

# KAZAKHSTAN STOCK EXCHANGE

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## PRESS-RELEASE

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On November 21, 2016 Kazakhstan Stock Exchange (KASE) held a media briefing devoted to the listing of the first instruments in the new sector on the Exchange – short-term (commercial) bonds of issuers PAVLODARENERGO and SEVKAZENERGO.

Bonds of PAVLODARENERGO and SEVKAZENERGO were included in sector "Commercial Bonds" of KASE official list.

Issuing terms of bonds of PAVLODARENERGO and SEVKAZENERGO are the same and feature the following parameters: the number of bonds issued – 10 mln pieces of coupon bonds (unsecured); the issue volume at face value – KZT1 bn; face value of one bond – KZT100; coupon interest rate – fixed, 13 % per annum of the face value for the entire circulation period; periodicity of coupon interest payment – twice a year; circulation period – 1 year.

K. Turmagambetov, member of KASE Management Board, Managing Director of Business Development, commented on the event: "Sector "Commercial bonds" was established to meet demands of listed companies – large businesses – for quick and affordable short-term funds. Such bonds can be quickly registered with the National Bank, undergo the simplified listing at cheaper listing fees. This instrument will allow such listed companies to quickly raise needed working capital. PAVLODARENERGO and SEVKAZENERGO for the first time availed themselves of KASE's new product".

During said meeting representatives of issuers PAVLODARENERGO and SEVKAZENERGO shared their visions of the companies, presented the performance chart and information on current projects and forecast indicators for the near future.

PAVLODARENERGO and SEVKAZENERGO show a stable growth of profitability and operating efficiency.

According to O. Perfilov, General Director of PAVLODARENERGO, since 2009 the company has been implementing an investment program to improve the reliability of the power equipment operation, the quality of services. "During the government program of peak tariffs from 2009 to 2015 we invested KZT47.4 bn in modernization and upgrading of the obsolete equipment and improvement of the production's ecology standards. Thanks to the projects implementation the design capacity of the power stations will increase from the current 662 MWt to 677 MWt in 2018", – said Mr. Perfilov at the briefing.

According to A. Yazovskaya, deputy General Director of SEVKAZENERGO, the company invested KZT30.7 bn in modernization and upgrading of the power generating equipment of Petropavlovsk heating and power station (TEC-2) from 2009 to 2015. Currently, new facilities have been constructed (turbine No. 5 and boiler facility No. 12) which must increase the capacity to 541 MWt.

Speakers pointed out that PAVLODARENERGO and SEVKAZENERGO also implement heating projects. Thus, as part of a trilateral agreement between the European Bank of Reconstruction and Development, Ministry of National Economy of Republic of Kazakhstan and companies under the program Nurlı Zhol, almost KZT26 bn will be spent on modernization of heating networks in Petropavlovsk, Pavlodar and Ekibastuz, which will allow efficient heating energy saving by the end of 2020.

According to Investment House Astana-Invest, the financial advisor of the issuers and underwriter of the bond issues, a special trading session for the offering of bonds will take place on November 30, 2016 on the Exchange.

## **For reference**

**Kazakhstan Stock Exchange (KASE)** is the leading stock exchange in the Central Asian region and the only exchange in Kazakhstan, carrying out its activities in the financial market. It is a universal trading platform for repo market instruments, foreign currencies, government and corporate securities, bonds of international financial institutions as well as derivatives.

KASE is a member of the World Federation of Exchanges (WFE), the Federation of Euro-Asian Stock Exchanges (FEAS) and other international and local professional associations. In 2015, KASE joined the UN Sustainable Stock Exchanges initiative. KASE is the second strongest stock exchange in the CIS, as far as the volume of securities trading is concerned. It is also in the top-5 of the FEAS exchanges in terms of the stock market capitalization.

**PAVLODARENERGO** is a vertically integrated energy company engaged in the production, transportation and marketing of electric and heat energy in Pavlodar region. The energy system includes Pavlodar TEC–2, TEC–3, Ekibastuz TEC, Pavlodar Distributing Power Grid Company JSC, Pavlodarenergosbyt LLP. The total design capacity of the power stations makes 662 MWt, the total heating capacity – 2,240 Gcal/h.

**SEVKAZENERGO** is a vertically integrated company encompassing all components of energy supply in North Kazakhstan region – generation, transportation and marketing. Its subsidiaries include Petropavlovsk TEC-2, transmission companies North Kazakhstan Distributing Power Grid Company JSC, Petropavlovsk Heating Grids LLP, and Sevkazenergosbyt LLP. As of November 1, 2016 the total design capacity of TEC-2 made 479 MWt, its heating capacity – 678 Gcal/h.

**PAVLODARENERGO and SEVKAZENERGO** are parts of the vertically integrated energy holding Central-Asian Electric Power Corporation.

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