2013
Annual Report

السويس للأسمنت
Suez Cement
Italcementi Group

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2013 Annual Report
Suez Cement Company

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WHO WE ARE

Suez Cement Group of Companies (SCGC) is one of Egypt's largest cement producers. With a longstanding history in the Egyptian market, SCGC is proud that its cement has helped build some of Egypt's well-known landmarks and continues to serve market needs with its innovative products and brands.

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.

SCGC has an industrial network of five production facilities located in Suez, Kattameya, Tourah, Helwan and El Minya, delivering the largest portfolio of products to Egyptian and export markets.

OUR MISSION

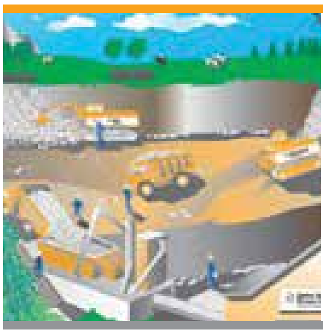
To create value in the building materials sector through the innovative and sustainable use of natural resources for the benefit of our communities and clients.

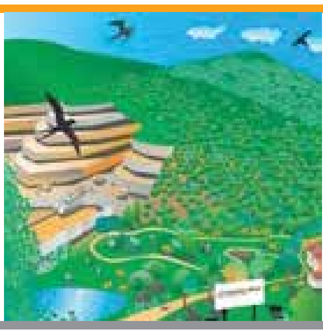
OUR VISION

To be a world class local business building a better and sustainable future for all our stakeholders.

Annual Report

SCGC AT A GLANCE





How cement is made

Cement is obtained from limestone and clay, which are raw materials of natural origin. Extracted from quarries usually located near the cement plants, limestone and clay undergo local primary crushing to reduce their size to be transported to manufacturing plants.

Restoration of a quarry landscape

Quarrying is combined with studies of landscape rehabilitation and recovery techniques. Rehabilitated areas may be destined to: farming and development of new crops; rebuilding of ecosystems through revegetation and reforestation; creation of leisure areas, nature parks and gardens; establishment of new industrial, craft or commercial development areas.

Grinding & drying

The first steps in cement processing are grinding and drying. The raw materials, adequately proportioned and possibly incorporating additives, are ground into a very fine powder, called raw meal, which is then conveyed to blending silos and finally sent to storage.

Burning

Raw meal is fed to the kilns and heated to 1,450°C to obtain clinker. These clinker components bring hydraulic properties to cement. After clinker leaves the kiln it is rapidly cooled and then stored.

5
Plants

20
Concrete plants

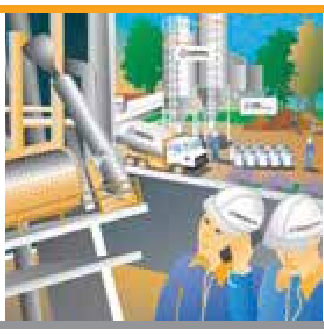
7.6 Mt
Grey cement

15.4 %
Market share

530
MEGP
Investments in environment

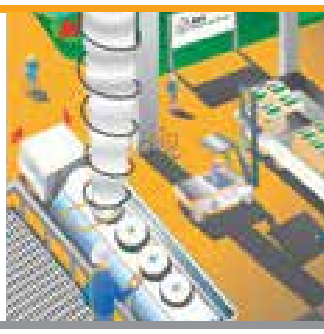
Central control room

The entire cement manufacturing process is continuously monitored and controlled from either small department rooms or a single central control room. All data relating to production as well as quality and environmental controls are displayed 24 hours a day on computer monitors. Skilled technicians are able to promptly identify any possible anomaly or danger and take either corrective or preventive action to regain control of the system.



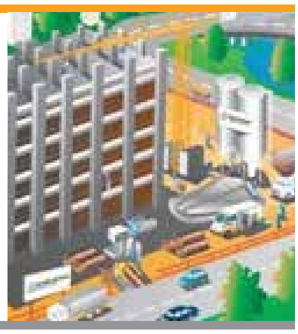
Finish grinding

The final step of the cement manufacturing process consists of grinding clinker blended with gypsum and any other secondary constituents. As a result, a variety of cement for multiple uses can be obtained. The various types of cement are then stored in suitably devised silos.



