السويس للأسمنت

Suez Cement

2010
Annual Report

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Suez Cement

Annual Report 2010

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1. Message from the Chairman and the Managing Director

Suez Cement Group of Companies (SCGC) was able to withhold its leadership in 2010 despite a challenging market situation characterized by an oversupply of cement due to the entrance of several new cement producers. Our leadership was maintained mainly due to our concerted efforts towards sustained customer relations and a correct understanding of the needs of our customers. Our product portfolio, the largest in Egypt, helped us in providing them with tailor made products for each specific customer application. Substantial achievements in the retail business, through the establishment of two additional shops in New Cairo and Abu Rawash helped visualize our approach towards reinforcing our relations with our end users.

We see customer satisfaction as the vital component of our success formula and this belief has prompted us to launch initiatives that aim at better empowering our customers. Our customer satisfaction survey and tailor-made services are examples of such initiatives which exemplify our Commitment to Excellence.

The main market driver in 2010, as was the case in 2009, was the residential sector. The overall demand increased by 3.1% as compared to 2009 where the market had recorded a growth rate of 24.4%. Cement sales achieved in 2010 were 11.4 million tons with net sales reaching LE 6,152 million which is a decrease of 3.7% compared to 2009. Our gross profit and operating income amounted to LE 2,120 million and LE 1,705 million respectively, while the net profit decreased to LE 1,236 million by 5.12% in comparison to the previous year.

With a view that investment is an important tool for sustainable development and is one of the key areas of continuous improvement, SCGC implemented an intensive investment program throughout 2010 which included several major projects in different plants. Modernization investments to boost the efficiency of our production lines and improve our technical performance reached approximately LE 227 million. We also invested more than LE 95 million in areas of environment and safety with additional investments exceeding LE 86 million allocated to areas such as Quality, IT, strategy and new packing machinery.

As part of its long-term commitment towards a better Egypt and a cleaner environment, SCGC dedicated a substantial part of its industrial investments –LE 500 million to date- in implementing a comprehensive environmental policy. 2010 has witnessed the start of the executing phase of the Environmental Pollution Abatement Program II (EPAP II) which is due to be completed by the end of 2011. In addition to EPAP II, SCGC will take its first steps in 2011 in the direction of using Alternative Fuel, an initiative which will be expanded over the coming years. In compliance with its environmental policy, SCGC has increased the number of green areas in all plants and also paved areas in and around them. By end of 2010, the total green area of the group was increased to 573,532 square meters while the total paved area in our group plants reached 376,500 square meters.

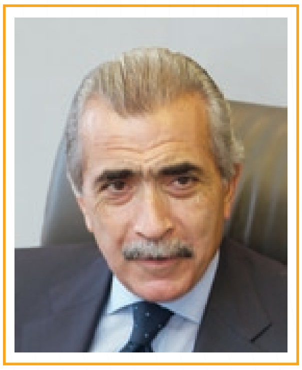
Another main priority of the Group remains Safety and we have continued to build on our efforts to ensure the global implementation of our safety policy and programs and become among the safest companies in the industry. In 2010, we implemented monitoring, reporting, technical and administrative support at the corporate level, in addition to safety orientations, training hours for our employees and contractors which covered emergency readiness, risk assessment and safety rules and procedures.

Driven by our ongoing commitment to improve the quality of life and social well-being of our communities, Suez Cement group of Companies continued its social initiatives, which are founded on the needs of the people living in these communities. In 2010, we kept education, sustainable livelihood, health and awareness of social issues as our key priority in social initiatives.

Our achievements in 2010 have been driven by the sincere contribution of our 3,700 employees, who have worked hard and remained committed in serving our customers and stakeholders. For that we would like to take this opportunity to thank them and we look forward to working together in realizing our great opportunities for growth, bolstered by our strong financial position and talented management team.

We look forward to report our progressive results in 2011, while remaining true to our values and committed to the communities we work in.

Best Regards,



Omar A. Mohanna
Chairman

Roberto Callieri
Managing Director

2. Composition of the Board of Directors, December 31st, 2010

Mr. Omar Mohanna
Chairman

Mr. Roberto Callieri
Managing Director

Members

Mr. Giovanni Ferrario

Mr. Mohamed Chaibi

Mr. Matteo Rozzanigo

Mr. Fabrizio Donegà

Mr. Mohamed Iftekhar Khan

Mr. Raed Ibrahim Al Mudaiheem

Mr. Yves-René Nanot

Mr. Khaled Abu Bakr

Mr. Wadie Mashraky

3- Financial Highlights for 2010

Financial Highlights for 2010 (Figures in L.E. millions)

	December 2010	December 2009	December 2008
Revenue	6,152	6,380	5,542
Gross Profit	2,120	2,179	2,077
EBITDA	2,128	2,150	1,873
Net Earnings	1,236	1,300	1,041
Return on Sales	20%	20%	19%
Gross Margin	34%	34%	37%
EBITDA Margin	35%	34%	34%
Fixed Assets	3,961	3,956	4,051
Total Assets	10,041	9,622	9,290
Cash & Cash Equivalents	1,758	1,486	1,001
Working Capital	1,493	1,092	273
Total Debt	54	261	820
Minority Interest	714	650	558
Shareholders' Equity	7,325	6,975	6,141
Net Fixed Assets Turnover	155%	161%	137%
Total Assets Turnover	61%	66%	60%
Return on Equity	17%	19%	17%
Current Ratio	160%	160%	112%

4. Shareholder Information

SCGC is one of the largest Egyptian cement producers in the country. The Group is mainly composed of Suez Cement Company (SCC), Tourah Portland Cement Company (TPCC), Helwan Cement Company (HCC), Suez Bags Company (SBC), Ready Mix Production Company (RMP) and Ready Mix Universal Production Company (RMUP). Italcementi Group is the majority shareholder of Suez Cement S.A.E., with a share of 55.08 %. SCC holds 66.12 % of TPCC, 53.32 % of Suez Bags and 99.47% of HCC. SCC, TPCC and SBC are listed on the Egyptian Stock Exchange. However, Helwan Cement Company was optionally delisted in January 2010.

In 2006, SCGC entered the concrete sector through the acquisition of 52 % of Ready Mix Production Company (RMP) and Ready Mix Universal Production Company. (RMUP). RMPU is the country's leader in the concrete sector in Egypt. With a view of strengthening the group's presence in local ready mix concrete sector, as of July 1st 2007 RMPU acquired 100 % of the shares of Decom S.A.E., one of the largest Egyptian ready mix companies.

Moreover, in June 2007, Suez Cement Company acquired a 45% stake in the quarrying company Techno Gravel, accounting for 225,000 shares valued at a total of L.E. 28.3 million.

Determined to become a major player in the Middle East, SCC in August 2007 acquired 51% of Hilal Cement, a Kuwaiti Joint Stock Company. As the third largest Kuwaiti cement company, Hilal Cement runs two terminals for the import of cement, with an annual production capacity of around 1 million tons.

SCC, in partnership with UNICALCE, established Suez Lime Company to manufacture all types of lime in October 2007. SCC controls 49% of Suez Lime share capital, while Tourah Portland Cement Company holds 1%. The remaining 50% is owned by UNICALCE.

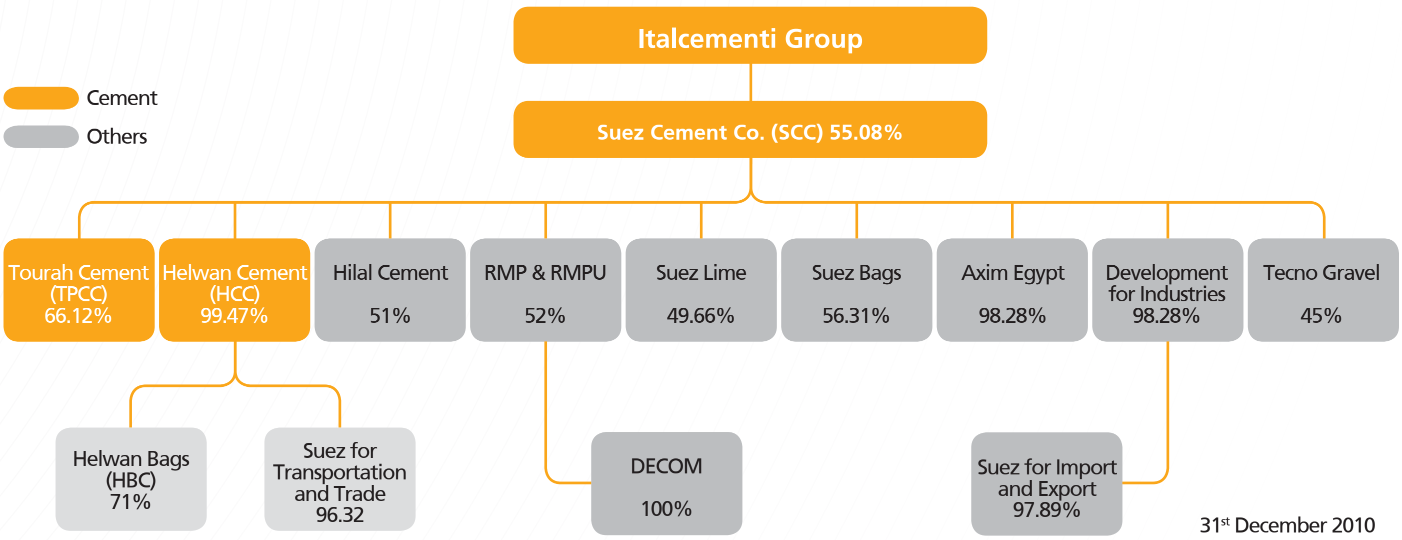
In the third quarter of 2007, SCC and its subsidiaries established Suez for Transportation and Trade Company (STT). SCC has a 35% stake in STT, Tourah Portland Cement Company owns 10%, while Helwan Cement Company has a stake of 55% of the Company.

In the third quarter of 2007, SCC and its subsidiaries established two more companies, namely Axim Egypt Company and Development for Industries Company. Of the two companies, SCC has a 90% stake with TPCC and HCC owning 5% each in both companies.

Also in the third quarter of 2009, SCGC established Suez for Import and Export Company through its subsidiaries Axim Egypt (40% stake), Development for Industries (40% stake of shares) and Suez for Transportation & Trade Company (20% stake of shares).

In the first quarter of 2010, SCGC established Helwan Bags Company, of which HCC has a 70% shareholding, Development for Industries has a 1% stake, while Safisarda and Sacard have together a stake of 29%.

Suez Cement Group of Companies (SCGC)



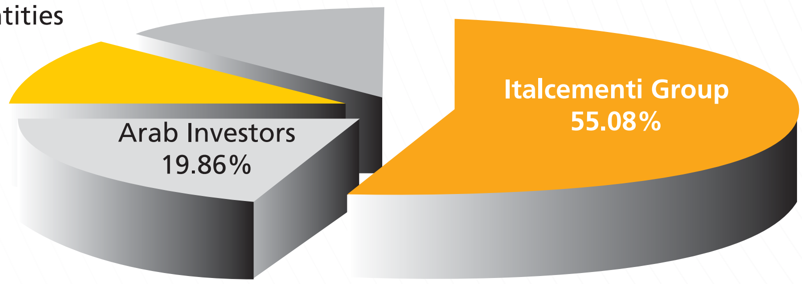
The aforementioned structure includes SCC direct and indirect ownership

SUEZ CEMENT COMPANY

1- Shareholding Structure (31-12-2010)

	Percentage %
Italcementi Group	55.08
Arab Investors	19.86
Public Sector Entities	11.96
*Private Sector Entities & Free Float	13.10

*Including shares against G.D.R (which represents 2.22%)



2- Trading Volume on The Egyptian Stock Market

LE

Month	Number of Traded Shares	Average Monthly Price	Trade Value
January 2010	360,818	43.68	15,759,004
February	560,820	44.21	24,795,168
March	1,347,013	44.08	59,373,976
April	1,301,785	44.56	58,013,330
May	625,367	38.38	24,003,727
June	6,295,082	39.37	247,851,753
July	162,174	35.69	5,788,403
August	132,489	39.51	5,234,408
September	243,330	41.42	10,079,618
October	88,966	41.10	3,656,696
November	339,278	41.91	14,220,496
December	168,361	38.74	6,521,474
Total	11,625,483		475,298,054

5- BRIEF ABOUT SCGC

Italcementi Group, the world's fifth largest cement producer, entered the Egyptian market in October 2001 and participated in the first phase of the privatization of Suez Cement (a company currently listed on the Egyptian Stock Exchange, where it ranks fourth in terms of capitalization).

This action resulted in Italcementi Group's acquisition of 25 percent of Suez Cement's capital, thus becoming one of its strategic stakeholders. Following subsequent purchases, Italcementi Group became, in March 2005, the principal shareholder of Suez Cement, together with a consortium of local and international investors, for an overall investment of around € 460 million. This is one of the most substantial foreign investments in Egypt outside the oil sector.

Suez Cement's annexation to Italcementi's industrial network rendered an important development opportunity for the Egyptian company.

New investments aiming at increasing the Company's efficiency further strengthened the Group's leadership in Egypt, the fourth most important market in terms of cement consumption in the Mediterranean Basin.

In August 2005, Suez Cement Company purchased around 99 % of ASEC Cement Company (currently Helwan Cement Company). This acquisition was executed in collaboration with other local and international partners, for a global investment of around $605 million.

SCGC's capacity in Egypt has resulted in the production of over 12 million tons of clinker per year. This amount is produced by five plants that employ 3,700 employees. This total results in a domestic market share of roughly 25 percent for grey cement and 42 percent for white cement.

To expand the scope of its operations, SCGC recently completed the verticalization of its business with the purchase of a majority stake in Ready Mix Beton, Egypt's leading producer of ready-mix concrete.

SCGC's overall objective is to continue to invest and develop its activities in the country by respecting its Egyptian identity and increasing its efficiency through converting the Company from a cement supplier to a service supplier for the building and construction industry.

Our investments in the ready-mix concrete sector and aggregates, together with our studies to invest in the field of admixtures for cement, concrete, premix mortar products and hydraulic lines, attest to achieve this goal.

6. SCGC's Structure

Suez Cement Group of Companies (SCGC), one of Egypt's largest cement producers, has an industrial network of five production facilities located in Suez, Kattameya, Tourah, Helwan and El Minya. These facilities produce approximately 12 million metric tons of clinker per year.

Through its five plant facilities, SCGC employs state-of-the-art technology to deliver quality white and grey cement to Egyptian and export markets. The company has a long-standing history in the market, yet is innovative in launching new brands and products to meet market needs.

SCGC is home to more than 3000 employees, who participate in ongoing training and advancement activities. The Group has an active safety and environmental policy, which is indispensable to building a sustainable environment for the employees and the communities in which it operates.

The Group's cement has proudly built some of Egypt's well-known landmarks and is building its future around serving the market and meeting the growing customer demand.

Key Statistics

- Five production facilities
- Total production capacity of 12 million metric tons of clinker
- 25 percent market share of grey cement
- 42 percent market share of white cement
- More than 15 operating quarries
- 16 kilns in operation
- All plants are ISO 9001 and ISO 14001 certified
- All plants attained the European certificate of conformity, for production of Portland cement and white cement

Suez Cement Company

Established in 1977, Suez Cement Company is one of the largest grey cement producers in Egypt, with a production capacity of 4.1 million tons of clinker per year. The company, which is 53.15 percent owned by Italcementi Group, started its activities with the construction of its first plant in Suez, then a second plant in Kattameya, with a total investment of about LE 1.7 billion. Both plants operate using the dry method, with whitewash and primary heating. The company serves the domestic market and also exports its products to Arab, African and European markets.

Tourah Portland Cement Company

The Tourah Portland Cement Company, Egypt's first cement company, was established in 1927. The company, which is 66.12% owned by Suez Cement Company, began its operation with a production capacity of four million tons of clinker per year. It currently produces nearly four million tons of cement annually. Tourah Cement Co. licenses the oldest clay quarry in the country and excavates its demand of limestone from Tourah Mountain, where the stones of the pyramids originated. While, Tourah means in the old Egyptian language "the royal stone".

The company was the first in Egypt to use the dry method in the cement industry. It was also the first to modernize its lines by reusing wet kilns to get rid of bypass dust. In addition to the decrease of dust emissions, this method led to boosting production. In June 2006, Tourah Cement received the API quality certification for producing oil well cement.

In cooperation with other local and foreign cement companies, Tourah Cement has invested its long and rich experience in establishing advanced centers for administrative and technical training. Built over an area of 10,000 square meters, the centers offer programs tailored for the cement industry needs, and therefore have become an international hub for workers within the industry.

Helwan Cement Company

Established in 1929, Helwan Cement was the second cement producer to enter the market. Since August 2005, Suez Cement Company has owned 98.69% of the company. Helwan Cement has a production capacity of 4.5 million tons of clinker per year. The company manufactures grey and white cement in its Helwan and El Minya plants, with a combined capacity of 4.8 million tons per year. Both facilities are ISO 9001 and ISO14001 certified. As of January 2010 Helwan has been optionally delisted from the Stock Exchange.

Suez Bags

Suez Bags Company was established in 1988 as an Egyptian joint stock company. Since October 2006, 53 percent of Suez Bags has been owned by Suez Cement Company. Suez Bags owns four lines with the fifth line under commissioning, with a combined production capacity of 300 million bags per year. Three of these lines are for the production of bags for cement, gypsum and other building materials, while the fourth caters to special orders.

Made with imported semi-Copake craft layer paper from Austria and Canada, the company's bags are of the highest standard and quality. Because of its imported ink and its specialized technology, the company is the only supplier able to print four colors on all bag types.

Ready Mix Beton

Since 1985, Ready Mix Beton (RMB) has become one of the leading companies in Egypt for the production of ready-mix concrete. Suez Cement Company has owned 52 percent of RMB since October 2006. RMB and the ready-mix company Decom together produce more than 1.2 million cubic meters of concrete and have a market share of 16%. They are supported by 20 central mixing plants, 8 of which are located in the Greater Cairo area, where three of SCGC's five cement facilities are based. RMB and Decom also have a fleet of 173 Truck Mixers and 41 concrete pumps.

Having the RMB group as part of SCGC is a strategic partnership that serves our cement interests and our customers. This dedicated presence in the ready-mix concrete sector offers excellent potential for growth in the cement industry, given the experienced management team led by RMB and an Egyptian market that offers an excellent opportunity for expansion and diversification.

Suez Lime

With a view to enlarging its perimeter and expanding its activities, Suez Cement signed an agreement in June 2007 with UNICALCE, one of the world's leading suppliers of lime, for the establishment of the joint venture company Suez Lime. Suez Lime manufactures hydrated lime, a dry powder resulting from the controlled slaking of quicklime with water. The hydrated lime is used for a diverse range of applications, including water and waste treatment, soil stabilization, agricultural applications, asphalt modification and flue gas desulfurization. It is also used as a component in building products such as mortars, plasters, whitewash and stuccos. In 2010, Suez Lime produced and sold approximately 25 thousand tons of hydrated lime. Over the course of the year, Suez Lime succeeded in capturing 57%of the local competitive market and started dispatching hydrated lime in bulk through CPT (carriage paid to) arrangement.
Suez Lime Company has decided to proceed with the erection of a new lime plant near Suez in the Ain Sokhna area. The plant will use the best available technologies for the production of lime. The first kiln, with production capacity of 300 tons per day when it will be ready is still pending, followed by the installation of a second kiln.

Suez for Transportation and Trade

Suez for Transportation & Trade (STT) is responsible for developing bulk and bags sales and enhancing the quality of services provided to clients. Suez Cement Company has a 35 percent stake in STT, Tourah Portland Cement Company owns 15% of the company, and Helwan Cement Company has a stake of 55%.
With proven expertise in logistics, STT focuses on ensuring the delivery of high quality and cost efficient service to better satisfy customer demand. In 2010, STT dispatched almost 834 thousand tons of bulk and bagged cement.

Hilal Cement Company (K.S.C.C.) – Kuwait

Hilal Cement Company (K.S.C.C.) – Kuwait was established on the 19th of January 1984 as a closed Joint Stock Kuwaiti Company. The main activities of the company, which is the third largest cement business in Kuwait, include: import, storing and distribution of cement and other bulk materials. In august 2007, Suez Cement acquired 51% of the total capital Hilal's shares.

