

**25<sup>th</sup> of November, 2015**

*Source: Kazyna Capital Management*

*Access at: <http://kcm-kazyna.kz/en/mc-en/ne-en/234-news-251115-en.html>*

## **Kazakhstan Growth Fund invests more than 10 million US dollars to KazGrain group of companies, engaged in grain processing**

Private equity fund Kazakhstan Growth Fund (KGF), managed by ADM Capital, member of the group of funds with the participation of Kazyna Capital Management JSC (National Management Holding "Baiterek"), announces the completion of the transaction on acquisition of a minority-blocking stake in KazGrain group of companies.

KazGrain group of companies is a young developing business with high growth potential in the agricultural sector and of strategic importance for the region's economy. Its main production assets (elevators, industrial buildings, lines for the production of finished products) are located in the territory of Kazakhstan and the Kyrgyz Republic. The main activity of the company is the production and sale of essential food products: flour and pasta products of the highest quality under the brand names "Alia" and "Eline", as well as the purchase, storage and export of Kazakhstani wheat. Geography of sales currently covers Kyrgyz Republic and other Central Asian countries, with strategic access to markets of CIS and other foreign countries.

"Currently, within the framework of the State's agricultural policy, as well as paying more attention by the whole society to food safety, agricultural companies in Kazakhstan are of great interest to investors. Investments of KGF fund will be used to further expand KazGrain group of companies, attracting advanced technologies from abroad, to achieve a leading position in the markets of Central Asia", - says Adil Oszhigit, Principal of ADM Capital.

In turn, the representative of KazGrain group of companies Danishbek Kurmanbekov says: "Due to the Fund's investments, the Group of companies will carry out the purchase of grain for the existing elevators, further modernization of existing production and expansion of product range: national pasta, confectionery and animal feed that will enable the companies to achieve a more complete processing of grain. Besides, the Group is expected to enter the markets of Kazakhstan and foreign countries (China, the United Arab Emirates, Mongolia, Afghanistan, etc.) with the finished products".

According to Orinbasar Kumatov, Partner of ADM Capital: "Today, agriculture both in Kazakhstan and in Central Asia is an economically and socially important sector of the economy. Governments of these countries pay great attention to its development. At the same time, not only in our region but in the whole world there is an increase of the role of agriculture, and investments in agricultural companies and agro-processing entities are becoming more attractive." According to him, for agricultural companies of the region it is important not only to update plant and equipment, but to purchase modern machinery and production technology, adapted to the region, which will allow the

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most efficient use of agricultural assets, and increase labor productivity and the efficiency of the industry as a whole.

**Kazyna Capital Management JSC (KCM)** is a Kazakhstani Fund of Private Equity Funds. KCM jointly with institutional foreign investors are shareholders of the funds providing capital to enterprises in dynamically developing sectors of the economy. Kazyna Capital Management JSC is one of the company owned by National Management Holding “Baiterek” JSC. The Holding consists of such development institutions as: Development Bank of Kazakhstan JSC, Investment Fund of Kazakhstan JSC, Housing Construction Savings Bank of Kazakhstan JSC, KazExportGarant JSC, Entrepreneurship Development Fund Damu JSC, National Agency for Technological Development JSC, Kazyna Capital Management JSC, Distressed Assets Fund JSC, Kazakhstan Mortgage Guarantee Fund JSC and Kazakhstan Mortgage Company JSC ([www.kcm-kazyna.kz](http://www.kcm-kazyna.kz)).

**Kazakhstan Growth Fund (KGF)** was founded in 2008. The Fund’s investors are the European Bank for Reconstruction and Development (EBRD) and the KCM. The capitalization of the Fund is \$81 million. The investment portfolio of KGF includes projects in the areas of agriculture, health, transportation and logistics services, as well as entertainment services. The Fund is managed by ADM Capital ([www.admcap.com](http://www.admcap.com)).

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