Final product

Loaded into road tankers or packed into bags, cement is dispatched to customers ready for use. It is transported in 25 and 50 kg bags. The process is maintained by conforming in compliance with ongoing regulations and the company's policy for control, maintenance and continuous improvement in the quality of both products and services.



Distribution network & technical assistance

Suez Cement group of Companies manufactures and distributes three main product lines: cement, aggregates and ready-mixed concrete. We aim to optimize production across all of our markets, providing a complete solution for customers' needs at the lowest possible cost. This is an approach we call strategic integration of activities.

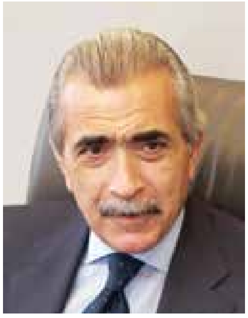
3385 Employees

15 Quarries

79643 Hours of training

1.3 Lost Time Injuries frequency rate

Message from the Chairman and the Managing Director



Egypt's ongoing political and economic turmoil has affected the country's investment climate and business operations at large. Despite this, Suez Cement Group of Companies (SCGC) has once again maintained its market leadership as well as reinforced its commitment to Egypt. We have done this by focusing on customer satisfaction and making strategic investments in modernization, environment protection and safety.

We are pleased to report that cement industry did not see any new production facilities come online or witness major production capacity boosts from competitors that could have put further pressure on the market. Another positive achievement for SCGC was the finalization of our new Collective Labor Agreements (CLAs) with our employees at all five plants in December.

We spent LE 240 million in 2013 as part of efforts to revamp our human resources management policies to better protect employees and ensure proper training and safety guidelines were met or exceeded. All agreements now include clauses enforcing international human rights and non-discrimination laws.

Overall, demand for cement products fell 1.5% this year versus 2012. The small drop was driven by consumers reacting to admittedly volatile market conditions. Research showed that demand was mainly fueled by small to mid-size construction projects. Poor weather was also a factor. 2013 began and ended with cold, wintry temperatures, which slowed construction activities across the country.

Regardless, SCGC's superior products and services kept our core business profitable in 2013. We dedicated the majority of our production to domestic market needs. We recorded domestic sales of 7.6 million tonnes of grey cement and 112,000 kilotonnes of white cement. Furthermore, we exported 99,000 tonnes of grey cement and 150,000 tonnes of white cement.

Moving forward, we remain dedicated to investing in a better, more prosperous Egypt, which includes protecting the environment. In fact, reducing our negative impact on the environment is a key pillar of our activities. Thus, it is no surprise that we have implemented numerous long-term projects that will help our five plants reduce emissions, pollution and waste.

In recognition of the company's ongoing efforts in this area, SCGC received several awards from the Ministry of Environment in 2013 for our comprehensive environmental management and performance programs. We are also proud to announce our Kattameya plant was honored with the "2013 Greenest Company in Egypt" first prize certificate for its green achievements and proactive environmental practices.

Just a few months later in November, our firm inaugurated a new, state-of-the-art filtration system at the Helwan plant. The innovative filter system reduces dust emission levels to a maximum of 10mg/m^3, well below Egyptian and European standards.

In this vein, and in light of the ongoing fuel crisis, SCGC is working to replace traditional fossil fuels with alternative and refuse-derived fuels (RDFs) that emit few or no emissions. New RDF projects at the Helwan and Kattameya plants were opened and registered with the Clean Development Mechanism Executive Board of the United Nations Framework Convention on Climate Change with a crediting period of 10 years ending in 2023.

The purpose of the two projects is to reduce SCGC's reliance on fossil fuels and increase the amount of energy we produce using RDFs. Our aim is for RDFs to comprise 14% of our energy mix. In related news, SCGC began construction of a new waste-processing plant at the Kattameya site that turns pre-sorted waste into fuel. This facility is the first of its kind for Egypt and SCGC's parent company Italcementi Group. The project is a joint effort between SCGC and CTG, worth 5 million. It took almost a year to be completed and is expected to produce approximately 35 kilotonnes of RDF annually.

Our efforts are not restricted to bettering Egypt's environment. SCGC became a signatory of the UN Global Compact Network in April 2013. Similarly, we sponsored important social initiatives to address pressing needs of local communities.