Axim for Industries Company (S.A.E)

Axim Egypt is a new subsidiary of SCGC established in 2009 and is located at Kattameya plant. It is specialized in the production of grinding aids and concrete admixtures with a capacity of 9 Kt/year. Axim Egypt offers knowledge beyond products to help addressing a construction challenge that satisfies the customers and grow the business.
One of the biggest benefits customers cite when working with Axim is the utility and resources it brings to the table. Because it is a world class local business, the mix design and service solutions facilitate economy and efficiency based on global knowledge. Axim's solutions represent leading edge know-how in mix design, material selection, application and troubleshooting. The long involvement with the concrete and masonry construction industry and being part of Italcementi, gives Axim an uncommon insight into the best practices and potential issues of concrete production.

Development for Industries Company (S.A.E)

Development for Industries Company was established in 2007 under Corporate Law No. 159 of 1981 and its amendments. Company purpose: Investing in all types of industry fields and its commercialization, and establishing a plant for manufacturing the various construction materials.

Suez for Import & Export (S.A.E)

Suez for Import & Export, a subsidiary of SCGC, was established in 2009. The current objective of the company is to import cement in order to fulfill the domestic grey cement market needs. Suez for Import & Export has imported more than 8,300 tons of bagged cement in 2010.

7- Market Evolution: Major Events of the Year

Major challenges emerged in 2010 including the floods that occurred in Upper Egypt and Sinai. Egypt, however, managed to weather the economic crisis pretty well. It is one of the few countries that showed a growth of 3% in the domestic cement market.

SCGC's position remained clear and committed to stay a strong and active market leader in Egypt. With the continued export ban, that prevented SCGC and other cement companies from exporting grey cement & clinker (except Oil Well cement), SCGC dedicated all its production to fulfill the domestic market needs. SCGC's achievements in the dispatch of domestic cement sales in 2010 recorded 11 Mt of grey cement and 155 Kt of white cement. Dispatch of export cement sales SCGC amounted to 6.5 Kt of Oil Well cement, 184 Kt of white cement, 5 Kt of white clinker.

The Company has henceforth the largest product portfolio with 11 different types of cement, giving customers the opportunity to use tailor made binders for each specific application. The added value for end-users is not only the enhanced productivity, but also the achievement of higher quality with better profitability. Moreover, a further step was taken in the retail business through the opening of Abu Rawash and New Cairo retail shops, in addition to the one opened at Tourah plant in 2009.

The focus on cement deliveries recorded 2.5 million tons of CPT sales. Furthermore, relevant key performance indicators were established to monitor and help achieve our ultimate goal of being in a position to deliver cement at the right place and at the right time. One of the main factors of customer satisfaction is to avoid stock shortfall through optimization of deliveries. Finally, new channels of freight were opened, such as barges in order to overcome the volatility of the shipping costs.

In conclusion, SCGC's vision of heavy industry is to place the customer in the center of its core business and to shift activities from pure to service-oriented industry. Customer satisfaction is a key strategic element in the building material industry. New methods mainly based on IT and means of communications will be deployed and reinforced, including:

- Customer satisfaction survey
- Tailor made services
- Best practices sharing
- Customer call center
- Awareness session about cement quality
- Easing end-user life through a proximity service of technical assistance
- Reinforcing partnership with major cement consultants

8. Quality Policy and Product Range

SCGC is dedicated to producing cement and building materials for the construction industry in Egypt and abroad. Today the group offers different types of cement of various strength classes, in compliance with both Egyptian (ES 4756/1-2009) and international (EN 197/1-2000) standard specifications. The following cements are produced by SCGC to meet the requirements of different users.

Ordinary Portland Cement	CEM I 42,5 N
Ordinary Portland Cement	CEM I 42,5 R
Portland Cement Super Fine	CEM I 42,5 R - 4100
Portland Limestone Cement	CEM II /B-L 32,5 N
Oil Well Cement	HRS Class G API
High Slag blast furnace Cement	CEM III /A 32,5 N
Portland Slag Cement	CEM II /A-S 32,5 N
Sulphate Resistant Cement	SRC 42,5 N
White Ordinary Portland Cement	CEM I 52,5 N
White Limestone Cement	CEM II /B-L 42,5 N
Masonry Cement	MC5

In addition to cement production, Suez Lime Company produces and sells hydrated lime. This product is used in various construction applications such as plastering, mortars, lime-brick manufacturing, painting, and decorative textures. Hydrated lime is also used in other important industries, such as marble, granite, steel, sugar, paper, petroleum, crystal and glass, fertilizers and rubber.

SCGC controls the quality of each cement type and each strength class through a well established quality control system. All Group laboratories are linked to Italcementi's Production and Quality Data Management System (ITC-PQDM).

To guarantee routine quality control, SCGC signed an agreement with the Housing and Building Research Center (HBRC) to monitor the Group's products via their own accredited laboratories. The Group also routinely sends random samples to Italcementi's labs in Italy for quality assurance.

The five plants are certified ISO 9001-2008 Quality Management System and ISO 14001-2004 Environment Management System, EN 197-1 certified for evaluation of conformity, and EN 197-2 certified for composition, specification and conformity criteria (CE mark). All Group products were granted the Egyptian Quality Mark (EQM) in 2009.

Tourah Portland Cement Company is the only Egyptian cement company that holds the API Quality Certificate for producing Oil Well cement.

9. Industrial Facilities

SCGC owns five production facilities. With a clinker production capacity of approximately 12 million tons, the five plants are located in Kattameya, Suez, Helwan, Tourah and El Minya. Except for El Minya plant, which is located 245 km south of Cairo, all the other plants are positioned within 100 km from Cairo.

SCGC also owns two bag-manufacturing factories, with a total capacity of 300 million bags per annum.

10. Investments

The cement industry is a strongly capital-intensive type of industry. Over the last four years, SCGC started to implement an investment program involving the modernization of all production facilities.

The modernization process covers the revamping and modification of the production lines to improve their efficiency and to comply with the latest Environmental & Safety standards, as well as the growing market demand.

Several major projects were completed through 2010 in the different SCGC plants with a total approximate value of LE 341 Million in the areas of:

- Environment and Safety, at a total cost of around LE 95 million
- Performance Improvement and Capitalized Maintenance, at a total cost of approximately LE 214 million
- Strategy, the completion of the new packing machines installation in both Suez & Helwan plants, in addition to launching new projects to install 2 new packing machines in Helwan & Tourah plants at a total cost of approximately LE 10 million
- Re-operating the drilling and blasting activities in limestone quarries in Suez and El Minya plants by Group`s staff and equipment, with a total investment of approximately LE 8 million
- Quality, IT and other domains, at a total cost of approximately LE 23 million

To comply with the group standards and following the Compliance Action Plan with the environmental authorities (EEAA), as part of the group strategic plan, several major projects were completed and successfully implemented in the area of pollution abatement and emission control. In full compliance with its environmental policy, and in cooperation with the Egyptian Environmental Affairs Agency (EEAA) and the World Bank, the EPAP II Project aims to minimize dust emissions from the main stacks through the conversion of three electrostatic precipitators and the replacement of the gravel bed filters in Line 8 at the Tourah plant with bag houses is carried out at a total cost of approximately LE 132 million and is now in the final stages to be completed in the 2nd half of 2011. To broaden the use of less carbon intensive fuels and reduce carbon dioxide emissions, in Helwan plant 2 kilns 1 & 2 were converted latest by end of 2009 from fuel oil to natural gas burning with a total project cost of approximately LE 18 Million and the gas utilization started effectively in Jan 2010. Meanwhile, SCGC has also carried out a similar project with an approximate cost of LE 9 Million in Tourah plant to convert kiln 7 to natural gas instead of fuel oil. Gas utilization started effectively at end of January 2010.

As part of its commitment to the research and development of the alternative fuels (AF) application, SCGC started in 2010 the pilot project for the use of biomass as AF in Kattameya plant with a total estimated cost of approximately LE 14 Million on two phases. The first phase involves the installation of AF feeding equipment to the production line and will be completed and tested in May 2011. The second phase will target the completion of the main AF storage and mechanical feeding system.

11. Human Resources

HR Management

In line with the company awareness of its human valuable assets, the HR Management worked towards implementing effective retention plans. Various policies have been set in order to reinforce this message and to ensure employee commitment and loyalty to the company:

- Car policy: SCGC provided flexibility for managers to own or rent a car. The policy however applies the company safety standards related to cars which will be renewed every 4 years or after 160.000 km.
- Medical Insurance: Various offers were requested in 2010 for looking into upgrading the current local medical plan with another one to be managed by a global provider. The policy will be applicable in 2011. The aim of this policy is to offer a wide medical bouquet locally and internationally with accredited hospitals and clinics.
- Recruitment: The Company hired 220 over the year, and the majority of these hires were technical. We expanded our recruitment search to include four agencies; a website and have participated in an Employment Fair to position SCGC as the Employer of Choice.
- Data Base: The database was updated and became reliable one in 2010 . This step has been taken in preparation for launching Talent Development program.
- Talent Management: Through a detailed structured development and performance assessment, the Learning and Development team were able to develop succession plans for key positions in the Technical Department. A pool of 175 people will be enrolled in Development Centers for assessment and development plans. This is only the beginning; other disciplines will follow in 2011 as we proceed with the Talent Management project. Similar exercise will be followed up to ensure that we are widening our succession pool of candidates and ensuring that we provide consistent career progress opportunities for our employees.
- SAP: SAP Headcount project was initiated in November 2010 and delivered the data in December 2010. Egypt is now part of Italcementi's SAP headcount database, and as such, information on headcount, disciplines, plants, cost etc are all accessible via SAP. The data is being updated on monthly basis.

Newcomers in 2010 in chronological order of recruitment:

Equipments Category Manager	**Francesco Zana**
HR Management Manager	**Bassel El Hibri**
Human Resources Dept Manager	**Nagwa Moussa**
Sales & Marketing Dept Manager	**Stefano Gallini**
Procurement Manager	**Juan Teres**
Customer Services Manager	**Mehmet Yildirim**
Compensations and Benefits Manager	**Randa Emara**
Communication & Image Dept Manager	**Hanan Nayel**
Manufacturing Manager	**Giovanni Girelli**
Manufacturing Manager	**Francesco Corsato**
Manufacturing Manager	**Paolo Colosio**

Industrial Relations :

Empowerment, adjustment, finalization make up our Industrial Relations main activities in 2010.

- **Collective Labor Agreement:** HCC Collective Agreement (CLA) negotiations, after being suspended in 2009, resumed in 2010 and the agreement was concluded and signed in November of the same year. One target of the new CLA is to improve basic salaries of long-service employees. This sends a clear and strong message that ALL employees are being considered and treated fairly.
- **Retention:** A salary study was initiated to identify our position compared to the market and address any market gaps. Accordingly, a comprehensive salary review was carried out, which resulted in a considerable number of salary adjustments. These adjustments were introduced based on clear and consistent criteria to ensure rewarding performance and demonstrated Suez Cement's continued commitment to retain and develop its employees. Along with this exercise a succession plan is being implemented to fill leading roles internally, which will provide further development and career advancement opportunities for employees.
- **Empowering People with Special Needs:** We progressively hired people with special needs and have deployed them effectively in our plants. They are members of SCGC family, have been actively participating in our workforce and are filling office roles according to their educational background.

Human capital development:

The consolidation of the development and training functions in 2009 has proven a great success in the sense of developing our human capital competencies; improving their performance in various organizational disciplines and helping SCGC achieve effectiveness through diverse methods and programs. It reflected on the enhanced training quality (90% of the overall quality measurement criteria in 2010 vs. 85% in 2009) and on the volume of training courses received by SCGC staff (106,270 training hours in 2010 vs. 29,365 hours in 2009)

01. Train the Trainers: To capitalize on the internal human resources, the Training Department has succeeded in developing skills required for technical trainers to be able to conduct Simulator training.

02. Egypt New Graduates Training: Building on last years' success, we have sustained the ten-week program aimed at raising the awareness of newly hired engineers and chemists; providing them with basic knowledge and practices by rotating over the safety, environment, process and maintenance functions in our plants.

03. Drives, Motors, switchgears and control systems training program: Automation and electrical maintenance engineering training to enhance capabilities for troubleshooting of operational problems encountering the engineers while using different kinds of ABB devices in all plants.

04. Safety Training: The Training Department, in cooperation with the Safety Department, continued to implement "Managing Safety", "Safety for Group Supervisors" and "Living Safety for Group Workers" training courses for managers, supervisors and workers. Moreover, Accident-Incident Analysis and Root Cause Analysis courses were executed to top managers and other staff.

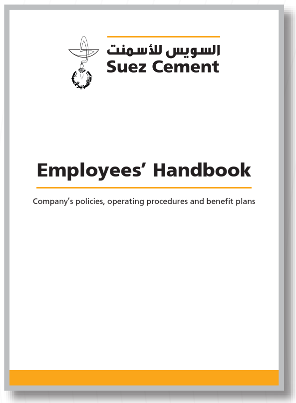
05. First Aid: 308 first aiders were trained in 2010; this 2-day training created a ratio of around 1 first aider for each 10 employees.

06. Welding: 10 welders have been certified enabling them to get familiar with the advanced welding techniques.

07. Corporate Governance: In cooperation with the Corporate Governance Department, the training function has conducted an awareness session for 23 first-line managers from different departments.

08. International Training: 40 of SCGC's prominent staff have been awarded international training to France, Denmark, Bulgaria, Austria and Italy. Topics covered ranged from cement process, maintenance, refractory material to sales and marketing by renowned training providers such as FLSmidth, Calderys & RHI for Refractory Material, in addition to Italcementi.

- The famous Ernst & Young course on International Financial Reporting Standards "IFRS" has been provided for SCGC's financial department staff in addition to around 37 senior managers.
- Forty eight Procurement employees have enjoyed the Huthwaite's Negotiation Skills; one of the best courses worldwide giving trainees the required skills to become a truly effective real-world negotiator.



09- Employee Handbook: As part of the orientation offered to newly appointed employees and as a reference for existing staff, an Employee Handbook was developed to brief them about group and HR applicable policies, procedures and practices.

Governance Day

As part of its commitment to the Corporate Governance Action Plan 2010, Suez Cement launched the Governance Day.

Many corporate governance activities are taking place at the management level. The major objective of launching this idea was to disseminate this principle and its related activities at the subsidiary level in order to communicate the following:

- the value of Corporate Governance in today's business;
- how a subsidiary must operate within a corporate governance context;
- all corporate governance tools to use

The Managing Director convened a meeting on the occasion of the Governance Day attended by all 130 first and second line managers from all departments. The attendees were requested to give their feedback concerning the corporate governance program. At the end of the session, the feedback was collected and classified into four groups and a short result brief was presented to the audience.

Holding such a governance day's workshop would help increase awareness that corporate governance is about delivering our business targets by adhering to following principles:

Transparency, accountability, ethics, control, performance, responsibility, integrity, sustainability, discipline, independence, and social responsibility.

Corporate governance awareness training was conducted for first line managers in June 20th, 2010.

Good governance is essential for promoting the role of businesses in generating any country's wealth and development. The result was a set of new organizational mechanisms, policies, and capacity building. This initiative was extraordinary at that time within our industry. And while corporate governance has come long way at group level, our efforts continue amid challenging circumstances of greater competition and financial crises.

- The program has been designed to balance compliance needs with business and management objectives, facilitating fast implementation
- It highlighted corporate governance tools used for communicating top-down and bottom-up objectives and expectations
- Communication and training must enlarge the base of people involved in the program as requested by the Employee Opinion Survey Initiative

Employee Opinion Survey

The second round of employee survey took place in June 2010. An internal campaign in the group was organized in order to encourage all staff to take part of this survey. Each opinion is important as the results shall be analyzed to improve the working environment across the group.

The global approach concerning these results is as follows:

1. A detailed presentation to be distributed to all members of the country management committee
2. Detailed results will allow a deeper analysis for each country; access is limited to the Human Resources Manager
3. A Group Action Plan was communicated and adapted for country's specificities.

• KPMG Audit

Although the Corporate Governance principle is not yet implemented in Egypt, and being in line with the Group Policy related to applying its application, the Group received KPMG to audit our audit activities.

The scope and objectives of the review were to express an expert opinion on integrity with which financial statements reflect the company's financial position, results of operations and cash flows:

- Corporate aims, objectives and measures are in place

- Risks preventing the achievement of corporate objectives are identified and managed

- All committees (Audit, Resources, Strategy…etc) are effective in meeting their responsibilities

Facilities Management

Why is Facilities Management so important in our company?

The definition of facility management, EN15221-1, provided by the European Committee for Standardization (CEN) and ratified by BSI British Standards is, ''(the) integration of processes within an organization to maintain and develop the agreed services which support and improve the effectiveness of its primary activities.''
According to this European standard, the scope of Facilities Management is 'Space & Infrastructure' (planning, design, workplace, occupancy, maintenance, furniture, cleaning, etc.) and 'People & Organization' (catering …etc)
According to the above mentioned standards and definition, the Facilities Management in Suez Cement works in upgrading the services in harmony with the Human Rights. The main achievements in 2010 are:

Medical Services:

- 300 first aid boxes have been renewed in all plants
- Ambulance cars in Tourah, Kattameya and Suez plants have been replaced with new ones
- 300 employees received basic life support and first aid training by company doctors
- Cost optimization to improve our medical services, to include more advanced surgical operations within our budget

General Services:

The Services Department still applied food and beverage controls in harmony with the Human Rights Initiative that has been introduced this year and at the same time saved LE 530 thousand.

Security:

- Training courses were run in security and protection of buildings

- Development of a database program instead of the old manual records

- Fire fighting courses were run in 2010 for security officers and were expected to have all officers trained on fire fighting by 2011

12. Safety and Health at Work

Work Conditions and Safety

The safety of our employees and contractors is our first concern. We can never allow ourselves to be truly proud of our industry at a time when other people are still risking their lives and are injured while working on our sites.

Safety audits are always a critical element of the integration process for all acquisitions. All our operations have safety programs that include training, auditing, sharing best practices, close follow up, reporting and investigation of the cause of an accident as well as prevention of potential accidents.

Each of SCGC's companies has a responsibility for applying our safety policy to its business specificities in order to define its own safety guidelines. Up till now, safety has been generally seen as a local matter, in accordance with the decentralization of responsibilities stated in our safety manual.

Regrettably, five fatal accidents in the cement division occurred in 2010, of which four involved external subcontractors.

Our efforts have contributed to reducing the frequency rate of workplace accidents. In 2010, our accident rate was 2.5 across all activities, and we experienced (four fatal accidents for a contractor and one of our employees). The Company conducted 36,894 safety orientation and training hours for our employees and subcontracting managers.

Actions against Health Hazards

Health management, including industrial hygiene (dust, noise and whole body vibration hazards), is one of our major concerns. The recent implementation of the workplaces health hazard assessment has added to the significance of the issue for the group, given the importance of the assessment where such hazards are seen to long-term effect. In this context, SCGC operations have had a positive impact by providing information and medical care to our employees as well as our local communities.

Evolution of Frequency of Accidents1 (2006 - 2010)

	2006	2007	2008	2009	2010	2011(Target 2)
Employees	5.2	2.6	1.9	2.9	2.5	1.5
Contractors	4.8	3.0	2.7	3.2	2.2	1.5

1- Number of accidents with at least one day off per million working hours

2- SCGC target for 2011

Evolution of Rate of Fatal Accidents from (2006 - 2010)

	2006	2007	2008	2009	2010
Employees	2	1	0	0	1
Contractors	3	2	1	2 occupational and 1 is commuting	4 fatalities

Implementing a Safety Action Plan in Our Plants

In an endeavor to improve health and safety at work, and to ensure the dissemination of a corporate culture of safety across all Suez Cement's activities, SCGC launched a project on occupational safety and health named "Zero Accidents". Launched in 2006, the project integrates safety as a core business strategy for the group.

The "Zero Accidents" project aims to reduce the number of occupational accidents by developing a substantive corporate safety culture and raising employee awareness and concern for safety conduct. Zero Accident specifically aims to implement a safer and healthier working environment at all sites and facilities by adopting adequate steps to prevent accidents and injury in addition to developing communication initiatives to promote a preventative safety and health culture.

The new action plan for 2011 includes

- The implementation of working at heights, PPE, LOTO and hot work standards.
- Continuing the 5S Project which has been launched in 2009 to enhance and improve the work environment.
- The objective of 2011 is to enforce contractors' management and to follow up and increase the routine daily presence on site.
- The quarry contracts renewed only for contractors will operate it by using its new equipment "5 years for the trucks and 10 years for the heavy earth moving equipment".

