.2
Extraction cost of 1 ton of oil, KZT	6,463	3,968	+62.9
Sales (works done, services)	20,453	20,335	+0.6
Production expenses	12,950	14,068	-7.9
Net income (loss)	4,764	4,404	+8.2
Average listed number of workers	6,331	6,222	+1.8
Payments made to budgetary and off-budgetary funds	5,749	4,780	+20.3
Accounts receivable	1,247	1,234	+1.1
Accounts payable	1,646	1,371	+20.1
including budgetary payments	1,202	1,806	-33.4
Capital investments	4,607	2,540	+81.4
<b>Atyrau NPZ OJSC</b>			
Processing volume, th. tons	1,087	1,104	-1.5
Sales (works done, services)	3,300	3,666	-10.0
Production expenses	2,226	2,246	-0.9
Net income (loss)	857	1,097	-21.9
Average listed number of workers	1,823	1,688	+8.0
Payments made to budgetary and off-budgetary funds	2,484	2,044	+21.5
Accounts receivable	1,500	1,357	+10.5
Accounts payable	423	802	-47.3
including budgetary payments	16	515	-96.9
Capital investments	325	293	+10.9

\* – initial data.

**Uzenmunaigas OJSC** (stake of NOC KAZAKHOIL CJSC - 90%) - oil and gas producer, which develops Karamandybas and Uzen, the third largest field in Kazakhstan. **Kazakhoil-Emba OJSC** (stake of NOC KAZAKHOIL CJSC - 85%) - oil and gas producer, which was established in June 1999 by merging Embamunaigas JSC and Tengismunaigas JSC. There are six divisions that are engaged in oil and gas extraction: Jaikneft, Dossorneft, Makatneft, Kainarmunaigas, Kulsaryneft, Prorvanef. **Atyrau NPZ OJSC** (stake of NOC KAZAKHOIL CJSC - 86%) - the oldest of all three refineries of Kazakhstan. Production capacity is 5 mln tons a year at 59% processing degree.

Press service of Kazakhoil (Astana) in a special report, has commented on raise of credit rating of national oil company Kazakhoil to “BB” from “BB-“ with a “stable” forecast (short-term rating was confirmed on the level “B”).

According to the opinion stated in a press release, the rating of NOC Kazakhoil includes steady progress of the company in exploration operations, the end of development of program of Atyrau oil refinery modernization; expected stable levels of ratio of investing of capital in securities with fixed and non-fixed returns. An increase of the rating reflects continued level of government support. The Government of Kazakhstan offered state guarantees of a large investing program of the company – modernization of Atyrau oil refinery.

The increase in the company’s rating is said to be appropriate, since the company is going to increase borrowing for financing its further development. Particularly, it was said recently that approximately in November Kazakhoil is going to float its first issue of euronotes in the amount of \$100 million.

Permanent dependence of Kazakhstan economy on oil and gas production underlies a possibility of future influence of low prices. Nevertheless, the ratings are reinforced by obligations of the Government to support the company and also by strategic importance of the company for Kazakhstan economy, is said in the press release of Kazakhoil.

In its conclusion Fitch notes that recent transfer of remaining 20% in the biggest project Tengizchevroil (TCO), like the last contradictions concerning division of Caspian shelf among coastal countries, didn’t have actual influence on ratings of Kazakhoil. Fitch excluded the share of company in TCO under original rating, thereby it foresaw the decision of the state in August, 2001 concerning the transfer of share to the Government of Kazakhstan.

It was also mentioned that Kazakhoil is little influenced by regional political events, accompanying the division of Caspian Sea, because all exploration is done presently on land and a significant part of transition is also on

land. Last world events are not also considered increased risks for independent ratings of Kazakhstan and its largest corporations.

Also, NOC KAZAKHOIL CJSC informed the KASE of major results of the company in first 9 months of 2001. Based on the data of the PR department of the company, production of oil reached 4.9m tons during this period, which is 11.6% more than in similar period of last year. Excess production of oil was due to putting into service new facilities and new equipment and technologies aimed at oil production increase of the layers at the fields. The management of the company believes that production increase was possible as a result of active investment policy of NOC KAZAKHOIL CJSC from the beginning of 2000. Capital investments increased 1.37 times in 9 months of 2001 relative to similar period of last year, with the money being invested into renewal of fixed assets, increase in drilling work volumes, number of wells and their equipment.

During reporting period oil processing reached 1,697 th. tons and the company has met its oil supply plan to Atyrau refinery completely.

It is said that the company is still one of the major taxpayers in the country, paying more than KZT34 bn in 9 months, or 1.6 times more than in similar period of last year.