This year, SCGC made education and health two of our main priorities, spending more than 530,000 on related programs across the country. One such project involved the annual ENACTUS National Competition. ENACTUS is an international non-profit organization that brings together students, researchers and business leaders who are committed to entrepreneurship and development. Students from universities in Helwan, Suez and Minya participated in the 2013 Egypt session where they showcased their ingenuity and problem-solving skills.

In 2013, SCGC also renewed its commitment to Don Bosco Technical Institute in Cairo with its annual contribution of 50,000 Euros. We are proud to say our funds are going to the renovation of the institute's infrastructure and facilities as well as the development of new programs. The objective of the program is to promote technical and vocational education.

Similarly, Helwan Cement Company (HCC) and Tourah Portland Cement Company (TPCC) partnered with the Misr El Kheir Foundation to renovate the Helwan Public Hospital. The revamp is set to tackle the hospital's crumbling infrastructure as well as provide much-needed medical equipment and maintenance.

We made safety a key priority as well. This year we turned our efforts to reducing the frequency rate and severity of workplace accidents. In addition, we launched a subcontractors management evaluation program to ensure we only worked with partners that took occupational health and safety seriously. In 2013, we evaluated 75 subcontractors and are planning expand the program in the near future.

On May 8th we launched the new corporate identity to apply a common group identity establishing a powerful brand which enhanced the sense of belonging and create internal cohesion among four companies.

We believe we have achieved just that, giving our employees yet another symbol of cohesion, progress and equality that directly reflects our slogan "one team, one vision".

We look forward to continuing on our path forward as a market leader, taking cement innovation to the next level in Egypt and beyond.

Sincerely,

Omar Mohanna
Chairman

Bruno Carré
Managing Director

MARKET EVOLUTION & CUSTOMER RELATIONSHIP MANAGEMENT

Political unrest and a void in security described Egypt's investment and business climate in 2013 as the nation continued forward on its challenging path to democracy. The turmoil was due to the aftereffects of the January 25th Revolution in 2011 as well as government changes and policy decisions before and after the June 30th 2013 protests. 2013 was also plagued with major energy supply shortages and electricity price hikes, which affected a broad range of sectors across the country on the heels of similar troubles the year before.

According to experts, fuel supply problems comprised one of the main issues facing cement producers. Authorities were unable to tackle the problem effectively since Egypt has limited proven oil and gas reserves. Furthermore, trends show that fossil fuels are failing to meet the country’s growing energy demands.

These issues and more, including sit ins, strikes and market uncertainty, depressed Egypt's already embattled economy, hurting the profitability and sustainability of many businesses.

The shortages, mainly in natural gas and mazut, were compounded by a serious transportation disruption due to curfew restrictions. All of this and more led to a decline in foreign investment and mega construction projects.

Despite these external pressures, SCGC maintained its market leadership in 2013. It did so by remaining committed to its core business values – customer satisfaction and strategic investments in modernization, environmental protection, safety and social initiatives.

The combined impact of the Egyptian pound's devaluation and increases in domestic energy prices forced consumer inflation to jump into the double digits, yet again, by year's end. In March 2013, Egypt's inflation rate was 7.6%, according to the Central Agency for Public Mobilization & Statistics.

It is unlikely the economy begin to recover steadily without the political sphere's stabilization and clarity surrounding policy-making decisions. If neither happens in the short term, experts posit that consumption and investment patterns will remain depressed.

Overall, demand for cement in 2013 decreased 1.5% versus the year before. The dip was due to difficult market conditions. The bulk of demand stemmed from small and medium-sized projects. Construction was hindered by wintry weather as well, which had a big impact on large-scale undertakings in certain areas of the country. The silver lining of 2013 was the fact that no new cement production facilities came online to saturate the market. In addition, competitors did not boost their production capacities.

As said before, SCGC maintained a clear market-leading position in 2013. The company sold the majority of its cement to domestic firms, reporting sales of 7.6 million tonnes of grey cement and 112,000 tonnes of white cement. Meanwhile, SCGC exported 99,000 tonnes of grey cement and 150,000 tonnes of white cement.

SCGC boasts 15% of Egypt's grey cement market and 26.5% of the country's white cement sector. All plants now have European certificates for the production of high-quality Portland cement and white cement products.