13. Environmental Protection

Egypt enforced the Environmental Law no. 4/1994 in mid 1996, granting three years for the industrial sector compliance with the new legislation. Cement companies were obliged to rehabilitate the existing filters and/ or erect new ones. These adjustments cost a lot at the time, just to reach 500 mg/ Nm3 of dust emission.

Since then, the cement industry started to invest in improving its image in front of the interested parties and the society. All companies were racing to apply the EMS 14000 in order to acquire the EMS 14001 certificate.

Tourah Portland Cement Company (TPCC) was the first cement company to be ISO 14001 certified in Egypt, followed by Helwan then Suez Cement Company. This means that all SCGC plants are ISO 14001/2004 certified, i.e. applying the requirements of the environment management system ISO 14000.
Following our spirit of continuous improvement, the plants have set more restrictive internal environmental targets in order to avoid any penalties arising from law violation.

The application of EMS has caused the companies to issue an environmental policy that reflects the top management commitment towards improving the environmental quality of our surroundings.
With the direct connection between the Ministry of Environmental Affairs and the continuous emissions monitoring devices that covered all our stacks, it has become able to evaluate compliance with amendments to the law.
On October 2005, the new amendments to the law No. 4/1994 were issued, including more restriction on air emission, limiting dust emission to only 300 mg/ Nm3 instead of 500 mg/ Nm3 for plants constructed before 1995, i.e. all of our plants. Therefore, SCGC has to update its targets again to comply with the new amendments and moreover to modify the existing management systems according to the new version of EMS ISO 14001/ 2004.

Taking all these expectations into consideration, SCGC has been implementing a Strategic Action Plan for 2005-2012 with total investments amounting to LE 463 million with the aim of covering any expected changes to the law.

Climate protection:

The production of cement clinker is an energy and carbon intensive process. To track its carbon emissions, SCGC has been monitoring and reporting carbon dioxide emissions from its production processes since 2006, following the WBCSD CSI CO2 protocol for the cement industry.

To assure the quality of CO2 emissions records, Ernst & Young carried out a third external audit in March 2010 to verify CO2 emissions sources, covering the five plants of Kattameya, Tourah, Helwan, El Minya and Suez.

SCGC 2010 CO2 Cement Production Emissions*

Absolute gross (ton/year)	8,544,499
Specific gross (kg/ton clinker)	856
Specific gross (kg/ton cem.**)	758

* These calculation are based on the WBCSD-CSI CO2 protocol, June 2005 years 2 and Italcementi Group guidelines.
**"cem." is a cementitious product that includes both clinker and cement substitutes used for grinding.

Responsible use of resources: SCGC is currently applying CSI guidelines.

Alternative Raw material: SCGC has utilized slag, pozzolana, broken clay bricks and bypass dust as a substitution of clinker in cement with 1.8% of total cement production for the Group on 2010.

Alternative Fuel: Following EEAA approval in September 2009 to burn agriculture wastes (e.g. biomass, rice straw, cotton stalk and sewage sludge) in Kattameya and Helwan plants, the industrial test will start in Kattameya via a pilot system, in May 2011 after the equipment will have been delivered. The same pilot system is planned to be installed in Helwan plant in 2011.

As per Suez plant, SCGC started the preparation for an environmental impact assessment study to obtain the approval from the Egyptian Environmental Affairs Agency to burn biomass, old tires, TDF, RDF and petroleum waste in Suez plant.

Clean Development Mechanism (CDM) projects: SCGC has two CDM projects for Helwan and Kattameya plants and started preparations to finalize its registration with the United Nations Framework Convention on Climate Change (UNFCCC), with time schedule 18 months to finalize two projects.

Air Emissions: 100% of our kilns are equipped with CEMs for dust emissions, but in order to comply with Group Standards, we must complete the monitoring of gaseous pollutants (NOx, SO2, CO, O2, VOC) for all clinker production. Accordingly, 9 CEMs were installed in our main kilns, observing the list issued by SD Department (SDD 001).
In 2010, 3 CEMs installed in mid December 2010 (1 in Kattameya and 2 in Helwan) and the remaining 6 (3 in Tourah, 2 in Suez and 1 in El Minya) will be installed in 2011 in order to meet the requirements by 2012.
As per dust emissions, SCGC achieved 460 g/t of clinker, which is less than 2010 target (506 g/t).
According to Ministerial Decree No. 170 /2010 concerning the formation of a committee comprising representatives of EEAA and Helwan Governorate, and members of parliament to follow up the compliance action plan for cement plants (Tourah & Helwan) located in Helwan area, monthly meetings were held in each plant at the presence of SCGC Managing Director.
A meeting was held in Tourah on October 21st, 2010, where our compliance action plan and progress in our environmental projects were presented to the committee. Another meeting was later held at Helwan plant on December 14th, 2010.
Several major projects were successfully implemented and completed in the area of pollution abatement and emission control.
Through the implementation of EPAP, SCGC has successfully implemented in 2005 the first phase of the project, EPAP I, three new electrostatic precipitators were installed at two of the SCGC´s five plants, namely Suez and Kattameya plants. This resulted in considerable reduction of dust emissions from 350 milligrams per cubic meter to 50 milligrams per cubic meter, with a total cost of LE 50.6 million (LE 1 = USD 5.6).

Following our success in EPAP I, SCGC is strongly nominated and supported by the environmental authority to start a large project in Tourah plant line 8, through a second phase of the project (EPAP II). The main goal that SCGC wants to achieve from EPAP II is to minimize dust emissions from three existing electrostatic precipitators and two gravel bed filters with the bag house filters according to the best available techniques. EPAP II is being carried out at a cost of approximately LE 132 million and is expected to be completed by mid 2011.

Another SCGC successful project is the concealment of historical bypass dust accumulating for more than 30 years, which is the main common problem for all cement plants in Egypt. SCGC was the first and the leader of that project in Egypt. The Group succeeded to conceal and cover 5.5 million sq. m of historical bypass dust area, in Kattameya, Tourah & Helwan plants. The total cost was LE12 million, after obtaining the necessary approvals for undertaking the concealment, from the competent environment authority.

In addition, the group started in 2009 concealing the historical bypass dust area at El-Minya plant estimated at 570,000 sq. m; 355,000 sq. m was completed by the end of 2010 and the remaining 250,000 sq. m are expected to be concealed by end of 2011.

This project added a good environmental value to the plant area since the suspended bypass dust particles had been greatly eliminated by the wind effect.

Concerning the daily bypass dust, Helwan, Tourah & Kattameya plants had a certified daily landfill for bypass dust.

In parallel to this project, SCGC signed a protocol, under the EEAA umbrella, with the largest company in the area of construction and road pavement to recycle 300 ton/day of bypass dust from Helwan plant.

Another protocol was signed with a company working in the production of floor tiles, in El-Minya to recycle 40 ton/day of daily bypass dust.

In compliance with its environmental policy, and in order to enhance the value of the landscape, by end of 2010 the total green area of the group was increased to 573,532 sq. m, while the total paved area in our group plants reached 376,500 m^2 .

The final goal of our environment policy is to achieve the best balance between the use of natural resources and long term economic growth while ensuring a better quality of life for present and future generations.

14. Social Engagement in Development

In line with the UN Millennium Development Goals (MDGs), SCGC is strongly committed to improving the quality of life and social well-being of the communities where it operates. The social initiatives promoted by SCGC are based on the local needs of the people living in these communities. In 2010, our social initiatives continued to give priority to education, sustainable livelihood, health, and awareness of social issues.

Sustainable Livelihoods, Health and Social Awareness

In December 2009, SCGC signed a new partnership agreement with the Ministry of Family and Population whereby it provides L.E. 3,500,000 to create new job opportunities in Helwan and El Minya governorates. With this agreement, Suez Cement and the Ministry of Family and Population target the poorest and most vulnerable groups of Kafr El Elw, El Maasara and Samalut areas and will increase the capacity to deliver more effective and efficient social services.

Since 2007, SCGC has partnered with the National Council for Childhood and Motherhood (NCCM) to implement a development project in the field of poverty alleviation targeting the local communities of Kafr El Elw and El Maasara, two districts of Helwan governorate, where two of SCGC's five plants are located. Motivated by the close cooperation between SCGC and NCCM, the new phase of the project would be extended to help the local community surrounding SCGC's El Minya white cement plant. The key objective of this development project, titled "For the Smile of Our Children", is to contribute to the poverty eradication efforts and address community needs and priorities through providing access to quality basic infrastructure and services, especially in the field of education.

To better respond to local needs and enhance the sustainability of social investments, the project has implemented awareness-raising initiatives in the areas of environment, health, education and children's rights. The project adopts a participatory approach by involving the entire community, including community leaders, youth centers, local non-governmental organizations (NGOs) and women's groups. A steering committee has been established comprising representatives of Suez Cement, NCCM, Helwan Governorate, the Ministry of State for Environmental Affairs, the Ministries of Education, Health, Electricity, Industry, and Interior, Cairo Holding Company for Water and Sanitary Drainage, and local NGOs.

Importance of education

Building on its firm belief that there is no duty more important than ensuring that children rights are respected, their welfare is protected and their lives are free from fear and want, SCGC carried, out through NCCM, a project aiming to prevent children dropout from school and enhance the importance of education.

The school feeding program in Maasara & Kafr El Elw schools started on October 24, 2010 targeting primary stage and lasted only 37 days due to the mid-year exams with a total distribution of 392,952 snacks at Maassara and 213,467 at Kafr El Elw. Poor nutrition of school children partially contributes to the inefficiency of the educational system and accordingly results in irregular school attendance, repeated grades and dropouts. The program experience shows that improving children nutrition and health can lead to better performance, less repeated classes and preventing dropouts. Additionally, school fees for LE100.000 have been covered for students unable to pay to motivate parents to enroll their children and 3000 school bags were given out to encourage children to go to school.

To further raise awareness about education, training programs for 21 teachers in El Minya governorate were carried out to enhance skills of communicating with slow-learners and high density classes. Besides weekly intensive classes for students with repetitive bad school results in Maasara, Kafr El Elw and Bani Khaled village were given to encourage the local communities to keep their children at school and eliminate private lessons. Literacy classes for beneficiaries in targeted areas were given 5 days a week. At the end of classes, learners went through evaluation tests and were given certificates. Forty-four literacy certificates were issued, in collaboration with the General Authority for Literacy and Adult Education.

Health and Environment

Fully convinced that healthy children mean a healthy and promising society, SCGC exerts every possible effort to promote better health care for children. Medical caravans were organized at Bani Khaled village for 975 patients in the following medical specialties: pediatrics - dermatology - internal medicine - urology - ophthalmology - gynecology-bones- ear, nose and throat. Moreover, prescribed medications were distributed for free to all the patients. In collaboration with Kasr Al Ainy School of Medicine, a series of medical caravans were arranged, covering six schools in Maasara for a total of 7,892 students.

An urgent implant surgery was also carried out on a girl from Maasara-suffering from semi-deafness- in order to improve her quality of life.
In addition, 171 medical insurance cards were issued for children under 5 years old.

In the field of environment,1,000 water filters and filter cartridges were installed to purify piped water in Bani Khaled houses. Six water purification stations were also installed at Bani Khaled schools and 14 stations at Maasara schools.

As part of the «10,000 tree initiative» to improve school environments and raise general environmental awareness, a «Green Corner Campaign» was organized for students in targeted schools which included activities such as camps and trips as well as sessions about the importance of increasing green areas and protecting the environment. 7,000 were planted and awards were given to the winning schools of Kafr el Elw School and Abo Bakr Al Sediq School.

Improving social and economic conditions

On the occasion of the Muslim holy month of Ramadan and in the spirit of Zakat (alms-giving in Islam), and as part of our continuous commitment to the ongoing corporate social responsibility programs, SCGC distributed in cooperation with NCCM 2,000 Ramadan bags containing rice and pasta for the most needy families in Helwan, Tourah and El Minya districts, in addition to monthly food bags for 1,048 of Bani Khaled children and families.

Focusing on disabled persons, SCGC covered the cost of housing, treatment, and rehabilitation at «Haraz» Center for Disability Care and provided it with necessary equipment including audiology and speech systems and sport & physical therapy equipment. In view of a reintegration plan, 13 social cards were issued to gain social rights. A social card is a card issued by the Ministry of Solidarity which provides discounts to disabled persons in transportation, medical services and entertainment locations. It is also a card which provides them with a pension and financial support from different benefactors.

Capacity building to increase local communities challenges

With the aim to address unemployment challenges facing marginalized youth, as part of SCGC-NCCM agreement, handicraft production was considered as an important instrument for eliminating poverty and improving the quality of life. The program pioneered several income-generating activities to preserve and revive the manufacture of traditional hand-made products such as embroidery and blowing glass. A training program on loan management and how to prepare a feasibility study was held for 39 participants in Maasara and Kafr el Elw before granting loans to them in order to guarantee the success of the micro- credit program.

In 2010, more than 200 young men and women passed through this program and were trained to produce handicraft and blowing glass products that met local and international market needs. Thanks to the strong cooperation with Japan External Trade Organization (JETRO), a group of blowing glass producers has started to make products for the Japanese market and a number of them was invited by JETRO to exhibit their products at ''Interior Lifestyle Tokyo'', a leading design trade fair for the high end interior design market. The fair will take place from 1- to 3 June, 2011.

In addition to this program, many other activities were initiated including the opening of a sewing and embroidery workshop in Maasara, and the launch of a daily training program in April 2010 for 26 women. These and other initiatives serve to empower lower-income and marginalized families to help them improve the quality of their life by developing their own sustainable businesses.

Sponsorship of Cultural, Environmental, Leisure and Sports Facilities and Events

In April 2010, SCGC, for the fourth consecutive year, sponsored and participated in the Helwan Governorate Marathon to boost awareness on environment and safety at work. The event was also an occasion for SCGC to celebrate the World Day for Safety and Health at Work, together with its employees, local community of Helwan and the local authorities.

SCGC also provided considerable donations to both the flash floods that hit Upper Egypt and Sinai ($ 150,000) and the massive flooding that struck Haiti (Euro 30,000).

Annual Report 2010

السويس للأسمنت
Suez Cement

السويس للأسمنت
Suez Cement

SEPARATE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2010
TOGETHER WITH THE AUDITORS' REPORT

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SUEZ CEMENT COMPANY (S.A.E)

Report on the separate financial statements

We have audited the accompanying separate financial statements of Suez Cement Company (S.A.E),
Represented in the separate balance sheet as of 31 December 2010, and the related separate statements of income, changes in equity and cash flows of the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management`s responsibility for the separate financial statements

These separate financial statements are the responsibility of the Company's management as management is responsible for the preparation and fair presentation of the separate financial statements in accordance with Egyptian accounting standards and applicable Egyptian laws, management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statement that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor`s responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Egyptian standards on auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the separate financial statements are free from material misstatement.
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the separate financial statements. The procedures selected depends on the auditor's professional judgment, including the assessment of the risks of material misstatement of the separate financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the separate financial statement s in order to design audit procedures that are appropriate in the circumstances, but not for purpose of expressing an opinion on the effectiveness of the entity's internal control.

An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the separate financial statements.
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these separate financial statements.

Opinion

In our opinion, the separate financial statements referred to above, give a true and fair view, in all material respects, of the financial position of Suez cement company (S.A.E), as of 31 December 2010, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.
As indicated in note 5, the company has investment in subsidiaries and prepared consolidated financial statements as of 31 December 2010, for better understanding of the company's financial position as 31 December 2010 and its financial performance, and its cash flows for the year then ended, the matter necessitates reference to the consolidated financial statements.

Report on other legal and regulatory requirements.

The company maintains proper accounting records that comply with the laws and the company's articles of association and the financial statements agree with the company's records. The company maintains a costing system that meets the purpose and physical inventory count was undertaken by the company's management in accordance with the proper norms.
The financial information included in the Board of Directors' report, prepared in accordance with law No.159 of 1981 and its executive regulation, is in agreement with the books of the company insofar as such information is recorded therein.

Cairo: 24 February 2011

	Auditors	
Emad H. Ragheb **FESAA – FEST** **(RAA. 3678)** **(EFSAR.42)**		**Nabil A. Istanbouli** **FESAA – FEST** **(RAA. 5947)** **(EFSAR.71)**
	Allied for Accounting & Auditing (E&Y)	

Suez Cement Company (S.A.E)
SEPARATE BALANCE SHEET
As for 31 December 2010

	Note	2010	2009
		LE	LE
Non current assets			
Fixed assets	(3)	**559,978,717**	531,529,711
Projects under construction	(4)	**158,492,696**	170,536,502
Investments in subsidiaries	(5 a)	**4,515,247,838**	5,096,006,148
Investment in an associate	(5 b)	**28,334,257**	28,334,257
Available-for-sale investments	(5 c)	**3,590,722**	3,590,722
Amounts paid under investments in subsidiaries and other companies	(5 d)	**636,791**	536,791
Loan to subsidiary company	(6)	**92,000,000**	108,000,000
Deferred tax assets	(18)	**-**	-
Total noncurrent assets		5,358,281,021	5,938,534,131
Current assets			
Inventory, net	(7)	**318,368,705**	293,498,315
Accounts receivable		**502,879**	481,208
Due from related parties	(8)	**22,357,757**	5,738,816
Prepayments and other receivables , net	(9)	**671,797,672**	99,660,846
Cash on hand and at banks	(10)	**63,631,531**	22,560,205
Total current assets		1,076,658,544	421,939,390
Current liabilities			
Provisions	(11)	**181,428,866**	237,749,808
Credit facilities	(12)	**416**	34,031
Current portion of medium term loans	(16)	**-**	225,000,000
Loan from subsidiary company	(17)	**140,000,000**	-
Accounts payable		**153,673,250**	147,261,255
Due to related parties	(13)	**142,031,719**	148,671,588
Accrued expenses and other payables	(14)	**269,784,578**	221,524,018
Total current liabilities		886,918,829	980,240,700
Excess of current liabilities over current assets		189,739,715	(558,301,310)
Total investment		5,548,020,736	5,380,232,821
Financed as follows:			
Equity			
Issued and paid up capital	(15-a)	**909,282,535**	909,282,535
Legal reserve	(15-a)	**454,641,267**	454,641,267
Other reserves	(15-a)	**2,206,600,643**	2,206,482,715
Net unrealized gains on available-for-sale investments		**2,477,722**	2,477,722
Retained earnings		**978,865,041**	957,580,024
Profits for the year		**986,645,334**	846,995,849
Total equity		5,538,512,542	5,377,460,112
Non current liabilities			
Deferred tax liabilities	(18)	**9,508,194**	2,772,709
Total non current liabilities		9,508,194	2,772,709
Total finance of working capital and current assets		5,548,020,736	5,380,232,821

Auditors		Accounting Manager	Chief Financial Officer	Managing Director	Chairman
Emad H. Ragheb	Nabil A.Istanbouli	Shereif El Masry	Ali Ihsan Kucukoglu	Roberto Callieri	Omar A. Mohanna

- The accompanying notes from (1) to (28) are an integral part of these separate financial statements.
- Auditors' report attached

Suez Cement Company (S.A.E)
SEPARATE STATEMENT OF INCOME
For The Year Ended 31 December 2010

	Note	2010	2009
		LE	LE
Sales		1,965,181,544	2,055,784,748
Cost of sales		(1,278,656,715)	(1,404,928,892)
GROSS PROFIT		686,524,829	650,855,856
General and administrative expenses	(20)	(53,219,426)	(52,094,357)
Provisions	(11)	(85,476,149)	(29,866,920)
Provisions no longer required		85,191,547	9,599,979
Decline in value of obsolete inventory		(2,402,337)	-
Reversal in decline in value of obsolete inventory		8,586,563	5,807,004
Reversal in decline in value of other receivables		416,783	-
Board of directors' remuneration and allowances		(117,750)	(89,360)
Dividends Income		463,822,093	395,539,874
Other income	(21)	26,896,895	18,046,321
OPERATING PROFITS		1,130,223,048	997,798,397
Finance expenses		(22,360,576)	(67,532,150)
Credit interests		13,110,698	19,698,888
Gain(Loss) from sale of fixed assets		88,623	117,928
Foreign exchange differences		1,793,449	979,705
Other income- compensations		-	13,414,892
(Losses) of sale of obsolete inventory		(1,270,532)	(3,650,895)
PROFITS BEFORE INCOME TAXES		1,121,584,710	960,826,765
Deferred income taxes		(6,735,485)	(5,621,475)
Income taxes expense		(128,203,891)	(108,209,441)
PROFITS FOR THE YEAR		986,645,334	846,995,849
EARNINGS PER SHARE	(25)	5.25	4.50

