

# KAZAKHSTAN STOCK EXCHANGE INC.

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## PRESS - RELEASE

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### **From October 1 Kazakhstan Stock Exchange Launches the New Index of its Shares Market**

One of the indicators characterizing the exchange market of shares in Kazakhstan and calculated by Kazakhstan Stock Exchange Inc. (hereinafter – the Exchange) is the shares market index KASE\_Shares. It reflects changes of shares price parameters during registration of their issuers' market capitalization level. When the KASE\_Shares index calculation method was developing, on the Kazakhstan shares market were concluded single deals. The index was developed considering the extremely low liquidity in this market segment. It is calculated only based on results of the day and in its value are used quotations of market-makers.

From the beginning of 2005, on the Kazakhstan market is observed the increase of shares liquidity and in 2006-2007 the market experienced the original "boom", which resulted in appearance of regularly traded securities. The market entered the new level of development and became attractive not only for local, but also for foreign investors. At the same time the population of Kazakhstan started being involved into this market.

Understanding entry of the Kazakhstan shares market to the quality new development level, the Exchange in 2006 started researches, which resulted in planned from October 1 of this year launching of the new shares market index. It was named after the Exchange name – KASE. This index will be calculated by the Exchange in the real time regimen (i.e. after conclusion of each deal) **instead the index of KASE\_Shares, and its numerical series will be continued by the KASE\_Shares numerical series.**

According to the new methodology, the KASE index representation list must contain not less than seven denominations of the most liquid shares of the Kazakhstan organized market. The quantity of shares of each denomination, which participate in the index calculation, will be limited by portion of these shares standing in the free float on the secondary market. The portion of influence of each share on the index value will be limited by fifteen percents.

The KASE index intended for more adequate, than KASE\_Shares, reflection of the situation on the local organized shares market, and in the Exchange opinion will trigger creation of index funds and, possibly, the market of appropriate derivatives.

#### **Reference:**

The KASE\_Shares index is calculated from July 12, 2000, to the mentioned date its value was accepted as equal to 100 and by the end of 2000 the index representation list was formed from 11 shares. To date the KASE index representation list includes 41 shares. On the closing of trades on September 20, 2007, the KASE\_Shares value achieved 2 508.

In the period from January 5, 2005 to April 19, 2006, the KASE index increased by 11.1 times and by 1.04 times in the period from April 19, 2006 to September 19, 2007. Such breakthrough was mainly conditioned by underestimation of Kazakhstan companies on the local market, and also by appearance on the securities market of new investors – unit investment funds and physical persons.

From October 1, 2007 the KASE representation list of shares indexes will include securities of twelve denominations:

- common and preferred shares of ATFBank JSC eighth issue;
- common shares of Bank TuranAlem JSC;
- common shares of Bank CenterCredit JSC;
- common shares of Halyk savings Bank of Kazakhstan JSC;
- common and preferred shares of Kazakhtelekom JSC";
- common shares of Exploration Production Kazmunaigaz JSC;
- common and preferred shares of Kazkommertsbank JSC;
- common and preferred shares of Temirbank JSC.