The firm, with its five plants, offers Egypt's largest and most dynamic product portfolio. Therefore, customers have access to a wide array of specialized cement products for any job, large or small. The added value for end users is enhanced productivity, high-quality materials and increased profitability. SCGC's latest innovation in this area was the establishment of its BRAVO BUILD outlet shops and Qalyoub hub.

Cement deliveries accounted for 1.9 million tonnes of Carriage Paid To (CPT) sales. Appropriate key performance indicators (KPIs) were also established to monitor the delivery process and ensure SCGC delivered cement to every customer on schedule. SCGC's aim was to avoid stock shortfalls, a main factor in achieving customer satisfaction. To improve delivery efficiency, the firm purchased 10 more bulk trucks as well as 20 branded, flat-bed trucks for bag delivery with built-in GPS systems this year. SCGC launched the Frequent Buyer Customer Loyalty Scheme to reward regular clients as well.

SCGC also sponsored the “Arab Consultants Expo” at the InterContinental Citystars Cairo in January. The event showcased regional innovation as well as trends and best practices by bringing together consulting experts from around the world. During the expo, SCGC featured its i.light® and TX Active® product lines, getting positive feedback from numerous industry players. In addition, SCGC was a main sponsor of the 2013 Intercem conference and trade show held at the InterContinental Citystars Cairo in April. Furthermore, SCGC participated in the Interbuild Exhibition at the Cairo Conference Hall in June, winning an award for best booth design.

SCGC’s strategy to enhance customer relations and shift its activities away from service-oriented matrices has led to greater customer satisfaction. In 2013, clients who participated in the Customer Satisfaction Survey gave SCGC an absolute score of 830/1,000 and a relative score of 817/1,000.

The company plans to continue in this vein by implementing numerous new initiatives, such as new tailor-made services, the sharing of best practices, construction of a customer call center, awareness sessions on cement quality, further technical assistance for end users and partnerships with important cement consultants and leading universities.

INVESTMENT

SCGC chose to implement an intensive investment program in 2013 that included numerous projects of varying sizes at all five SCGC plants. The projects spanned environmental protection, safety and human rights initiatives as well as technical performance analysis, standards compliance and streamlining efforts.

Over the past few years, SCGC has modernized its production facilities to improve efficiency and comply with international environmental and safety standards. Several major projects worth approximately LE 345 million were completed in the areas of:

- Environment and Safety (LE 91 million);
- Performance Improvement and Capitalized Maintenance (LE 168 million);
- Strategy (LE 4 million);
- Quality, IT and other domains (LE 82 million).

In line with the Compliance Action Plan under the Egyptian Environmental Affairs Agency, SCGC continues to invest in pollution abatement and emissions control. In 2013, projects to convert electrostatic precipitators with bag houses at the Kattameya, Suez and Minya plants were approved with a budget of LE 116.7 million. In 2013, SCGC also completed the second phase of its alternative fuel (AF) plan at the Kattameya facility worth LE 48 million. The initiative is set to be implemented at the Helwan and Suez plants as well.

HUMAN RESOURCE MANAGEMENT

As stated in the company's Charter of Values and Sustainability Policy, the company is committed to protecting individuals by valuing diversity and cultural identity. In 2010, the CLAs came into effect. They comprise a charter that outlines internationally accepted workers' rights and is based on the joint commitment of all signatories. Each side must respect fundamental human rights, promote improvements in working conditions, develop equitable industrial relations and foster fair collective bargaining procedures with trade union representatives, all of which is covered by the company's Collective Labor Agreements. Joint forums between trade unions and management are part of SCGC's approach to sustaining constructive dialogue.

The Human Rights Policy reinforces the firm's commitment to this issue by explicitly supporting internationally proclaimed human rights as inalienable rights of all individuals. The policy also states that SCGC will not support any human rights abuses. All incidents that potentially fall into this category are investigated, with appropriate action taken to rectify the situation should it be deemed necessary.

As stated in the Charter of Values, diversity is viewed as a source of value in line with the Universal Declaration of Human Rights. Since 2009, SCGC has implemented several initiatives to improve working conditions for employees and subcontractors. They include: first aid facilities, separated sanitary facilities, dressing facilities, canteens and meal accommodations. Safety awareness sessions are also regularly held that deal with such topics as explaining the dangers of family members accompanying customers or suppliers to the site and the risks associated with failing to wear appropriate Personal Protective Equipment at all times.