Accounting Manager	Chief financial Officer	Managing Director	Chairman
Shereif El Masry	Ali Ihsan Kucukoglu	Roberto Callieri	Omar A. Mohanna

• The accompanying notes from (1) to (28) are an integral part of these separate financial statements

Suez Cement Company (S.A.E)
SEPARATE STATEMENT OF CHANGES IN EQUITY
For The Year Ended 31 December 2010

	Issued and paid up capital	Legal Reserve	Other reserves	Net unrealized gains on available-for-sale investments	Retained earnings	Profits for the year	**Total**
	LE	LE	LE	LE	LE	LE	**LE**
Balance as of 1 January 2010	909,282,535	454,641,267	2,206,482,715	2,477,722	957,580,024	846,995,849	**5,377,460,112**
Transferred to retained earnings	-	-	-	-	846,995,849	(846,995,849)	**-**
Dividends 2009 and transferred to other reserves	-	-	117,928	-	(621,398,046)	-	**(621,280,118)**
Interim dividends	-	-	-	-	(204,312,786)	-	**(204,312,786)**
Profits for the year	-	-	-	-	-	**986,645,334**	**986,645,334**
Balance as of 31 December 2010	**909,282,535**	**454,641,267**	**2,206,600,643**	**2,477,722**	**987,865,041**	**986,645,334**	**5,538,512,542**

Balance as of 1 January 2009	909,282,535	454,641,267	2,206,478,733	2,790,109	892,248,849	458,017,439	**4,923,458,932**
Transferred to retained earnings	-	-	-	-	458,017,439	(458,017,439)	**-**
Dividends 2008 and transferred to other reserves	-	-	3,982	-	(392,686,264)	-	**(392,682,282)**
Net unrealized (loss) on available-for-sale investments	-	-	-	(312,387)	-	-	**(312,387)**
Profits for the year	-	-	-	-	-	846,995,849	**846,995,849**
Balance as of 31 December 2009	**909,282,535**	**454,641,267**	**2,206,482,715**	**2,477,722**	**957,580,024**	**846,995,849**	**5,377,460,112**

• The accompanying notes from (1) to (28) are an integral part of these separate financial statements

Suez Cement Company (S.A.E)
SEPARATE STATEMENT OF CASH FLOWS
For The Year Ended 31 December 2010

	Note	2010	2009
		LE	LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profits for the period before income taxes		1,121,584,710	960,826,765
Investment income		(463,822,093)	(395,539,874)
Depreciation of fixed assets		106,266,099	93,403,962
Provisions		85,476,149	29,866,920
Provisions no longer required		(85,191,547)	(9,599,979)
Decline in value of obsolete inventory		2,402,337	-
Reversal in decline in value of obsolete inventory		(8,586,563)	(5,807,004)
Reversal in decline in value of other receivables		(416,783)	-
Finance expenses		22,360,576	67,532,150
Credit interests		(13,110,698)	(19,698,888)
Gain (Loss) from sale of fixed assets		(88,623)	(117,928)
Foreign exchange differences		(1,793,449)	(979,705)
Operating profits before changes in working capital		765,080,115	719,886,419
Change in inventory		(18,686,164)	12,016,430
Change in accounts receivable		(21,671)	261,254
Change in due from related parties		(16,618,941)	3,851,139
Change in prepayments and other receivables		5,891,569	(1,855,870)
Change in accounts payable		6,411,995	56,229,852
Change in due to related parties		(6,639,869)	54,893,127
Change in accrued expenses and other payables		28,266,110	25,804,998
Cash from operations		763,683,144	871.087.349
Interests paid		(22,360,576)	(67,532,150)
Income taxes paid		(108,209,441)	(96,963,727)
Provision paid		(57,110,972)	(48,486,598)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		576,002,155	658,104,874
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of fixed assets		-	(57,324,872)
Proceeds from sale of fixed assets		106,858	176,587
Proceeds from debtors – sale of fixed assets		3,652,126	8,523,377
Payments in respect of projects under construction		(122,689,533)	(29,299,732)
Payments for acquisition of investments in subsidiaries		-	(7,958,545)
Payments for amounts paid under investments in subsidiaries & other companies		(100,000)	(200,000)
Investment income		463,822,093	395,539,874
Interests received		13,110,698	19,698,888
NET CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES		357,902,242	329,155,577
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of credit facilities		(33,615)	(271,653,780)
Proceed of loan from subsidiary company		140,000,000	(120,000,000)
Payments of medium term loans		(225,000,000)	(225,000,000)
Proceed of medium term loans		-	(3,863,542)
Proceed of loan from subsidiary company		16,000,000	44,000,000
Payment of loan to subsidiary company		-	-
Dividends paid		(825,592,905)	(392,682,282)
NET CAH FLOWS (USED IN) FINANCING ACTIVITIES		(894,626,520)	(969,199,604)
Net increase in cash and cash equivalent during the year		39,277,877	18,060,847
Foreign exchange differences		1,793,449	979,705
Cash and cash equivalent- beginning of the year		22,560,205	3,519,653
Cash and cash equivalent at end of the year		63,631,531	22,560,205

For the purpose of preparing the statement of cash flow, the cash and cash equivalent comprises of the following:

	Note	31/12/2010	31/12/2009
		LE	LE
Cash on hand and at banks	(10)	63,631,531	22,560,205
		63,631,531	22,560,205

- The accompanying notes from (1) to (28) are an integral part of these separate financial statements.

1. BACKGROUND

Suez Cement Company S.A.E. was established in 1977 under Law 43 of 1974 which was superseded by Law 230 of 1989 which was replaced by the investments Guarantees and Incentives Law 8 of 1997. The Company was registered in the Commercial register on 11 April 1979 under no. 181134.

Italcementi Group (through Cement Francis) acquired with consortium of other investors 80.80% of the company's shares starting from 24 March 2005.

The main objective of the Company is to produce all types of cement and other products stemming from the cement industry and related thereto and the production of other building materials and construction requirements and trading therein, utilization the mines and quarries except sand and gravels. The company may have an interest or participate in any manner in organization caring out activities which are similar to the company's activities, or which may contribute to the fulfilment of the Company's objects in Egypt or abroad. The company may also be merged in any of the aforementioned organizations, or may buy or have them subsidiary to the company, subject to the approval of the General Authority for Investment and Free Zones.

As disclosed in note (26,5-), the company has other subsidiary companies and according to Egyptian Accounting Standards (17) "Consolidated and Separate financial statements", and article No. (188) of the executive regulations of law No. 159 of 1981, the company prepares consolidated financial statements that can provide a clearer view of the financial position, financial performance and cash flows for the group as a whole.

2. SIGNIFICANT ACCOUNTING POLICIES

2 – 1 Basis of preparation

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for available for sale financial assets that have been measured at fair value.

Statement of compliance
The financial statements of the company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

2 – 2 Changes in accounting policies

The accounting policies adopted this year are consistent with those of the previous year.

2 – 3 Foreign currency translation

The financial statements are prepared and presented in Egyptian pound, which is the company's functional currency.
Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the balance sheet date. All differences are recognised in the statement of income.

Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.

Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

2 – 4 Fixed assets and depreciation

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management , and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings, constructions, infrastructure and roads	6 to 20
Machinery, equipment and Tools	5 to 20
Motor Vehicles	5
Furniture and office equipment	5 to10

Fixed assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of income when the asset is derecognized.
The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each reporting date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of income.

2 – 5 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Projects under construction are valued at cost less impairment.

2 – 6 Investments

Investments in subsidiaries

Investments in subsidiaries are investments in entities which the company has control. Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries more than half of the voting power of the investee, unless, in exceptional circumstances, it can be clearly demonstrated that this is not the case.

Investments in subsidiaries are accounted for at cost inclusive transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the statement of income for each investment separately, Impairment losses cannot be reversed.
Investments in associates are investments in entities which the company has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist when the company holds, directly or indirectly through subsidiaries 20 per cent or more of the voting power of the investee, unless it can be clearly demonstrated that this is not the case.

Investments in associates are accounted for at cost inclusive transaction cost and in case the investment is impaired, the carrying amount is adjusted by the value of this impairment and is charged to the statement of income for each investment separately. Impairment losses cannot be reversed.

Available for sale investments

Available for sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held to maturity investments or investments at fair value through profit or loss.
Available for sale investments are initially recognised at cost inclusive direct attributable expenses.

After initial measurement, available for sale financial assets are measured at fair value with unrealized gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the statement of income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the statement of income. If the fair value of an equity instrument cannot be reliably measured, the investment is carried at cost.

a) Equity investments: where there is an evidence of impairment, the cumulative loss is removed from the equity and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income; increases in the fair value after impairment are recognized directly in equity.

b) Debt investments: where there is an evidence of impairment, loss is removed from the equity and recognized in the statement of income and interest continues to be accrued at original rate on the reduced carrying amount of the asset. if the fair value of the debt investment increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the statement of income.

2 – 7 Inventory

The inventory elements are valued as follows:

- Raw materials, fuel, Spare parts and Consumables, rolling and packing materials: at the lower of cost (using the moving average method) or net realizable value.
- Finished products: at the lower of the cost of production (based on the costing sheets) or net realizable value
Cost of production includes direct material, direct labor and allocated share of manufacturing overhead and excluding borrowing costs
- Work in process: at the lower of the cost of production (of the latest completed phase based on the costing sheets) or net realizable value.

Cost of work in process includes allocated share of direct material, direct labor and allocated share of manufacturing overhead until latest completed phase and excluding borrowing costs
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognised in the statement of income in the period the write down or loss occurs according to an authorized study takes into consideration all technical and market bases to estimate any write down. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognised in the statement of income in the period in which the reversal occurs.

2 – 8 Accounts receivable and other debit balances

Accounts receivable and other debit balances are stated at book less any impairment losses.

Impairment losses are measured as the difference between the receivables carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The loss is recognised in the statement of income according to an authorized study takes into consideration all technical and market bases to estimate any write down. If a future write off is later recovered, the recovery is recognised in the statement of income.

2 – 9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2 – 10 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

2 – 11 Borrowings

Borrowings are initially recognised at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding one year after the balance sheet date, then the loan balance should be classified as long term liabilities.

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the income statement.

2 – 12 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax

Current income tax assets and liabilities for the current and prior year periods are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax

Deferred income tax is recognised using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the balance sheet (accounting base) using the applicable tax rate.

Deferred tax asset is recognised when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognised as income or an expense and included in the statement of income for the period, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different period, directly in equity.

2 – 13 Revenue recognition

- Revenue from sales is recognized when all the following conditions have been satisfied:

(a) The company has transferred to the buyer the significant risks and rewards of ownership of the sales;

(b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;

(d) It is probable that the economic benefits associated with the transaction will flow to the company;

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- **Interest income**

Interest income is recognised as interest accrues using the effective interest method. Interest income is included in finance revenue in the statement of income.

- **Dividends**

Revenue is recognised when the company's right to receive the payment is established.

- **Rental income**

Rental income arising from operating leases is accounted for on a straight line basis over the lease terms.

2 – 14 Expenses
All expenses including operating expenses, general and administrative expenses and other expenses are recognised and charged to the statement of income in the financial year in which these expenses were incurred.

2 – 15 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2 – 16 Related party transactions
Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the boards of directors.

2 – 17 Accounting estimates
The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years. Actual results could differ from these estimates.

2 – 18 Impairment of assets
Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

2 – 19 Statement of cash flows
The statement of cash flows is prepared using the indirect method.

2 – 20 Cash and cash equivalent
For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months less bank credit balance

3. FIXED ASSETS

	Lands	Buildings, constructions, infrastructure and roads	Machinery, equipment and Tools	Motor Vehicles	Furniture and office equipment	Total
	LE	LE	LE	LE	LE	LE
Cost						
As of 1 January 2010	398,503	463,895,239	1,068,210,034	49,263,624	46,397,648	1,628,165,048
Additions	-	-	-	-	-	-
Disposals	-	(1,005,075)	(643,185)	(7,024,638)	(10,674)	(8,683,572)
Transfer from Projects under construction	-	5,965,520	**128,321,473**	-	**446,347**	**134,733,340**
As of 31 December 2010	**398,503**	**468,855,684**	**1,195,888,322**	**42,238,986**	**46,833,321**	**1,754,214,816**
Accumulated depreciation						
As of 1 January 2010	-	(304,386,577)	(710,144,985)	(44,808,502)	(37,295,273)	(1,096,635,337)
Depreciation for the year	-	(18,385,738)	(82,940,505)	(2,366,735)	(2,573,121)	(106,266,099)
Disposals	-	**1,005,075**	**643,185**	**7,016,543**	**534**	**8,665,337**
As of 31 December 2010	-	**(321,767,240)**	**(792,442,305)**	**(40,158,694)**	**(39,867,860)**	**(1,194,236,099)**
Net book value as of 31 December 2010	**398,503**	**147,088,444**	**403,446,017**	**2,080,292**	**6,965,461**	**559,978,717**
Net book value as of 31 December 2009	**398,503**	**159,508,662**	**358,065,049**	**4,455,122**	**9,102,375**	**531,529,711**

• Fixed Assets as includes assets that are fully depreciated and still in use, and the acquisition cost for this assets was as follows:

Assets	Cost
Building, construction, infrastructure and roads	140,174,600
Machinery, equipment and tools	317,449,132
Motor vehicles	33,423,095
Furniture and office equipment	29,589,834
Total	520,636,661

No pledged assets against loans and credit facilities offered for company.

No temporarily idle assets and the fair value of assets are not materially different from its carrying amount.

4. PROJECTS UNDER CONSTRUCTION

Balance at 1 January 2010	Additions during the year	Transferred into assets during the year	**Balance at 31 December 2010**
LE	LE	LE	**LE**
170,536,502	122,689,533	(134,733,339)	**158,492,696**

5. INVESTMENTS

A) Investments in subsidiaries

	% of Ownership	**Par value**	**31/12/2010**	31/12/2009
		LE	LE	LE
Subsidiary companies				
Helwan Cement Company S.A.E	**99.466**	**10**	**2,832,496,952**	3,413,255,262
Tourah Portland Cement Company S.A.E	**66.12**	**5**	**1,287,617,992**	1,287,617,992
EL Helal Cement Company-Kuwait (Kuwaiti Joint (Stock Company	**51**	**15.29**	**270,415,816**	270,415,816
Universal For Ready Mix Production (RMPU)- S.A.E "Previously Ready Mix Beton Egypt) "RMBE)	**52**	**10**	**55,154,993**	55,154,993
Ready Mix Production (RMP) S.A.E "Previously Ready Mix Beton) "RMB)	**52**	**10**	**26,277,866**	26,277,866
Suez Bags Company S.A.E	**53.3**	**10**	**22,438,108**	22,438,108
Industries Development Company S.A.E	**90**	**100**	**225,000**	225,000
Axim for Industries Company S.A.E (Previously : (Upper Egypt Industries Company	**90**	**100**	**13,500,000**	13,500,000
Subsidiary companies through indirect *investments				
Suez Lime Company S.A.E	**49**	**100**	**3,621,100**	3,621,100
Suez For Transport and Trade S.A.E	**35**	**100**	**3,500,000**	3,500,000
Development and Construction Materials Company (DECOM) S.A.E	**0.01**	**10.64**	**11**	11
			4,515,247,838	5,096,006,148

* In addition to the company's share in the subsidiary companies. The company owns indirect shares through its subsidiaries qualify these companies to be subsidiary companies; consequently it has been included in investments in subsidiaries item. These indirect shares comprise the following:

- Suez cement company indirect share (through Tourah Portland Cement Company S.A.E – subsidiary company by 66.12%) in Suez Lime Company (S.A.E) by 66%.
- Suez cement company indirect share (through Helwan Cement S.A.E – subsidiary company by 98.69%) in Suez for Transport & Trade (S.A.E) by 60.89%.
- Suez cement company indirect share (through Ready Mix Beton Egypt (RMBE) S.A.E – subsidiary company by 52%) in Development and Construction Materials Co (DECOM) (S.A.E) by 52%.

B) Investment in an associate

	% of Ownership	**Par value**	**31/12/2010**	31/12/2009
		LE	LE	LE
Techno Gravel For Quarries-Egypt S.A.E	**45**	**10**	**28,334,257**	28,334,257
			28,334,257	28,334,257

C) Available-for-sale investments

	% of Ownership	Par value	31/12/2010	31/12/2009
		LE	LE	LE
Egyptian company for cement S.A.E – quoted in stock exchange in an inactive market	0.137	1000	1,113,000	1,113,000
Reserve of gain from changes in the fair value of investments available-for-sale			2,477,722	2,477,722
			3,590,722	3,590,722

D) Amounts paid under investments in subsidiaries and other companies

	% of Ownership	Par value	31/12/2010	31/12/2009
		LE	LE	LE
Suez Bosphorus Cimento Sanayi Ve Ti	99.9	3.64	186,791	186,791
Italgin Egypt For Energy S.A.E	1	100	450,000	350,000
			636,791	536,791

6. LOAN TO SUBSIDIARY COMPANY

On 20 October 2006, Suez Cement Company's Board of Directors had approved to lend Univesal for Ready Mix Production (previously Ready Mix Beton Egypt "RMBE") (S.A.E) (subsidiary) an amount of LE 300 Million at annual interest %10.54. The loan's balance amounting to LE 92 Million as of 31 December 2010

7. INVENTORY, NET

	31/12/2010	31/12/2009
	LE	LE
Raw materials	8,195,923	13,551,533
Fuel, Spare parts and Consumables	236,055,507	267,432,457
Rolling and packing Material	4,900,881	7,362,993
Work in progress	85,672,346	42,892,523
Finished Products	30,583,996	9,826,946
Letters of credit	2,182,078	7,838,115
	367,590,731	348,904,567
Less:		
Decline in value of obsolete spare parts inventory	(48,557,336)	(53,632,329)
Decline in value of obsolete (packing -bags) inventory	(664,690)	(1,773,923)
	318,368,705	293,498,315

8. DUE FROM RELATED PARTIES

	31/12/2010	31/12/2009
	LE	LE
Ready Mix Production (RMP) S.A.E.		
(Previously Ready Mix Beton) "RMB"	374,571	1,039,423
Universal For Ready Mix Production (RMPU) S.A.E. (Previously Ready Mix Beton Egypt) "RMBE"	1,401,736	1,513,315
Suez Lime Company S.A.E.	1,328,041	1,349,730
Tourah Portland Cement Company S.A.E	18,196,604	-
Techno Gravel For Quarries-Egypt S.A.E.	400	366
Development and Construction Materials Company (DECOM) S.A.E.	1,056,405	1,835,982
	22,357,757	5,738,816

9. PREPAYMENTS AND OTHER RECEIVABLES, NET

	31/12/2010	31/12/2009
	LE	LE
Prepaid expenses	9,571,489	10,583,620
Advances to suppliers	13,158,764	32,546,685
Deposits with others	18,474,690	16,922,511
Debtors - sale of assets	1,500,000	5,152,127
Tax authority	29,206,951	27,979,036
Tax Refunded	16,750,817	7,356,720
Accrued ammonites from decrease of investment	580,758,310	-
Other debit balances	3,254,439	920,147
	672,675,460	101,460,846
Less: Impairment in value of other debit balances	(877,788)	(1,800,000)
	671,797,672	99,660,846

10. CASH AT ON HAND AND AT BANKS

	31/12/2010	31/12/2009
	LE	LE
a- Egyptian Pound		
Cash on hand	-	-
Current accounts	58,227,210	18,112,942
b. Foreign currencies		
Cash on hand	-	-
Current accounts	5,404,321	4,447,263
	63,631,531	22,560,205

11. PROVISIONS

	Balance as of 1 January 2010	Charged during the year	Utilized during the year	Provisions no longer required	**Reclassification**	**Balance as of 31 December 2010**
	LE	LE	LE	LE		**LE**
Tax claims	148,400,000	12,760,285	(46,010,285)		-	**115,150,000**
Juridical disputes	5,011,762	290,000	(100,000)	(4,053)	**4,200,000**	**9,397,709**
Early pension funds	3,600,000	5,000,000	(495,258)		-	**8,104,742**
Training support fund	40,888,836	6,637,580	-		-	**47,526,416**
Other tax claims (Clay development contribution fees)	9,399,210	60,788,284	-	(70,187,494)	-	-
Army claims for Suez plant – rent of lands	25,000,000	-	(10,000,000)	(15,000,000)	-	-
Other claims	5,450,000	-	-	-	**(4,200,000)**	**1,250,000**
	237,749,808	**85,476,149**	**(56,605,543)**	**(85,191,547)**	-	**181,428,866**

12. CREDIT FACILITIES

The balance of credit facilities represents short term facilities from several Egyptian banks with a maximum limit amounted to L.E 990 million, nothing used during the year ended at 31 December 2010.