**Almaty Kus OJSC** (Chapaevo, Almaty region; production and sales of poultry goods), whose shares and bonds are traded at KASE within official list of the securities under category "A", informed that the geographic expansion of the company is continuing in the country. This process, outlined in general strategy of the company, means the creation of branches in all major cities of Kazakhstan, primarily in regional centers. It is said that in this week the representatives of Almaty Kus OJSC will be opened in Astana, Oskemen, Pavlodar, Kostanai, Shymkent, Atyrau, Aktau. All assortment of the company's goods will be available at the branches: eggs, egg powder, poultry meat. The expansion timing is not accidental: it is winter that increases the demand for eggs.

The company informs that now Almaty Kus is significantly dominating the poultry market of Kazakhstan. In Almaty, Almaty region, South Kazakhstan and Jambyl regions the company provides for up to 75% of the market needs. In general, in Kazakhstan the proportion of the company's market share is estimated by independent Brief Market agency at 37-40%.

The management of the company believes that the opening of the branches especially in the north and east, is an important strategic step, where the competition exists from Oskemen and Kostanai poultry farms. However, the company believes that Almaty Kus has several advantages such as the highest quality of goods, flexible pricing, developed distributors network and wide variety of goods. The most developed and strong egg and poultry meat production facilities of the company allow the company to reduce the cost and then, the prices. Strengthening of the competition, improvement of the quality and reduction of prices will have a positive impact on the market and the consumers.

In its press-release Almaty Kus points out that a distinctive advantage of the company is the assortment. Unlike other companies, Almaty Kus offers several categories of eggs: super, extra, standard, optima. Thus, the company covers almost all consumer sectors. And the company uses modern packaging for 12 and 6 eggs, which is a new marketing step in Kazakhstan. As the meat processing facility opens, Almaty Kus will be able to supply the market with other new items: sausages, frankfurters and other poultry meat products.

The company's intentions to cover all regions of Kazakhstan are well grounded. All these plans are in line with the constant quality improvement of the company's products – nutrition, freshness, appearance, packaging etc. Apart from retail stores, restaurants, plants and factories, that use the egg, the company plans to provide egg powder to companies producing mayonnaise, bread, confectionery etc. The number and variety of these focus groups is constantly increasing in the country.

It is also said that thanks to new equipment from HeemHorst, Kapshagai mixed fodder plant, which is the part of the company, will be able to produce more than 420 tons of mixed fodder a day. It is said that Almaty Kus OJSC selected this Holland company as the supplier, since HeemHorst is one of the world leaders in modernization of fodder production facilities and has more than 200 years of experience. This company supplies equipment to plants in Belgium, Italy, Portugal, China, Saudi Arabia, Bulgaria, Thailand, Ukraine and Philippines. HeemHorst specializes on the manufacturing and setup of highly effective and economical equipment that makes it possible to conduct all necessary processes, from dosing and granulating to mixing and controlling. Such line will be installed at Kapshagai plant. Apart from production capacity and universal characteristics, this equipment has an important advantage. HeemHorst will completely computerize all production cycle at the plant and thus, mixed fodder production at Kapshagai, which was in decline recently, will renew and become more technologically innovative, is said. Almaty Kus OJSC plans to invest KZT400m into mixed fodder production in Kapshagai. Overall capacity of the plant will exceed 150 th. tons a year. It will be put into service in 100 days. The plant now has stable and profitable demand from Almaty Kus poultry farms, Almaty Broiler and from other live stock growing farms in the region and Kazakhstan.

## **KASE NEWS**

By the decision of the Board of KASE, dated October 11, 2001, **from October 28, 2001** TuranAlem Securities LLP (Almaty) was granted a market-maker status of inscribed common shares of Bank TuranAlem OJSC

(Almaty; NIN KZT1C34920013, trade code BTAS). Minimum volume of mandatory quotations is set for the market-maker at 40 shares. Now, TuranAlem Securities LLP is the specialist of BTAS at the Exchange. The decision was based on the application of the company on refusing the specialist status and willingness to be the market-maker of these securities.

By the decision of the Board of the KASE, **on October 15, 2001** the trades in first issue bonds of VALUT-TRANZIT BANK OJSC (Karagandy; KZ2CUIY05A425, \$10.0m; \$100; Sept 27, 01 - Sept 27, 06, semiannual coupon at 11.5% APR for the first circulation year, and for other years based on the decision of the bank's Board of directors, but not less than 6.0% APR) opens at the Exchange. Quotation accuracy of VTBNb1 in the trade system of the KASE is set at four decimal places in clean prices. The quotation will be made in U.S. dollars. The price will be re-calculated in tenges at weighted average rate of KZT/USD that settles on the settlement date. The market-maker of VTBNb1 at the KASE is given to **R.G. Securities LLP (Almaty)** based on its application. Minimum volume of mandatory quotations is set for the market-maker at \$3,000 at face value.

**Prepared by the agency IRBIS**