13. DUE TO RELATED PARTIES

	31/12/2010	31/12/2009
	LE	LE
Cement Francis (major shareholder)	**8,299,325**	9,580,907
Italcementi S.P.A	**1,019,463**	-
Suez Bags Company S.A.E.	**7,504,935**	10,077,996
Tourah Portland Cement Company S.A.E.	**-**	3,809,286
Helwan Cement Company S.A.E.	**123,574,536**	124,942,629
Suez For Transport and Trade S.A.E	**1,633,460**	260,770
	142,031,719	148,671,588

14. ACCRUED EXPENSES AND OTHER PAYABLES

	31/12/2010	31/12/2009
	LE	LE
Accrued expenses	**13,546,990**	3,360,669
Advances from customers	**58,049,423**	80,496,103
Accrued taxes and insurances	**3,938,731**	3,314,234
Accrued income taxes	**-**	108,209,441
Income taxes for the period	**128.203.891**	-
Deposits from others	**4,590,370**	3,252,283
Tax Authority – Clay development contribution fees	**5,100,660**	3,241,107
Other payables	**56,354,513**	19,650,181
	269.784.578	221,524,018

15. CAPITAL AND RESERVES

15/a - CAPITAL

The company's authorized capital amounted to LE 1,000 million, while the Company's issued and paid up capital amounted to LE 640 million divided over 64000000 shares of par value LE 10 each.

On 30 June 2005, Minister of investment's decree was issued to approve the extra ordinary General Assembly Meeting dated 17 April 2005 to approve stock split (1:2), consequently, the Company's issued and paid up capital reached 128000000 shares of par value LE 5 each.

On 10 November 2005, the Extra ordinary General Assembly Meeting approved the increase of the Company's authorized capital to LE 1,300 million, and the increase of issued and paid up capital amounts to LE 909,282,535 divided over 181856507 shares of par value LE 5 each.

15/b - RESERVES

	31/12/2010	31/12/2009
	LE	LE
Legal reserve	**454,641,267**	454,641,267
Special reserve – Share premium	**2,013,865,903**	2,013,865,903
Special reserve	**185,853,347**	185,853,347
Capital reserve	**6,881,393**	6,763,465
Total other reserves	**2,206,600,643**	2,206,482,715
	2,661,241,910	2,661,123,982

Legal reserve
According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the issued capital. The reserve used upon a decision from the general assembly meeting based on the proposal of the board of directors.

Special reserve – Share premium
The special reserve – Share premium represents the amount collected at the last capital increase dated 10 November 2005 after the legal reserve reached 50% of the issued capital.

Special reserve
The special reserve represents profits transferred in accordance with the resolutions of the General Assembly Meetings of the company until year 2004.

Capital reserve
The Capital reserve represents capital gain resulting from sale of salvage fixed assets in value greater than its carrying amount.

16. MEDIUM TERM LOANS

	31/12/2010	31/12/2009
	LE	LE
Medium term loans		
CIB Bank	-	225,000,000
Total medium term loans	-	225,000,000
Current portion of medium term loans		
CIB Bank	-	(225,000,000)
Total current portion of medium term loans	-	(225,000,000)
	-	-

Commercial international Bank-Egypt (CIB) loan
On 25 July 2005 the Company obtained a bridge long term loan from a group of Banks under the management of Commercial International Bank – Egypt (CIB) (Director of the loan) as a part of the finance required to acquire all shares of Helwan Cement Company S.A.E. amounted to LE 1,200 million.

On 13 September 2006 a participation medium term loan contract was signed in two clusters, at an amount of LE 900 million will be paid on four equal annual installments starting on 31 December 2007 and LE 300 million (annual bank facilities), which has been used among credit facilities (Note 12) instead of the bridge loan, this contract executed on 9 October 2006. The loan was totally settled on 29 July 2010.

17. LOAN FROM SUBSIDARY

In October 2009, the Board of Directors of Helwan Cement Company S.A.E approved to grant Suez Cement Company S.A.E a loan amounting to LE 500 million with annual interest rate of 1% plus return on treasury bills for 3 months, the balance used during the year ended at 31 December 2010 amounting to LE 140 million

18. DEFERRED INCOME TAXES

	31/12/2010	31/12/2009
	LE	LE
Depreciation of fixed assets	(32,983,930)	(32,083,921)
Provisions	23,475,736	29,311,212
Net deferred income tax asset (liability)	(9,508,194)	(2,772,709)

19. RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

		31/12/2010
		LE
Net profits before income taxes		1,121,584,710
Income tax at the applicable tax rate	20%	224,316,942
Add:		
Provisions		17,095,230
Board of directors' allowance		207,870
Donations		414,140
Depreciation		21,253,220
Other expenses		1,241,607
Less:		
Depreciation		(21,727,589)
Provisions used		(2,220,138)
Dividends income		(92,764,419)
Donations		(72,774)
Other		(19,540,198)
Income taxes at the effective tax rate	11.43 %	128,203,891

20. GENERAL AND ADMINISTRATIVE EXPENSES

		31/12/2010
		LE
Technical assistance fees		14,917,299
Salaries		10,566,699
Club and social services		8,097,579
Insurance		4,534,465
Other general and administrative expenses		15,103,384
		53,219,426

21. OTHER INCOME

Other income during the year ended 31 December 2010 amounted to LE 26,896,895 represents the following:

		31/12/2010
		LE
Management fees		12,935,868
Other income		13,961,027
		26,896,895

22. CONTINGENT LIABILITIES

The letters of guarantee issued at the Company's request by Alex Bank in favor of third parties as of 31 December 2010 amounted to LE 1,180,050 whereas; the cash margin of these letters amounted to LE 29.763 as follows:

	Amount in issued currency	Equivalent in LE	Cash margin LE
Letters of guarantee - Egyptian pound	1,180,050	1,180,050	29,763
	1,180,050	1,180,050	29,763

23. TAX SITUATION

a) Corporate taxes

- The Company's records were inspected till year 1998 and all the taxes due were paid.
- The Company's records were inspected till year 2004, the company objected on the assessment results during the legal period and the issue was ended in Tax Authority till year 2004 and the company is waiting decision of appeal commission for years 1999/2003.
- The Company's records were inspected for the years 2005 and 2006 and the taxes had paid after agreement with internal committee.
- No tax inspection took place for year 2007 till 2009.

b) Sales tax

- The Company's records were inspected till year 2007 and all the taxes due were paid.
- No tax inspection took place for years 2008-2009.

c) Salary tax

- The Company's records were inspected till year 1998, and all the taxes due were paid and the company had obtained receipt in full discharge from Tax Authority for these years.
- The Company's records were inspected for the years from 1999 till 2004 and there is no claims till the date of financial statements.
- No tax inspection took place for the years from 2005 till 2009.

d) Stamp duty tax

- The Company's records were inspected till year 2005 and all the taxes due were paid.
- No tax inspection took place from the year 2006 till year 2009.

24. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) The Company's financial instruments are represented in financial assets and financial liabilities.
The financial assets include cash on hand and at banks, accounts receivable, due from related parties and other debit balances. The financial liabilities include bank credit balances, credit facilities, current portion of medium term loan, accounts payable, due to related parties and other payables.

The significant accounting policies applied for the recognition and measurement of the above mentioned financial assets and liabilities and the related income and expenses are included in note (2) of the notes to the financial statements.

b) Interest rate risk
The Company monitors the maturity structure of assets and liabilities with the related interest rates.

c) Foreign Currency Risk
The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates. The total financial assets denominated in foreign currencies amount to LE 14.097.906 and The total financial liabilities denominated in foreign currencies amount to LE 7.203.419.

d) Fair Value
The carrying amounts of the financial assets and liabilities referred to in note (2) above are not materially different from their fair values.

25. EARNING PER SHARE

Earnings per share were calculated by dividing the net profits for the year by the weighted average number of shares outstanding during the year as follows:

	31/12/2010
	LE
Net profits for the year	986.645.334
Board of directors' dividends	(3.000.000)
Employees' dividends	(29.012.763)
Net profit available for shareholders	954.632.571
W.A Number of shares outstanding	181856507
Earnings per share	5.25

26. RELATED PARTY TRANSACTIONS

a) Ciment Français (major shareholder)

• The amount of the technical assistance fees offered by Cements Frances (major shareholder) for the year ended 31 December 2010 amounting to LE 37.293 Million which represents 1 % of sales revenues of the group of Cement products excluding intra – Suez Cement Group transactions (the maximum fees are 1% according to the agreement). The portion of the claims for these fees amounting to LE 14.917 Million charged to statement of income (Note 19).

b) Italcementi S.P.A (The parent company of Ciment Français (major shareholder of Suez Cement Company S.A.E)

• The balance due to Italcementi S.P.A amounting to LE 1,023 million represents amounts associated to services provided by Italcementi S.P.A to Suez Cement Company S.A.E for supplies and other services for the year ended 31 December 2010.

c) Suez Bags Company S.A.E (subsidiary)

• The value of the supplied bags offered by Suez Bags S.A.E (subsidiary) amounting to LE 91.747 million for the year ended 31 December 2010.

• The Suez Bags portion from the fees of Suez Cement Group amounting to LE 3.296 million for the year ended 31 December 2010.

d) Tourah Portland Cement Company S.A.E (subsidiary)
• Tourah Cement Company S.A.E. (subsidiary) portion from the fees of Suez Cement Group amounting to L.E 24.835 million for the year ended 31 December 2010.

e) Helwan Cement Company S.A.E (subsidiary)
• The value of the supplied Okzem offered by Suez Cement (Holding Company) amounting to LE 9.403 million for the year ended 31 December 2010.

• The value of the supplied clinker for Suez Cement (Holding Company) amounting to LE 60.611 million for the year ended 31 December 2010.

• Helwan Cement Company S.A.E. (subsidiary) portion from the fees of Suez Cement Group amounting to 26.420 million for the period ended 31 December 2010.

f) Universal for Ready Mix Production (RMPU) (Previously Ready Mix Beton Egypt "RMBE" S.A.E (subsidiary)
• The value of cement sold to Universal for Ready Mix Production (RMPU) (subsidiary) amounting to LE 0,450 million for the year ended 31 December 2010.

g) Development and Construction Materials Company (DECOM) S.A.E
• The value of cement sold to for Development and Construction Materials Company (DECOM) S.A.E (subsidiary) amounting to LE 0,335 million for the year ended 31 December 2010.

h) Suez Lime Company S.A.E (subsidiary)
• The value of cement sold to Suez Lime Company S.A.E (subsidiary) amounting to LE 0,325 million for the year ended 31 December 2010.

i) Transport and Trade S.A.E (subsidiary)
• The value of cement sold to Suez For Transport and Trade S.A.E (subsidiary) amounting to LE 0,073 million for the year ended 31 December 2010.

27. SUBSEQUENT EVENTS

• Subsequent to the balance sheet date, some substantial events took place in Egypt that impacted the economic environment which in turn could expose the Company to various risks including sustainability of revenues, growth of business, fluctuations in foreign currencies exchange rates and valuation / impairment of assets,

• These events do not have an impact on the financial statements for the year ended December 31, 2010, but may impact the financial statements of future periods, While it is difficult to quantify this effect at this point in time, the impact will become visible in the future financial statements, The significance of such an impact will depend on extent and length until which these events and its effect will end,

28. COMPARATIVE FIGURES

Certain comparative figures for the year 2009 have been reclassified to conform to the year presentation of these separate financial statements.

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Suez Cement

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2010

TOGETHER WITH THE AUDITORS' REPORT

AUDITORS' REPORT

TO THE SHAREHOLDERS OF SUEZ CEMENT COMPANY (S.A.E)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Suez Cement Company (S.A.E) , represented in the consolidated balance sheet as of 31 December 2010, and the related consolidated statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Consolidated Financial Statements

These consolidated financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. This responsibility also includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's professional judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on these consolidated financial statements.

Opinion

In our opinion, the consolidated financial statements, give a true and fair view, in all material respects, of the consolidated financial position of Suez Cement Company (S.A.E), as of 31 December 2010, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations

Cairo: 24 February 2011

	Auditors	
Emad H. Ragheb **FESAA – FEST** **(RAA. 3678)** **(EFSAR.42)**		**Nabil A. Istanbouli** **FESAA – FEST** **(RAA. 5947)** **(EFSAR.71)**
	Allied for Accounting & Auditing (E&Y)	

Suez Cement Company (S.A.E)
CONSOLIDATED BALANCE SHEET
As Of 31 December 2010

	Note	2010	2009
		LE	LE
Noncurrent assets			
Fixed assets	(4)	3,520,887,296	3,595,488,892
Projects under construction	(5)	440,285,233	360,709,657
Goodwill		2,684,523,061	2,684,523,061
Investment in an associate	(6 a)	40,992,920	38,665,830
Available-for-sale investments	(6 b)	3,611,283	3,611,283
Held to maturity investments	(6 c)	8,429,279	8,429,279
Amounts paid under investments in subsidiaries and other companies	(6 d)	43,094,289	31,350,317
Total non current assets		6,741,823,361	6,722,778,319
Current assets			
Inventory, net	(7)	951,808,911	862,736,891
Accounts and notes receivable , net	(8)	243,074,820	198,630,027
Prepayments and other receivables , net	(9)	346,227,132	352,042,080
Cash on hand and at banks	(10)	1,757,745,865	1,485,786,120
Total current assets		3,298,856,728	2,899,195,118
Current liabilities			
Provisions	(13)	508,481,242	476,778,230
Credit facilities	(11)	12,521,988	22,248,733
Current portion of medium term loans	(16)	8,217,171	230,361,171
Current portion of long term liabilities	(17)	12,462,651	12,462,651
Accounts payable		486,954,718	380,013,557
Accrued expenses and other payables	(12)	776,763,155	684,848,004
Total current liabilities		1,805,400,925	1,806,712,346
Working capital		1,493,455,803	1,092,482,772
Total investment		8,235,279,164	7,815,261,091
Financed as follows			
Equity			
Issued and paid up capital	(14 a)	909,282,535	909,282,535
Reserves	(14 b)	2,661,241,910	2,661,123,982
Net unrealized gains on available-for-sale investments	(6b)	2,477,722	2,477,722
Cumulative foreign currencies translation differences		7,557,502	(10,256,728)
Retained earnings		2,507,852,021	2,112,268,104
Profits for the year		1,236,399,137	1,299,715,958
Total equity		7,324,810,827	6,974,611,573
Non-controlling interest	(15)	714,408,516	649,699,284
Non current liabilities			
Medium term loans	(16)	33,688,322	8,461,722
Other long term liabilities	(17)	20,619,607	32,896,112
Deferred tax liabilities	(22)	141,751,892	149,592,400
Total non current liabilities		196,059,821	190,950,234
Total finance of working capital and non current assets		8,235,279,164	7,815,261,091

Auditors		Consolidation Manager	Chief Financial Officer	Managing Director	Chairman
Emad H. Ragheb	Nabil A. Istanbouli	Nagah Khider Abu Zeid	Ali Ihsan Kucukoglu	Roberto Callieri	Omar A. Mohanna

- The accompanying notes from (1) to (28) are an integral part of these consolidated Interim financial statements.
- Auditors' report attached

Suez Cement Company (S.A.E)
CONSOLIDATED STATEMENT OF INCOME
For the year ended 31 December 2010

	Note	2010	2009
		LE	LE
Sales		6,152,157,416	6,380,147,378
Cost of sales		(4,032,157,844)	(4,200,849,932)
GROSS PROFIT		2,119,999,572	2,179,297,446
General and administrative expenses		(314,505,868)	(318,936,347)
Provisions	(13)	(316,993,530)	(86,935,646)
Provisions no longer required		201,009,014	18,485,297
Impairment in value of accounts and notes receivable		(6,354,996)	-
Reversal of impairment in value of accounts and notes receivable		687,935	-
Decline in value of obsolete inventory		(29,492,688)	(5,607,870)
Reversal of decline in value of obsolete inventory		23,737,705	21,809,246
Board of directors' remuneration and allowances		(530,734)	(615,641)
Dividends income		2,755,632	8,667,825
Investment income in an associate company	(6 a)	8,680,727	8,408,392
Other income	(18)	53,782,352	34,889,286
OPERATING PROFITS		1,742,775,121	1,859,461,988
Finance expenses	(19)	(19,777,407)	(88,838,789)
Credit interests		140,368,787	96,532,398
(loss) from sale of fixed assets		(443,152)	1,582,151
Foreign exchange differences		(3,179,916)	1,271,433
Other income- compensations		-	30,759,886
Other expenses	(20)	(16,531,177)	(19,858,146)
Other expenses-(loss) from sale of obsolete inventory		(11,943,787)	(16,669,197)
PROFITS BEFORE INCOME TAXES		1,831,268,469	1,864,241,724
Deferred income taxes		7,840,508	(43,485,431)
Estimated income taxes for the year		(381,240,936)	(336,507,205)
PROFITS FOR THE YEAR BEFORE NON-CONTROLLING INTEREST		1,457,868,041	1,484,249,088
Non-controlling interest	(26)	(221,468,904)	(184,533,130)
PROFITS FOR THE YEAR		1,236,399,137	1,299,715,958
EARNINGS PER SHARE	(24)	6.29	6.68

Consolidation Manager	Chief financial officer	Managing director	Chairman
Nagah Khider Abu Zeid	Ali Ihsan Kucukoglu	Roberto Callieri	Omar A. Mohanna

- The accompanying notes from (1) to (28) are an integral part of these consolidated Interim financial statements.

Suez Cement Company (S.A.E)
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2010

	Issued and paid up capital	Reserves	Net unrealized gains on available-for-sale investments	Cumulative foreign currencies translation differences	Retained Earnings	Profits for the year	Total
	LE	LE	LE	LE	LE	LE	LE
Balance as of 1 January 2009	909,282,535	2,661,120,000	2,790,109	(731,519)	1,523,710,741	1,040,855,025	**6,137,026,891**
Adjustments on retained earnings-Tax differences	-	-	-	-	(6,883,850)	-	**(6,883,850)**
Adjusted balance as of 1 January 2009	909,282,535	2,661,120,000	2,790,109	(731,519)	1,516,826,891	1,040,855,025	**6,130,143,041**
Transferred to retained earnings	-	-	-	-	1,040,855,025	(1,040,855,025)	-
Dividends and transferred to reserves	-	3,982	-	-	(445,413,812)	-	**(445,409,830)**
Net unrealized (loss) on available for sale investments	-	-	(312,387)	-	-	-	**(312,387)**
Foreign currencies translation differences for the year	-	-	-	(9,525,209)	-	-	**(9,525,209)**
Profits for the year	-	-	-	-	-	1,299,715,958	**1,299,715,958**
Balance as of 31 December 2009	909,282,535	2,661,123,982	2,477,722	(10,256,728)	2,112,268,104	1,299,715,958	**6,974,611,573**
Balance as of 1 January 2010	909,282,535	2,661,123,982	2,477,722	(10,256,728)	2,112,268,104	1,299,715,958	**6,974,611,573**
Adjustments on retained earnings - Majority interest in the capital decrease of Helwan Cement Company	-	-	-	-	(18,049,456)	-	**(18,049,456)**
Adjustments on retained earnings-Tax differences	-	-	-	-	(4,578,394)	-	**(4,578,394)**
Adjusted balance as of 1 January 2010	909,282,535	2,661,123,982	2,477,722	(10,256,728)	2,089,640,254	1,299,715,958	**6,951,983,723**
Transferred to retained earnings	-	117,928	-	-	1,299,598,030	(1,299,715,958)	-
Dividends and transferred to reserves	-	-	-	-	(670,447,547)	-	**(670,447,547)**
Interim dividends	-	-	-	-	(210,938,716)	-	**(210,938,716)**
Foreign currencies translation differences for the year	-	-	-	17,814,230	-	-	**17,814,230**
Profits for the year	-	-	-	-	-	1,236,399,137	**1,236,399,137**
Balance as of 31 December 2010	909,282,535	2,661,241,910	2,477,722	7,557,502	2,507,852,021	1,236,399,137	**7,324,810,827**

- The accompanying notes from (1) to (28) are an integral part of these consolidated Interim financial statements.

Suez Cement Company (S.A.E)
CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2010

	Note	2010	2009
		LE	LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the year before income taxes		1,831,268,469	1,864,241,724
Depreciation of fixed assets		417,241,185	317,020,633
Impairment in value of accounts and notes receivables		6,354,996	-
Reversal of impairment in value of accounts and notes receivables		(687,935)	-
Decline in value of obsolete inventory		29,492,688	5,607,870
Reversal of decline in value of obsolete inventory		(23,737,705)	(21,809,246)
Provisions		316,993,530	86,935,646
Provision no longer required		(201,009,014)	(18,485,297)
Investment income in an associate company		(8,680,727)	(8,408,392)
Finance expenses		19,777,407	88,838,789
Credit interests		(140,368,787)	(96,532,398)
(Loss) / gain from sale of fixed assets		443,152	(1,582,151)
Foreign exchange differences		3,179,916	(1,271,433)
Operating profits before changes in working capital		2,250,267,175	2,214,555,745
Change in inventory		(94,827,005)	97,454,538
Change in accounts receivable, and prepayments and other receivables		(47,949,033)	(86,389,576)
Change in dividends payable		-	(2,207)
Change in accounts payables, and accrued expenses and other payables *		111,957,497	121,401,961
Cash from operations		2,219,448,634	2,347,020,461
Finance expenses paid		(19,777,407)	(65,489,864)
Income taxes paid		(294,342,067)	(351,761,033)
Tax differences paid		(4,578,394)	-
Provisions paid		(84,281,503)	(217,488,859)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		1,816,469,263	1,712,280,705
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets		(17,883,957)	(13,888,191)
Proceeds from debtors - sale of assets		3,652,127	-
Proceeds from sale of fixed assets		1,676,923	3,853,787
Payments in respect of projects under construction		(397,878,180)	(215,011,810)
Payments in respect of goodwill		-	(7,958,546)
Proceeds from investment in an associate company		6,353,637	5,549,515
Payments / proceeds from amounts paid under investment in subsidiaries and other companies		(11,743,972)	46,108,138
Credit interests received		140,368,787	96,532,398
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		(275,454,635)	(84,814,709)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of medium term loans and other long term liabilities		(209,193,905)	(285,829,659)
Dividends paid		(881,386,263)	(445,409,830)
Change in credit facilities		(9,726,745)	(302,487,070)
Dividends paid to non-controlling interest		(150,521,968)	(101,143,496)
(Decrease) increase in minority interest		(6,237,757)	7,969,729
Adjustments on retained earnings		(18,049,456)	(6,883,850)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		(1,275,116,094)	(1,133,784,176)
Net Increase in cash and cash equivalent during the year		265,898,534	493,681,820
Foreign exchange differences		(3,179,916)	1,271,433
Foreign currencies translation differences related to fixed assets		(8,573,103)	4,472,219
Change in Cumulative foreign currencies translation differences		17,814,230	(9,525,209)
Cash and cash equivalent - beginning of the year		1,485,786,120	995,885,857
CASH AND CASH EQUIVALENT – END OF THE YEAR		1,757,745,865	1,485,786,120

For the purpose of preparing the statement of cash flows, the cash and cash equivalent comprise of the following:

Cash on hand and at banks	(10)		
Deduct:		1,757,745,865	1,485,786,120
Bank credit balances		-	-
CASH AND CASH EQUIVALENT – END OF THE YEAR		1,757,745,865	1,485,786,120

* The change in the accounts payable, accrued expenses and other payables adjusted with the change in the accrued taxes, as it is considered income tax paid during the year. The effect of income tax for the year not considered, as the profit for the year before income taxes is used in the consolidated interim statement of cash flows.
- The accompanying notes from (1) to (28) are an integral part of these consolidated Interim financial statements.

1. BACKGROUND

Suez Cement Company S.A.E.

Suez Cement Company S.A.E. was established in 1977 under Law 43 of 1974 which was superseded by Law 230 of 1989 which was replaced by the investments Guarantees and Incentives Law 8 of 1997. The Company was registered in the Commercial register on 11 April 1979 under no. 181134.

Italcementi Group (through Cement Francis) acquired with consortium of other investors 80.80 % of the company's shares starting from 24 March 2005.

The main objective of the Company is to produce all types of cement and other products stemming from the cement industry and related thereto and the production of other building materials and construction requirements and trading therein, utilization of mines and quarries except sand and gravels. The company may have an interest or participate in any manner in organization caring out activities which are similar to the company's activities, or which may contribute to the fulfilment of the Company's objects in Egypt or abroad. The company may also be merged in any of the aforementioned organizations, or may buy or have them subsidiary to the company, subject to the approval of the General Authority for Investment and Free Zones.

The following is Suez Cement Group companies and the direct and indirect shares of Suez Cement Company S.A.E. in its subsidiaries:

	2010	2009
	%	%
Egyptian Tourah Portland Cement Company S.A.E.	**66.12**	66.12
Suez Bags Company S.A.E.	**56.31**	56.31
Helwan Cement Company S.A.E.	**99.47**	98.69
Ready Mix Production (RMP) S.A.E	**52**	52
Hilal Cement Company (K.S.C.C.) – Kuwait	**51**	51
Universal For Ready Mix Production (RMPU) S.A.E.	**52**	52
Development and Construction Material Company (DECOM) S.A.E. – subsidiary of Universal For Ready Mix Production (RMPU) S.A.E. by 99,99%	**52**	52
Suez Transport and Trade Company S.A.E. – subsidiary of Helwan Cement Company S.A.E. by 55%	**96.32**	95.89
Suez Lime Company S.A.E.	**49.62**	49.62
Development for Industries Company S.A.E	**98.28**	98.24
Axim for industries Company S.A.E **Formerly, Upper Egypt For Industries Company S.A.E**	**98.28**	98.24
Suez For import and Export	**97.89**	97.77

Egyptian Tourah Portland Cement Company S.A.E.

Egyptian Tourah Portland Cement Company S.A.E. was established on 23 June 1927.The legal structure of the Company changed from being a public sector entity to a public enterprise entity according to Law 203 of 1991.

On 26 January 2000 the Holding Company for Mining and Refractory sold 81.4% of its shares in the company. Accordingly, the company became subject to the Law 159 of 1981 rather than Law 203 of 1991 and its executive regulation.

On 12 March 2000 the company's General Assembly meeting decided to amend its status to comply with Law 159 of 1981 and its executive regulation.

The main objective of the company is to manufacture all kinds of cement, lime, construction materials and related products.

Suez Cement Company S.A.E. ownership in Egyptian Tourah Portland Cement Company's share capital amounted to 66.12% as of 26 January 2000, the date at which Egyptian Tourah Portland Cement Company S.A.E. became a subsidiary.

The cost of acquisition amounted to LE 1,287 billion which resulted in goodwill amounting to LE 746,008,413, the goodwill treated as Suez Cement Company's share in the fair value of the Egyptian Tourah Portland Cement Company S.A.E. assets. In accordance to that Egyptian Tourah Cement Company S.A.E., fixed assets are stated at the historical cost in addition to the share of Suez Cement Company S.A.E. in the excess of the fair value for these assets over its historical cost. This excess is depreciated over its estimated useful life using the straight-line method (note 34-). The total accumulated depreciation as of 31 December 2010 amounting to LE 241,960,603 in addition to writes down the value of certain productions lines of Egyptian Tourah Portland Cement Company S.A.E. that are currently out of operation amounted to LE 21,082,486.The net fair value as of 31 December 2010 amounting to LE 482,965,324.

Suez Bags Company S.A.E.

Suez Bags Company S.A.E. was established on 6 December 1988 under investment Law 43 of 1974 and its amendments, which was superseded by Law 230 of 1989 which were replaced by the investments Guarantees and Incentives Law 8 of 1997.

The main objective of the company is to manufacture all kinds of bags used in packing cement, gypsum, milk, Juices, food products, chemicals and other paper products.

Suez Cement Company S.A.E. ownership in Suez Bags Company's share capital amounted to 51% starting from 1999, resulted in goodwill amounted to LE 12,445 Million and which was amortized over five years started in from 1 January 1999.

- Suez Cement Company S.A.E. acquired 10447 shares (20894 shares after the split) from the shares of Suez Bags Company S.A.E. during 2000, with an investment cost of LE 1,371 Million which resulted in goodwill amounted to LE 623,000 and amortized over five years starting from 2000.
- Egyptian Tourah Portland Cement Company S.A.E. acquired 15079 shares (30158 shares after the split) from the shares of Suez Bags Company S.A.E. during 2000, Suez Cement share is 66.12% (9970 shares) with the cost of LE 1,501 Million which resulted in goodwill amounted to LE 787,000 and was amortized over five years starting from year 2000.

- Egyptian Tourah Portland Cement Company S.A.E. acquired 5283 shares (10566 shares after the split) from the shares of Suez Bags Company S.A.E. during 2001, Suez Cement share is 66.12% (3493 shares) with the cost of LE 599,802, which resulted in goodwill, amounted to LE 337,000 and amortized over five years starting from 2001.

Accordingly, the direct and indirect share of Suez Cement Company S.A.E. in the capital of Suez Bags Company S.A.E. is 56.31%.

Helwan Cement Company S.A.E. – (Previously: ASEC Cement Company S.A.E.)

Helwan Cement Company S.A.E. – (Previously: ASEC Cement Company S.A.E.) was established as a Joint Stock Company under Law No. 159 of 1981 under the name of El Ahram Cement Company on 26 December 1999, and recorded at the commercial register under No. 4451 on 26 December 1999.

Based on a decree from the Extraordinary General Assembly Meeting dated 14 September 2000, the Company's name was changed to ASEC Cement Company S.A.E. The Extraordinary General Assembly Meeting
On 29 November 2001 approved the merger with Helwan Portland Cement Company S.A.E. effective on 1 October 2001. The Extraordinary General Assembly Meeting on 17 March 2003 approved the evaluation of assets and liabilities according to the Capital Market Authority Committee decision No. 540 formed in 2002 and the Ministry decree No. 1699 which stated that ASEC Cement Company will own all assets and liabilities of Helwan Portland Cement Company S.A.E.

Effective from 1 October 2001. The management of both companies finalized all legal procedures related to the merger and registered the merger at the commercial register under No. 3142 on 30 June 2003. The Helwan Portland Cement Company S.A.E. was cancelled from the commercial register on 29 June 2003.

On 30 March 2006, the Extraordinary General Assembly Meeting decided to modify some articles in the company›s article of association of the company, including changing the name of the company from ASEC Cement Company S.A.E. to Helwan Cement Company S.A.E. The decree was approved from the Companies Authority on 2 May 2006 and this change was reflected in the commercial register on 6 November 2006 to modify the name of the company to be Helwan Cement Company S.A.E.

The main objective of the company is to manufacture cement and construction materials and extracts of quarries, related products and by other companies and market them in Egypt, and also to export them and manufacture bags of craft paper, or other paper to pack cement and construction materials.

On 25 August 2005, Suez Cement Company S.A.E. acquired 116151662 shares from the shares of Helwan Cement Company S.A.E. – ASEC Cement Company (formerly) , Suez Cement Company S.A.E. share is 98.69 % (116151662 shares) with a par value of LE 10, which resulted in goodwill, amounted to LE 2,454,952,337, which represents the difference between acquisition costs amounted to LE 3,413,255,262, and 98.69% of Helwan Cement Company S.A.E. - ASEC Cement Company (formerly) net assets in acquisition date amounted to LE 958,302,925.

The goodwill was recorded as long term asset in the consolidated Interim financial statements and tested for impairment frequently; an impairment loss of goodwill is recorded in the consolidated statement of income.

On 28 October 2007 Helwan Cement Company S.A.E. contributed in establishing Suez Transport and Trade Company S.A.E with a contribution in the capital by 55%, in addition to the contribution of Suez Cement Company S.A.E and Egyptian Tourah Portland Cement Company S.A.E. by 35% and 10% respectively. Accordingly, the direct and indirect share of Suez Cement Company S.A.E. in the capital of Suez Transport and Trade Company S.A.E. is 96.32%

Suez Transport and Trade Company S.A.E.

Suez Transport and Trade Company S.A.E. was established in 28 October 2007 as a S.A.E. company under the law 159 for the year 1981; the company's main objective is to manage the operations of transporting, trading cement and construction materials and acquiring the vehicles needed for this operations. During year 2010, Helwan Cement Company S.A.E. purchased 921,690 shares of its outstanding shares at LE 34,063,566.

Ready Mix Production (RMP) S.A.E. – (Previously: Ready Mix Beton S.A.E.)

Ready Mix Production (RMP) S.A.E. – (Previously: Ready Mix Beton S.A.E.) was established on 16 March 1986 as a Joint Stock Company under Law No. 159 of 1981.

The objective of the company is to manufacture cement and construction materials specially manufacture ready mix.
On 1 October 2006, Suez Cement Company S.A.E. acquired 260,000 shares from the shares of Ready Mix Beton Company S.A.E., Suez Cement Company S.A.E. share is 52 % (260,000 shares) with a par value of LE 10, which resulted in goodwill, amounted to LE 23,113,779, which represents the difference between acquisition costs amounted to LE 26,277,866 and 52% of Ready Mix Beton Company S.A.E. net assets in acquisition date amounted to LE 3,164,087.
The goodwill was recorded as long term asset in the consolidated financial statements and tested for impairment frequently; an impairment loss of goodwill is recorded in the consolidated statement of income.
Based on a decree from the Extraordinary General Assembly Meeting dated 25 September 2008, the Company's name was changed to Ready Mix Production (RMP) S.A.E.

Universal For Ready Mix Production (RMPU) S.A.E. – (Previously: Ready Mix Beton – Egypt Company S.A.E.)

Universal For Ready Mix Production (RMPU) S.A.E. – (Previously: Ready Mix Beton – Egypt Company S.A.E.)
was established on 14 April 1996 as a Joint Stock Company under investments Guarantees and Incentives Law 8 of 1997.
The objective of the company is to manufacture cement and construction materials specially manufacture ready mix.

On 1 October 2006, Suez Cement Company S.A.E. acquired 520,000 shares from the shares of Ready Mix Beton – Egypt Company S.A.E., Suez Cement Company S.A.E. share is 52% (520,000 shares) with a par value of LE 10, which resulted in goodwill, amounted to LE 46,308,524, which represents the difference between acquisition costs amounted to LE 52,554,993, and 52% of Ready Mix Beton – Egypt Company S.A.E. net assets in acquisition date amounted to LE 6,246,469.
Based on a decree from the Extraordinary General Assembly Meeting dated 25 September 2008, the Company's name was changed to Universal For Ready Mix Production (RMPU) S.A.E.
On 5 July 2007, Universal For Ready Mix Production (RMPU) S.A.E. Company S.A.E. acquire 99.99 % of **Development and Construction Material Company (DECOM) S.A.E.** shares, represents 7364524 shares with a par value of LE 10,
which resulted in goodwill, amounted to LE 43,548,446, which represents the difference between acquisition costs amounted to LE 63,565,568, and 99.99% of Development and Construction Material Company – (DECOM) – S.A.E. net assets in acquisition date amounted to LE 20,017,122.

Accordingly, the indirect share of Suez Cement Company S.A.E. in Development and Construction Material Company (DECOM) S.A.E. is 52%. The goodwill amounted to LE 43,548,446 was recorded as long term asset in the consolidated financial statements.
Development and Construction Material Company (DECOM) S.A.E. was established on 3 August 1996 as a Joint Stock Company under Law 95 of 1992.

The objective of the company is to manufacture cement and construction materials.

Hilal Cement Company (K.S.C.C.) – Kuwait

Hilal Cement Company (K.S.C.C.) – Kuwait was established on 19 January 1984 as a closed Joint Stock Kuwaiti Company. The main activities of the company are import, storage and distribution of cement and other bulk materials.

On 19 September 2007, Suez Cement Company S.A.E. acquired 16,830,000 shares from the shares of Hilal Cement Company (K.S.C.C.) – Kuwait, Suez Cement Company S.A.E. share is 51% (16,830,000 shares) with a par value of KD 0, 10 which resulted in goodwill, amounted to KD 5,434,286 equivalent to LE 108,641,431, which represents the difference between acquisition costs amounted to KD 13,128,213 equivalent to LE 262,457,272 and 51% of Hilal Cement Company (K.S.C.C.) – Kuwait net assets in acquisition date amounted to KD 7,693,927 equivalent to LE 153,815,841.

According to the Share purchase agreement (SPA), a provision setting forth the shareholders to agree unanimously to settle the litigation between Hilal Cement Company and Kuwait international investment company. Suez Cement Company transferred its share (51%) in settlement for the subject provision mentioned in Share purchase agreement (SPA) amounted to KD 409,779 equivalent to LE 7,958,544. This amount has been added to the goodwill and consequently, goodwill of Hilal Cement Company (K.S.C.C.) – Kuwait amounted to LE 116,599,975.

The goodwill was recorded as long term asset in the consolidated financial statements and tested for impairment frequently; an impairment loss of goodwill is recorded in the consolidated statement of income.

The company books and records are preparing in KD currency, the company's financial statements have been combined in the consolidated financial statements after translated it into Egyptian pound using the translation procedures mentioned in (note 2), the cumulative foreign currencies translation differences resulted from the translation which belong to the parent company's equity amounting to LE 7,557,502 as of 31 December 2010 have been presented separately in the shareholders' equity.

The cumulative foreign currencies translation differences resulted from the translation which belong to the minority amounting to LE 7,261,130 as of 31 December 2010 have been treated as a part of minority interests (Note 15).

Suez Lime Company S.A.E.

Suez Lime Company S.A.E. was established on 2 October 2007 as a Joint Stock Company under Law No. 159 of 1981; the main objectives of the company are producing and trading lime with all its different types inside and outside Arab Republic of Egypt.

On 2 October 2007, Suez Cement Company S.A.E. contributed in establishing the company with a contribution in the capital by 49%, in addition to the contribution of Egyptian Tourah Portland Cement Company S.A.E. by 1%.
Accordingly, the direct and indirect share of Suez Cement Company S.A.E. in Suez Lime Company S.A.E is 49,62 %.

Axim for Industries Company (S.A.E)

Axim For Industries Company was established in 2007 under Corporate Law No. 159 of 1981 and its amendments. The Company was registered in the commercial registry on 19 August 2007 by number 26643, the purpose of the Company is:

- Investing in all types of industries fields and its commercialization.
- Establishing plant for the purpose of manufacturing construction materials.
- Importing all materials, products and equipments necessary for helping the Company to achieve its purpose.
- Buy aid grind liquid at intensive figure, store and mitigate and distributed for use for grinding cement.

On 19 August 2007, Suez Cement Company S.A.E. contributes in capital of Axim industries Company S.A.E by 90% (direct Share). Tourah Portland Cement Company S.A.E contributes in the capital by 5%, Helwan Cement Company S.A.E contributes in the capital by 5%. Accordingly, the total direct and indirect share of Suez Cement Company S.A.E is 98.28%.

Development for Industries Company (S.A.E)

Development For Industries Company was established in 2007 under Corporate Law No. 159 of 1981 and its amendments. The Company was registered in the commercial registry on 19 August 2007 by number 26644 the purpose of the Company is:

- Investing in all types of industries fields and its commercialization.
- Establishing plant for the purpose of manufacturing construction materials.

On 19 August 2007, Suez Cement Company S.A.E. contributes in capital of Development for Industries Company S.A.E by 90% (direct Share). Tourah Portland Cement Company S.A.E contributes in the capital by 5%, Helwan Cement Company S.A.E contributes in the capital by 5%. Accordingly, the total direct and indirect share of Suez Cement Company S.A.E is 98.28%.

Suez for Import and Export Company (S.A.E)

Suez for Import and Export Company was established on 8 July 2009 under Corporate Law No. 159 of 1981 and its amendments. The Company was registered in the commercial registry on 9 July 2009 by number 39989.

The purpose of the Company is Importing & Exporting Cement and all kind of building materials. On 08 July 2009, Axim industries Company S.A.E contributes in the capital of Suez for import and Export S.A.E by 40% (Direct Share), Development for Industries Company S.A.E contributes in the capital by 40% (Direct share), Suez Transport and Trade Company S.A.E contributes in the capital by 20% (Direct Share), accordingly, The total indirect share of Suez Cement Company S.A.E is 97.89%.

2. FINANCIAL STATEMENTS CONSOLIDATION PRINCIPLES

The accompanying consolidated Interim financial statements of Suez Cement Company S.A.E. have been prepared from the standalone Interim financial statements of Suez Cement Company S.A.E. and its subsidiaries (note 1), In preparing the consolidated Interim financial statements of Suez Cement Company S.A.E., an entity combines the Interim financial statements of the parent and its subsidiaries line by line adding assets, liabilities, equity, income and expenses. In order that the consolidated Interim financial statements present financial information about the group as that of the single economic entity, the following steps are then taken:

- The carrying amount of the parent's investments in each subsidiary and the parent's portion of equity of each subsidiary are eliminated. The excess of parent company's investments in subsidiary company over the parent's share in subsidiary's equity are recognized as goodwill and recorded as asset in the consolidated financial statements, Tested for impairment frequently; an impairment loss of goodwill is recorded in the consolidated statement of income.

- Minority interests on the net of assets of consolidated subsidiaries are identified separately from the parent shareholders' equity in them; Minority interests in the net of assets consist of:
  (1) The amount of those minority interest at the date of the original combination.
  (2) The minority's share of changes in equity since the date of the combination.

- Intra group balances and transactions, including income, expense and dividends, are eliminated in full, Profits and losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full.
- Intra group Consolidated financial statements shall be prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- The income and expense of the subsidiary are included in the consolidated financial statements from the acquisition date and the minority interest is to be eliminated. The income and expense of the subsidiary are included in the consolidated financial statements until the date on which the parent ceases to control the subsidiary.

- The financial statements of subsidiaries that reports in the currency not the parent reporting currency and not that reports in the currency of a hyperinflationary economy, the reporting currencies of that subsidiaries are translated to the parent reporting currency in order to combine it in the consolidation financial statements of the parent by using the following procedures:

(a) Translate the assets and liabilities of each balance sheet presented in the consolidated balance sheet (including the comparative figures) at the closing date.
(b) Translate the income and expense items of each statement of income presented in the consolidated statement of income (including the comparative figures) at exchange rates at the dates of the transactions.

(c) All resulting foreign currencies translation differences should be classified separately in the consolidated equity until the disposal of the net investment.

Cumulative foreign currencies translation differences arising from translation and attributable to minority interests are allocated to, and reported as part of the minority interest in the consolidated balance sheet until the disposal of the net investment.

Disposal of investment in a subsidiary that reports in the currency not the parent reporting currency, the cumulative amount of foreign currencies translation differences which have been deferred separately in the consolidated equity and which relate to that subsidiary, should be recognized as income or as expenses in the same year in which the gain or loss on disposal is recognized.

3. SIGNIFICANT ACCOUNTING POLICIES

3 – 1 Basis of preparation

The financial statements have been prepared under the going concern assumption on a historical cost basis, except for available for sale financial assets that have been measured at fair value.

Statement of compliance
The financial statements of the company have been prepared in accordance with the Egyptian accounting standards and the applicable laws and regulations.

3 – 2 Changes in accounting policies

The accounting policies adopted this year are consistent with those of the previous year.

3 – 3 Foreign currency translation

The financial statements are prepared and presented in Egyptian pound, which is the company's functional currency.

Transactions in foreign currencies are initially recorded using the exchange rate prevailing on the date of the transaction.
Monetary assets and liabilities denominated in foreign currencies are retranslated using the exchange rate prevailing at the balance sheet date. All differences are recognized in the statement of income.

Nonmonetary items that are measured at historical cost in foreign currency are translated using the exchange rates prevailing at the dates of the initial recognition.
Nonmonetary items measured at fair value in a foreign currency are translated using the exchange rates prevailing at the date when the fair value is determined.

3 – 4 Fixed assets and depreciation

Fixed assets are stated at historical cost net of accumulated depreciation and accumulated impairment losses. Such cost includes the cost of replacing part of the plant and equipment when that cost is incurred, if the recognition criteria are met. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation of an asset begins when it is in the location and condition necessary for it to be capable of operating in the manner intended by management, and is computed using the straight-line method according to the estimated useful life of the asset as follows:

	Years
Buildings, constructions, infrastructure and roads	6 to 20
Machinery, equipment and Tools	5 to 20
Motor Vehicles	5
Furniture and office equipment	5 to10

Fixed assets of Egyptian Tourah Cement Company S.A.E (Subsidiary) are stated at historical cost in addition to the share of Suez Cement Company S.A.E in the excess of the fair value for these assets over its historical cost. This excess depreciated using the straight-line method according to the estimated useful life of the asset as mentioned above.

Fixed assets are derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of income when the asset is derecognized.

The assets residual values, useful lives and methods of depreciation are reviewed at each financial year end.

The Company assesses at each reporting date whether there is an indication that fixed assets may be impaired. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

3 – 5 Projects under construction

Projects under construction represent the amounts that are incurred for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets. Projects under construction are valued at cost less impairment.

3 – 6 Investments

Investments in associates

The investments in associates are initially recorded at cost and the carrying amount is increased or decreased to recognise the company›s share of the profits or losses of the investee after the date of acquisition. The company›s share of the profits or losses are recorded in the consolidate income statement. Distributions received from an investee reduce the carrying amount of the investment. This is according to equity method to account the investments in associates in the consolidated financial statements.

Available for sale investments

Available for sale investments are those non-derivative financial assets that are designated as available for sale or are not classified as loans and receivables, held to maturity investments or investments at fair value through profit or loss.

Available for sale investments are initially recognised at cost inclusive direct attributable expenses.

After initial measurement, available for sale financial assets are measured at fair value with unrealized gains or losses recognised directly in equity until the investment is derecognised, at which time the cumulative gain or loss recorded in equity is recognised in the statement of income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognised in the statement of income. If the fair value of an equity instrument cannot be reliably measured, the investment is carried at cost.

a) Equity investments: where there is an evidence of impairment, the cumulative loss is removed from the equity and recognized in the statement of income. Impairment losses on equity investments are not reversed through the statement of income; increases in the fair value after impairment are recognized directly in equity.

b) Debt investments: where there is an evidence of impairment, loss is removed from the equity and recognized in the statement of income and interest continues to be accrued at original rate on the reduced carrying amount of the asset. if the fair value of the debt investment increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in the income statement, the impairment loss is reversed through the statement of income.

Held to maturity investments

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that the company's management has the positive intention and ability to hold to maturity.

Held to maturity investments are initially recognised at fair value inclusive direct attributable expenses.

After initial recognition, the held to maturity investments are measured at amortized cost using the effective interest method less impairment. Gains and losses are recognized in profit or loss when the investments are derecognized or impaired, impairment is recovered, as well as through the amortization process.

3 – 7 Inventory

The inventory elements are valued as follows:

Raw materials, fuel, Spare parts and Consumables, rolling and packing materials: at the lower of cost (using the moving average method) or net realizable value.

Finished products: at the lower of the cost of production (based on the costing sheets) or net realizable value.

Cost of production includes direct material, direct labor and allocated share of manufacturing overhead and excluding borrowing costs
Work in process: at the lower of the cost of production (of the latest completed phase based on the costing sheets) or net realizable value.
Cost includes allocated share of direct material, direct labor and allocated share of manufacturing overhead until latest completed phase and excluding borrowing costs
Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

The amount of any write down of inventories to net realizable value and all losses of inventories shall be recognised in the statement of income in the year the write down or loss occurs according to an authorized study takes into consideration all technical and market bases to estimate any write down. The amount of any reversal of any write down of inventories, arising from an increase in net realizable value, shall be recognised in the statement of income in the year in which the reversal occurs.

3 – 8 Accounts receivable and other debit balances

Accounts receivable and other debit balances are stated at book less any impairment losses.

Impairment losses are measured as the difference between the receivables carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The loss is recognised in the statement of income according to an authorized study takes into consideration all technical and market bases to estimate any impairment. If a future impairment is later recovered, the recovery is recognised in the statement of income.

3 – 9 Provisions

Provisions are recognised when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Provisions are reviewed at the financial position date and adjusted to reflect the current best estimate.

Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation. Where discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3 – 10 Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the issued capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

3 – 11 Borrowings

Borrowings are initially recognised at the value of the consideration received. Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a year exceeding one year after the balance sheet date, then the loan balance should be classified as long term liabilities.
After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in the income statement when the liabilities are derecognised as well as through the effective interest rate method amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fee or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance cost in the income statement.

3 – 12 Income taxes

Income tax is calculated in accordance with the Egyptian tax law.

Current income tax
Current income tax assets and liabilities for the current and prior year years are measured at the amount expected to be recovered from or paid to the tax authority.

Deferred income tax
Deferred income tax is recognised using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the balance sheet (accounting base) using the applicable tax rate.

Deferred tax asset is recognised when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Current and deferred tax shall be recognised as income or an expense and included in the statement of income for the year, except to the extent that the tax arises from a transaction or event which is recognised, in the same or a different year, directly in equity.

3 – 13 Revenue recognition

Revenue from sales is recognized when all the following conditions have been satisfied:

(a) The company has transferred to the buyer the significant risks and rewards of ownership of the sales;

(b) The company retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold;

(c) The amount of revenue can be measured reliably;

(d) It is probable that the economic benefits associated with the transaction will flow to the company; and

(e) the costs incurred or to be incurred in respect of the transaction can be measured reliably.

- **Interest income**
  Interest income is recognised as interest accrues using the effective interest method. Interest income is included in finance revenue in the statement of income.

- **Dividends**
  Revenue is recognised when the company's right to receive the payment is established.

- **Rental income**
  Rental income arising from operating leases is accounted for on a straight line basis over the lease terms.

3 – 14 Expenses
All expenses including operating expenses, general and administrative expenses and other expenses are recognised and charged to the statement of income in the financial year in which these expenses were incurred.

3 – 15 Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the year they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

3 – 16 Related party transactions
Related parties represent associated companies, major shareholders, directors and key management personnel of the Company, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the boards of directors.

3 – 17 Accounting estimates
The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years. Actual results could differ from these estimates.

3 – 18 Impairment of assets

Impairment of financial assets

The Company assesses at each balance sheet date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Impairment of non financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. Where the carrying amount of an asset or cash-generating unit's (CGU) exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in the statement of income

A previously recognized impairment loss is only reversed if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income.

3 – 19 Statement of cash flows
The statement of cash flows is prepared using the indirect method.

3 – 20 Cash and cash equivalent
For the purpose of preparing the cash flow statement, the cash and cash equivalent comprise cash on hand, current accounts with banks and time deposits maturing within three months less bank credit balance.

4. FIXED ASSETS

	Lands	Buildings, constructions, infrastructure and roads	Machinery, equipment and Tools	Motor Vehicles	Furniture and office equipment	Total
	LE	LE	LE	LE	LE	LE
Cost						
As of 1 January 2010	499,196,241	1,391,110,747	4,601,900,800	274,328,997	104,509,239	**6,871,046,024**
Foreign currencies translation differences	-	12,510,705	3,655,026	259,986	405,216	**16,830,933**
As of 1 January 2010	**499,196,241**	**1,403,621,452**	**4,605,555,826**	**274,588,983**	**104,914,455**	**6,887,876,957**
Additions	125,113	23,074,161	306,162,823	4,863,760	1,960,704	**336,186,561**
Disposals	-	(1,197,295)	(9,988,754)	(17,186,284)	(2,349,506)	**(30,721,839)**
As of 31 December 2010	499,321,354	1,425,498,318	4,901,729,895	262,266,459	104,525,653	**7,193,341,679**
Accumulated depreciation						
As of 1 January 2010	-	(682,282,123)	(2,301,154,513)	(216,937,039)	(75,183,457)	**(3,275,557,132)**
Foreign currencies translation differences	-	(5,740,981)	(2,005,285)	(200,990)	(310,574)	**(8,257,830)**
As of 1 January 2010	-	(688,023,104)	(2,303,159,798)	(217,138,029)	(75,494,031)	**(3,283,814,962)**
Depreciation for the year	-	(58,008,218)	(333,328,938)	(18,698,318)	(7,205,711)	**(417,241,185)**
Disposals	-	1,124,908	8,476,698	16,671,699	2,328,459	**28,601,764**
As of 31 December 2010	-	**(744,906,414)**	**(2,628,012,038)**	**(219,164,648)**	**(80,371,283)**	**(3,672,454,383)**
Net book value as of 31 December 2010	**499,321,354**	680,591,904	2,273,717,857	43,101,811	24,154,370	**3,520,887,296**
Net book value as of 31 December 2009	499,196,241	708,828,624	2,300,746,287	57,391,958	29,325,782	3,595,488,892

1- Fixed Assets as of 31 December 2010 includes assets that are fully depreciated and still in use, and the acquisition cost for these assets was as follows:

Asset	Cost
Building, constructions, infrastructure and roads	199,806,405
Machinery, equipment and tools	924,137,289
Motor vehicles	57,441,780
Furniture and office equipment	66,225,037
Total	1,247,610,511

2- Helwan Cement Company S.A.E. (Subsidiary) has lands in its possession recorded in fixed assets without value, represented in 115 Feddens and 65265 square meter located in Helwan City and El-Menia City.

3- Lands include acre of lands belongs to Egyptian Tourah Portland Cement Company S.A.E (Subsidiary). The company has the right of using these lands without value. There is a legal dispute regarding those lands, where one of the lawsuits was settled in favour of the claimant obligating the company to pay an amount of LE 1,355,955, which was recorded as fixed assets - land.

4- Restrictions on the fixed assets of Universal For Ready Mix Production (RMPU) S.A.E. (Subsidiary) with carrying value amounting to LE 48,666,831 as of 31 December 2010
represent the following:

- A delegation that cannot be cancelled by the company in the favour of Audi Bank– Egypt, that entitles the company to put a commercial mortgage to limit the financial aspects – machinery and equipment and cars – that are used for funding the loan.(Note 162/)
- A commitment was done for the company's financial and moral aspects for the whole loan year in order not to allow the company to set any mortgages or offering any delegations with restraints or giving the right of restricting cash or the right of having the priority in favour of others.

5- No temporarily idle assets and the fair value of assets are not materially different from its carrying amount.

5. PROJECTS UNDER CONSTRUCTION

Balance at 1 January 2010	Additions during the year	Transferred into assets during the year	**Balance at 31 December 2010**
LE	LE	LE	**LE**
360,709,657	397,878,180	(318,302,604)	**440,285,233**

6. INVESTMENTS

A. Investment in an associate

	% of Ownership	**Par value**	**2010**	2009
		LE	**LE**	LE
Techno Gravel For Quarries-Egypt S.A.E*	**45**	**10**		
Investment cost– Beginning of the year			**38,665,830**	35,806,953
Plus:				
The Company's share in profit for the year			**8,680,727**	8,408,392
Deduct:				
Dividends			**(6,353,637)**	(5,549,515)
Investment balance - End of the year			**40,992,920**	38,665,830

* Investments in associates are accounted for in separate financial statements at cost. Investments cost in Techno Gravel For Quarries-Egypt S.A.E amounted to LE 28,334,257.

B. Available-for-sale investments

	% of Ownership	**Par value**	**2010**	2009
Investment available-for-sale			**LE**	LE
Measured at fair value				
Egyptian Company for Cement S.A.E - Quoted in the stock exchange in an inactive market	**0.137**	**1000**	**1,113,000**	1,113,000
Net unrealized gains on available-for-sale investments			**2,477,722**	2,477,722
			3,590,722	3,590,722
Investments available-for-sale -Measured at cost				
Iron and Steel Company (Al Hadid Wal Solb) – Quoted in the stock exchange			**20,500**	20,500
Al Tour Investment Company – Unquoted in the stock exchange			**61**	61
			20,561	20,561
			3,611,283	3,611,283

C) Held to maturity investments

	2010	2009
	LE	LE
Bonds 5% National Bank for Investment deposit	**807,715**	807,715
Bonds 5% Central Bank of Egypt deposit	**2,453,620**	2,453,620
Bonds 3.5% Central Bank of Egypt deposit	**5,167,944**	5,167,944
	8,429,279	8,429,279

D) Amounts paid under investments in subsidiaries and other companies

	% of ownership	Par Value	2010	2009
		LE	LE	LE
Suez Bosphorus Cimento Sanayi Ve Ti	100	3.64	186,794	186,794
Helwan Bags S.A.E	71	100	177,500	-
Italgin Egypt for Energy Company S.A.E	2	100	900,000	700,000
Al Mahaliya Readymix Company (K.S.C.C)	51	99822	41,829,995	30,463,523
			43,094,289	31,350,317

7. INVENTORY, NET

	2010	2009
	LE	LE
Raw materials	55,544,793	65,894,393
Fuel, Spare parts and Consumables	714,980,784	750,438,523
Rolling and packing Material	22,745,863	24,287,951
Work in progress	217,362,578	130,045,833
Finished Products	114,435,120	52,224,268
Letters of credit	14,534,033	21,885,198
	1,139,603,171	1,044,776,166
Less:		
Decline in value of obsolete and slow moving inventory	(187,794,260)	(182,039,275)
	951,808,911	862,736,891

8. ACCOUNTS AND NOTES RECEIVABLE, NET

	2010	2009
	LE	LE
Accounts receivable	288,245,995	238,987,693
Notes receivable	15,366,487	13,600,055
	303,612,482	252,587,748
Less :		
Impairment in value of accounts and notes receivable.	(60,537,662)	(53,957,721)
	243,074,820	198,630,027

9. PREPAYMENTS AND OTHER RECEIVABLES, NET

	2010	2009
	LE	LE
Other debtors – Gazelle Ltd. Inc	16,273,303	12,659,296
Other debtors – Tax Authority	97,322,096	87,951,572
Deposits with others	102,217,388	100,438,929
Prepaid expenses	30,336,167	41,981,782
Accrued revenue	17,734,483	15,419,228
Checks under collection	2,403,413	1,736,468
Advance to suppliers	53,874,787	55,611,817
Debtors - sale of fixed assets	5,376,904	9,029,031
Margin on letters of guarantee	386,000	244,250
Other receivables *	27,948,448	35,528,444
	353,872,989	360,600,817
Less:		
Impairment in value of other debit balances.	(7,645,857)	(8,558,737)
	346,227,132	352,042,080

* Other receivables included an amount of LE 9,564,210 represents cash balances belong to Helwan Cement Company S.A.E. (subsidiary) in National Bank of Egypt (NBE) and Bank du Caire which were blocked in favour of Social Insurance Authority in accordance to the first degree court decision no. 542 on 3 August 2008.

10. CASH ON HAND AND AT BANKS

	2010	2009
	LE	LE
a- Egyptian Pound		
Cash on hand	302,346	67,122
Current accounts	219,321,753	205,389,087
Time deposits and treasury bills (mature in 3 months)	1,505,009,075	1,229,027,740
b. Foreign currencies		
Cash on hand	-	-
Current accounts	16,555,298	27,991,543
Time deposits (mature in 3 months)	16,557,393	23,310,628
	1,757,745,865	1,485,786,120

11. CREDIT FACILITIES

The balance of short term facilities amounted to LE 12,521,988 as of 31 December 2010 represents short term facilities related to Hilal Cement Company (K.S.C.C.) – Kuwait (Subsidiary), the outstanding balance of these facilities as of 31 December 2010 amounted to KD 599,276 equivalent to LE 12,521,988.

12. ACCRUED EXPENSES AND OTHER PAYABLES

	2010	2009
	LE	LE
Shareholders - credit balance	22,670,327	9,580,907
Advances from customers	168,370,845	219,934,740
Accrued taxes	68,458,202	362,800,269
Income tax for the year	381,240,936	-
Deposits from others	9,559,531	7,678,217
Accrued salaries	26,592,734	10,732,793
Accrued expenses	17,989,186	24,721,627
Other credit balances	81,881,394	49,399,451
	776,763,155	684,848,004

13. PROVISIONS

	Balance as of 1 January 2010	Charged during the year	Utilized during the year	No longer required during the year	Re-classification	Balance as of 31 December 2010
	LE	LE	LE	LE	LE	LE
Tax claims	223,621,480	36,090,710	(52,077,190)	-	-	207,635,000
Site restoration	17,865,805	36,405,500	(4,394,403)	(1,032,763)	-	48,844,139
Judicial disputes	53,167,305	5,323,673	(263,301)	(76,595)	9,900,000	68,051,082
Employee training support	95,828,430	18,090,472	-	-	-	113,918,902
Electricity station claims	3,077,760	-	(3,077,760)	-	-	-
Environment provision	11,594,000	1,500,000	-	-	(9,900,000)	3,194,000
Early pension refunds	18,306,968	20,000,000	(14,468,849)	-	-	23,838,119
Army Claims for Suez Plant – rent of land	25,000,000	-	(10,000,000)	(15,000,000)	-	-
Other tax claims – Clay development fees	24,316,482	160,583,174	-	(184,899,656)	-	-
Gas claims for Tourah Plant	4,000,000	39,000,000	-	-	-	43,000,000
	476,778,230	316,993,529	(84,281,503)	(201,009,014)	-	508,481,242

14. CAPITAL AND RESERVES

14/a - CAPITAL

The company's authorized capital amounted to LE 1,000 million, while the Company's issued and paid up capital amounted to LE 640 million divided over 64000000 shares of par value LE 10 each.

On 30 June 2005, Minister of investment's decree was issued to approve the extra ordinary General Assembly Meeting dated 17 April 2005 to approve stock split (1:2), consequently, the Company's issued and paid up capital reached 128000000 shares of par value LE 5 each.

On 10 November 2005, the Extra ordinary General Assembly Meeting approved the increase of the Company's authorized capital to LE 1,300 million, and the increase of issued and paid up capital amounts to LE 909,282,535 divided over 181856507 shares of par value LE 5 each.

14/b – RESERVES

	2010	2009
	LE	LE
Legal reserve	**454,641,267**	454,641,267
Special reserve – Share premium	**2,013,865,903**	2,013,865,903
Capital reserve	**6,881,393**	6,763,465
Special reserve	**185,853,347**	185,853,347
	2,661,241,910	2,661,123,982

Legal reserve

According to the Company's articles of association, 5% of the net profits of the year is transferred to the legal reserve until this reserve reaches 50 % of the capital. The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors.

Special reserve – Share premium

The special reserve – Share premium represents the amount collected at the last capital increase dated 10 November 2005 after the legal reserve reached 50% of the issued capital.

Capital reserve

The capital reserve represents capital gain resulting from sale of salvage fixed assets in value greater than its carrying amount.

Special reserve

The special reserve represents profits transferred in accordance with the resolutions of the General Assembly Meetings of the company until year 2004.

15. NON-CONTROLLING INTEREST

Changes in non-controlling interest

	2010	2009
	LE	LE
Beginning balance for the year / year	**649,699,284**	558,339,921
Non-controlling interest in the net profits for the year / year	221,468,957	184,533,130
Non-controlling interest in Foreign currencies translation differences	7,261,130	(9,151,660)
Adjustments on retained earnings	(13,498,887)	17,121,389
Dividends Paid	(150,521,968)	(101,143,496)
Ending balance for the year	**714,408,516**	649,699,284

The balance of non-controlling interest in subsidiaries

	Ownership	2010	2009
	%	LE	LE
Egyptian Tourah Portland Cement Company S.A.E.	**33.88**	**363,064,415**	322,329,831
Suez Bags Company S.A.E.	**43.69**	**61,423,959**	52,367,868
Helwan Cement Company S.A.E.	**1.31**	**13,988,956**	34,558,393
Ready Mix Production (RMP) S.A.E.	**48**	**12,734,650**	15,326,580
Hilal Cement Company (K.S.C.C.) – Kuwait	**49**	**161,198,025**	151,897,046
Cumulative foreign currencies translation differences - Hilal Cement Company (K.S.C.C) – Kuwait (Note 2-6)		**7,261,130**	(9,854,492)
Universal For Ready Mix Production (RMPU) S.A.E	**48**	**42,184,613**	31,325,143
Development and Construction Material Company–(DECOM) –S.A.E.	**48**	**48,952,092**	47,730,451
Suez for Transport and Trade Company S.A.E.	**3.68**	**513,316**	838,051
Industries Development Company S.A.E	**1.72**	**4,486**	76
Axim for industries Company S.A.E			
Formerly, Upper Egypt For Industries Company S.A.E	**1.72**	**271,282**	3,646
Suez For import and Export Company S.A.E	**2.11**	**87,294**	5,863
Suez Lime Company S.A.E.	**50.38**	**2,724,298**	3,170,828
		714,408,516	649,699,284

16. MEDIUM TERM LOANS

	2010 LE	2009 LE
MEDIUM TERM LOANS		
Suez Cement Company S.A.E.		
Commercial International Bank – Egypt (CIB)	-	225,000,000
Universal For Ready Mix Production (RMPU) S.A.E		
Audi Bank - Egypt	**8,461,723**	13,822,893
Egyptian Tourah Portland Cement Company S.A.E.		
National Bank of Egypt	**19.163.770**	-
Helwan Cement Company S.A.E.		
National Bank of Egypt	**14,280,000**	-
TOTAL MEDIUM TERM LOANS	**41,905,493**	238,822,893
CURRENT PORTION OF MEDIUM TERM LOANS		
Suez Cement Company S.A.E.		
Commercial International Bank – Egypt (CIB)	-	(225,000,000)
Universal For Ready Mix Production (RMPU) S.A.E		
Audi Bank – Egypt	**5,361,171**	(5,361,171)
Helwan Cement Company S.A.E.		
National Bank of Egypt	**(2,856,000)**	-
TOTAL CURRENT PORTION OF MEDIUM TERM LOANS	**8,217,171**	**(230,361,171)**
	33,688,322	**8,461,722**

16/1 Suez Cement Company S.A.E.:

Commercial international Bank-Egypt (CIB) loan

On 25 July 2005 the Company obtained a bridge long term loan from a group of Banks under the management of Commercial International Bank – Egypt (CIB) (Director of the loan) as a part of the finance required to acquire all shares of Helwan Cement Company S.A.E. amounted to LE 1,200 million.

On 13 September 2006 a participation medium term loan contract was signed in two clusters, at an amount of LE 900 million will be paid on four equal annual installments starting on 31 December 2007 and LE 300 million (annual bank facilities) instead of the bridge loan, this contract executed on 9 October 2006. The loan was totally settled on 29 July 2010.

16/2 Universal For Ready Mix Production (RMPU) S.A.E.:

Audi Bank – Egypt Loan

On 31 July 2006, a long-term loan contract signed between Universal For Ready Mix Production (RMPU) S.A.E and Audi Bank – Egypt amounted to LE 25 Millions to finance for purchasing fixed assets.

On 14 December 2006, Audi Bank – Egypt approved to increase the loan to LE 28 Millions with the same terms and grantees.

The long term loan will be paid on 60 monthly instalments started on 31 July 2007.

16/3 Egyptian Tourah Portland Cement S.A.E

National Bank of Egypt Loan

The company received a medium – term loan (five years) with amount USD 19,850,000 (only nineteen million eight hundred and fifty USD or equivalent in Egyptian pound), In accordance with the loans provided by some international donors in the framework of industrial pollution control project phase 2 EPAP11. In order to use the funding to open letters of credit without a cover cash local- external for the Suppliers or in the form of direct cash transfers or copies of invoices or certified extracts from suppliers.

16/4 Helwan Cement S.A.E

National Bank of Egypt Loan

On 17 March 2010 the Company obtained a medium term loan from National bank of Egypt for Anti industrial pollution project - second stage amounted to LE 14.28 million.

17. OTHER LONG TERM LIABILITIES

	2010	2009
	LE	LE
OTHER LONG TERM LIABILITIES		
Long term creditors – Land purchasing	**2,198,785**	2,390,709
Production lines sales tax	**1,146,155**	1,146,155
Long term creditors – Gazelle Ltd. Inc.	**10,486,760**	10,486,760
Long term employee benefits – Hilal Cement Company (K.S.C.C.) – Kuwait	**2,633,687**	2,255,615
Petroleum Cooperative Association*	**16,616,871**	29,079,524
TOTAL OTHER LONG TERM LIABILITIES	**33,082,258**	45,358,763
CURRENT PORTION OF LONG TERM LIABILITIES		
Petroleum Cooperative Association*	**(12,462,651)**	(12,462,651)
TOTAL CURRENT PORTION OF LONG TERM LIABILITIES	**(12,462,651)**	(12,462,651)
	20,619,607	32,896,112

* Liabilities related to Petroleum Cooperative Association represents the value of claims received in return for supplies and services, which had been rescheduled without interest.

18. OTHER INCOME

Other income as 31 December 2010 amounted to LE 53,782,352 represents the following:

	2010
	LE
Salvage sold income	21,989,435
Other income	31,792,917
	53,782,352

19. FINANCE EXPENSES

Finance expenses as 31 December 2010 amounted to LE 19,777,407 represents the following:

	2010
	LE
Finance interests	14,587,062
Other Finance Expenses	5,190,345
	19,777,407

20. OTHER EXPENSES

Other expenses as 31 December 2010 amounted to LE 16,531,177 represents the following:

	2010
	LE
Indemnities and penalties Expenses	3,561,366
Rent for unused quarries	8,354,755
Other Expenses	4,615,056
	16,531,177

21. CONTINGENT LIABILITIES

Suez Cement Group contingent liabilities amounted to LE 93,784,492 as of 31 December 2010, which represents letter of guarantees and letters of credit issued by the banks of parent's company and its subsidiaries as follows:

	Contingent Liabilities
	LE
Suez Cement Company S.A.E.	1,180,050
Egyptian Tourah Portland Cement Company S.A.E.	10,009,000
Suez Bags Company S.A.E.	39,272,732
Hilal Cement Company (K.S.C.C.) Kuwait	4,178,900
Helwan Cement Company S.A.E.	39,143,810
	93,784,492

22. DEFERRED INCOME TAXES

	2010	2009
	LE	LE
Depreciation of fixed assets	(244,646,570)	(241,571,128)
Provisions	102,894,678	91,978,728
Net deferred income tax (liability)	(141,751,892)	(149,592,400)

23. TAX SITUATION

a) Corporate tax

- The Company's records were inspected till year 1998 and all the taxes due were paid.
- The Company's records were inspected till year 2004, the company objected on the assessment results during the legal year till year 2004 and the issue is currently in the Internal Committee.
- The Company's records were inspected for the years 2005 - 2006 and there is no claims till the date of financial statements.
- No tax inspection took place from year 2007 and after till now.
- The estimated income taxes of the Group for the year ended 31 December 2010 amounting to LE 381,240,936.

b) Sales tax

- The Company's records were inspected till year 2007 and all the taxes due were paid.
- No tax inspection took place for the years 2008-2009.

c) Salary tax

- The Company's records were inspected till year 1998, and all the taxes due were paid.
- The Company's records were inspected for the years from 1999 till 2004 and there is no claims till the date of financial statements.
- No tax inspection took place for the years from 2005 till 2009.

d) Stamp duty tax

- The Company's records were inspected till year 2005 and all the taxes due were paid.
- No tax inspection took place for the years 2006 and 2009.

24. EARNING PER SHARE

Earnings per share were calculated by dividing the net profits for the year by the weighted average number of shares outstanding during the year as follows:

	2010	2009
	LE	LE
Net profits for the year	1,236,399,137	1,299,715,958
Board of directors' dividends	(6,900,000)	(6,900,000)
Employees' dividends	(85,997,358)	(78,546,306)
Net profit available for shareholders	1,143,501,779	1,214,269,652
W.A Number of shares outstanding	181856507	181856507
Earnings per share	6.29	6.68

25. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

a) The Company's financial instruments are represented in financial assets and financial liabilities. The financial assets include cash on hand and at banks, accounts and noted receivable and other debit balances. The financial liabilities include current portion of medium and long term loans, current portion of long term liabilities, accounts payable and other credit balances.

The significant accounting policies applied for the recognition and measurement of the above mentioned financial assets and liabilities and the related income and expenses are included in note (3) of these notes to the financial statements.

b) Interest rate risk
The Company monitors the maturity structure of assets and liabilities with the related interest rates.

c) Foreign Currency Risk
The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows and outflows in foreign currencies will fluctuate due to changes in foreign currency exchange rates. The total financial assets denominated in foreign currencies amount to LE 279,389 millions whereas, the total financial liabilities denominated in foreign currencies amount to LE 103,217 millions.

d) Fair Value
The carrying amounts of the financial assets and liabilities referred to in note (2) above are not materially different from their fair values.

26. RELATED PARTY TRANSACTIONS

The transactions with related parties during the year ended 31 December 2010 are representing in transactions between group companies. Intra group balances and transactions, including income, expense and dividends, are eliminate in full, Profits and losses resulting from intra group transactions that are recognized in assets, such as inventory and fixed assets, are eliminated in full.

In addition, the transactions with related parties included transactions with some of the shareholders of the group companies.

A- Cement, Clinker, Bags sales and cement transport services excluding sales tax between Suez Cement Group Companies during the year ended 31 December 2010 as follows:

	Sales/ service revenue	Purchases/ service cost
	LE	LE
Suez Cement Company S.A.E.	784,755	158,799,573
Egyptian Tourah Portland Cement Company S.A.E.	39,905,483	151,556,400
Helwan Cement Company S.A.E.	131,094,378	15,865,543
Ready Mix Production (RMP) S.A.E.	-	2,482,563
Universal For Ready Mix Production (RMPU) S.A.E	-	14,851,167
Development and Construction Material Company (DECOM) S.A.E.	-	20,813,860
Suez Bags Company S.A.E.	178,569,095	-
Suez Lime Company S.A.E.	-	1,538,040
Suez for Transport and Trade Company S.A.E.	21,291,385	5,737,950
	371,645,096	371,645,096

B- The technical assistance from Suez Cement Company S.A.E. to Suez Cement Group Companies during the year ended 31 December 2010 as follows:

	Technical assistance –revenues	Technical assistance -expenses
	LE	LE
Suez Cement Company S.A.E.	54,550,734	-
Egyptian Tourah Portland Cement Company S.A.E.	-	24,834,798
Helwan Cement Company S.A.E.	-	26,419,697
Suez Bags Company S.A.E.	-	3,296,239
	54,550,734	54,550,734

C- Loans and its interest transactions between Suez Cement Group Companies during the year ended 31 December 2010 as follows:

	Lender	Borrower	Debit / (Credit) Interest
	LE	LE	LE
Suez Cement Company S.A.E.	92,000,000	140,000,000	(3,296,130)
Helwan Cement Company S.A.E.	140,000,000	-	(6,918,720)
Universal For Ready Mix Production (RMPU) S.A.E	-	37,000,000	4,131,477
Development and Construction Material Company			
(DECOM) S.A.E.	-	55,000,000	6,083,373
	232,000,000	232,000,000	-

D- Ciments Francais (Strategic partnership) (Main shareholder):

The amount of the technical assessment fees offered by Ciments Francais the main shareholder of Suez Cement Company S.A.E. during the year ended 31 December 2010 amounted to L.E 37,293 Million, which represents 1% of sales revenues of the group of cement products exclude intra – Suez Cement Group transactions (the maximum fees are 1% according to the agreement), The consolidated statement of income charged by the portion of Suez Cement Company S.A.E. and Egyptian Tourah Portland Cement Company S.A.E. of the claims for these fees which amounted to L.E 14,917 Million and L.E 22,376 Million respectively.

E- Interbulk Company - One of the subsidiaries of Italcementi Group (the parent company of Ciments Francais Company) – the main shareholder of Suez Cement Company S.A.E. :

- The Purchase of Suez Cement Cement Company S.A.E. From Interbulk Company during the year ended 31 December 2010 amounted to L.E 83,917 Million.
- The Purchase of Egyptian Tourah Portland Cement Company S.A.E. From Interbulk Company during the year ended 31 December 2010 amounted to L.E 24,926 Million.
- The sales of Egyptian Tourah Portland Cement Company S.A.E. to Interbulk Company during the year ended 31 December 2010 amounted to L.E 3,663 Million.
- The purchases of Helwan Cement Company S.A.E – from Interbulk Company during the year ended 31 December 2010 amounted to LE 11,425 Million.
- The sales of Helwan Cement Company S.A.E. - to Interbulk Company during the year ended 31 December 2010 amounted to LE 35,528 Million.
- The purchases of Suez for import and export Company S.A.E. – from Interbulk Company during the year ended

31 December 2010 amounted to LE 3,488 Million.

F- Interbulk Egypt for Export Company - One of the subsidiaries of Interbulk Company - one of the subsidiaries of Italcementi Group (the parent company of Ciments Francais Company) – the main shareholder of Suez Cement Company S.A.E. :

- The Purchase of Suez Cement Cement Company S.A.E. From Interbulk Egypt for Export Company during the year ended 31 December 2010 amounted to L.E 59,473 Million.

- The Purchase of Egyptian Tourah Portland Cement Company S.A.E. From Interbulk Egypt for Export during the year ended 31 December 2010 amounted to L.E 58,133 Million.

- The Purchase of Helwan Cement Company S.A.E Cement Company S.A.E. From Interbulk Egypt for Export during the year ended 31 December 2010 amounted to L.E 3,683 Million.

27. SUBSEQUENT EVENTS

Subsequent to the balance sheet date, some substantial events took place in Egypt that impacted the economic environment which in turn could expose the Company to various risks including sustainability of revenues, growth of business, fluctuations in foreign currencies exchange rates and valuation / impairment of assets.

These events do not have an impact on the financial statements for the year ended December 31, 2010, but may impact the financial statements of future periods, While it is difficult to quantify this effect at this point in time, the impact will become visible in the future financial statements, The significance of such an impact will depend on extent and length until which these events and its effect will end.

28. COMPARATIVE FIGURES

- Certain consolidated comparatives figures for year 2009 have been reclassified to conform to the current year presentation.

16. Legal Information about the Suez Cement group of Companies

Company/ Docket		SCC	TPCC	HCC	SBC
Company Name		**Suez Cement**	**Tourah Portland Cement**	**Helwan Cement**	**Suez Bags**
Form		Joint stock company, governed by the Egyptian Law no. 8/1997	Egyptian stock company, governed by Egyptian Law no. 159 /1981	Egyptian stock company, governed by Egyptian Law no. 159 /1981	Joint stock company, governed by Egyptian Law no. 8/1997
Registered Office		Nile City Towers, South Tower, 10th floor, Corniche El Nil, Cairo, Egypt	Tourah Portland Cement, Corniche El Nil, Tourah	Kafr El Elw, Helwan	Kattameya, K 30 Maadi/ Ein Sokhna Road
Registration Number		181134 investments Cairo	1587 Giza	4451 investments Cairo	254876 investments Cairo
Date of Incorporation		06/03/1977	1927	February 1929	14/12/1988
Term		50 years from date of incorporation.	Amended for 50 years starting 12/05/2001.	Amended for 25 years starting 03/10/2000 to 02/10/2025.	25 years from the incorporation date. Expired on 05/12/2013.
Purpose		Producing all kinds of cement. Expires on 05/03/2027 Producing all kinds of cement.	Producing all kinds of cement and lime; owning terrestrial and river transportation; manufacturing spare parts and bags; land possession; selling and exploitation of quarries.	Producing all kinds of cement and lime; owning terrestrial and river transportation; manufacturing spare parts and bags; land possession; selling and exploitation of quarries.	Producing all kinds of paper bags.
Legal Information		By-laws, minutes of general meetings, statutory audit reports	By-laws, minutes of general meetings, statutory audit reports	By-laws, minutes of general meetings, statutory audit reports	By-laws, minutes of general meetings, statutory audit reports
Financial Year		January 1st to December 31st	January 1st to December 31st	January 1st to December 31st	January 1st to December 31st
Shares		Ciments Français 53.15% Investors association 23.36% General underwriting and contributions & GDR 16.23% Private foundations and persons 7.26%	Suez Cement 66.12% Holding company for the metal industries 20.87% Private foundations and persons 13.01%	Suez Cement 98.69%	Suez Cement 53% Swiss Limited Debko 30% Closed underwriting 12% Tourah Portland Cement 5%
Voting Powers for Decision Making		Majority	Majority	Majority	Majority
Capital	Authorized	LE 1,300 million	LE 800 million	LE 2000 million	LE 24 million
	Paid	LE 909,282,535	LE 357,621,000	LE 583,875,425	LE 20,250,000

Annual Report 2010

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