The Charter of Values details the fundamental values in which SCGC and its affiliated companies firmly believe in and that underline all adopted Corporate Governance Principles. It identifies SCGC's commitments in terms of honesty, fairness, integrity, transparency and mutual respect in terms of managing operations and relations with stakeholders and markets. All SCGC policies reference these guidelines.

The Corporate Governance Principles comprise a regularly updated operational business structure that provides a clear global picture in terms of shareholders, organisational structures, authorities, powers, processes and procedures. The Managing Director is responsible for ensuring complete compliance with the company's principles and the proposal of amendments to the Board of Directors. The Internal Control Committee, reporting directly to the Board of Directors, identifies and manages major corporate risks. Furthermore, in 2008, SCGC launched a three-year Risk and Compliance Program, ensuring better risk management analysis combined with auditing systems linked to managers' long-term incentive schemes.

By the end of 2013, SCGC employed a total 3,385 staff member in Egypt. Following the aftermath of the January 25th Revolution, the firm initiated restructuring activities that were managed fairly by taking union agreements, early retirement programs and a reduction in overtime hours into account.

SCGC's Human Resources Policies have been updated as well, with particular emphasis on Training and Development. SCGC believes managers are responsible for respecting and protecting the differences of all employees. They must also treat staff members as a valued resource. Gender equality is an important issue that falls under their purview. Pay levels are monitored to ensure salaries are based on skills and experience and not gender. Local Compensation Surveys are run periodically as well. Furthermore, strategies to increase the presence and representation of women in SCGC's workforce are in progress.

Activities were organized around four training areas under the Training Management System: Compliance and Risk Mitigation; Efficiency and Specialization; Sustainable Development and Innovation and Human Capital Development. In 2013, SCGC hosted 79,643 hours for 3,484 training seats; this includes the internship activities as part of SCGC's social responsibility.

In 2013, the percentage breakdown of training programs was 18% for Human Capital Development, 24% for Efficiency and Specialization, 4% for Compliance and Risk Management and 54% for Sustainable Development and Innovation.

Meanwhile, dedicated programs were piloted in Egypt to promote greater environmental awareness for managers and employees. In addition, SCGC formed sustainable partnerships with local schools and universities to provide scholarships, internships, assistance to thesis research and student visits to SCGC labs and plants.

Development and Training

SCGC aims to attract, train and retain talented staff with relevant capabilities and skills. In 2013, 55 employees from the Sales and Marketing Department took part in the Talent Management Program. The staff chosen were in addition to employees who took the Technical and Procurement Program offered earlier.

The Development and Training (D&T) Department focused on cross-training, multidisciplinary skills development and knowledge sharing during 2013 to ensure staff performed at their best and could advance in their chosen fields. To this end, the D&T team delivered a wide range of informative training opportunities that encompassed over 79,643 hours for 3,484 staff members. That figure includes internship programs.

Special attention was given to literacy programs at four of the five SCGC plants. The illiteracy rate is decreased by 13% compared to 2012, which is a total of 74 certified employees.

To further assist SCGC employees in self-development and learning endeavors, D&T inked a corporate scholarship agreement with the American University in Cairo's Management Center. All SCGC employees can now receive a 20% discount on a wide array of diploma and training programs, which include MBA courses.

In addition, D&T supported career development and enrichment for 38 employees who took part in training sessions to learn new skills or received assistance when performing tasks for other departments. D&T facilitated "Train the Trainer" sessions for 11 newly selected internal trainers as part of their development track. The sessions gave trainers required skills to become kiln and mill simulator Master Trainers.

In collaboration with the Safety Department, D&T hosted two major training programs. The first was working at heights, which taught 100 employees to safely plan, implement and control activities while working at heights as well as manage risks should they occur. The second was the use of heavy machinery, which showed 62 employees how to properly inspect and use heavy machinery. It also taught staff about the safety hazards associated with this type of work.

In terms of industrial relations, the department improved overall working conditions and enhanced the role of the Human Resources (HR) Department. HR now functions as a strategic partner in the management process with the aim of changing workers' perception of the department through better communication and personal interaction via the HR Open Door policy.

INDUSTRIAL RELATIONS

CLA Overview

One of the biggest accomplishments was the signing of the latest round of CLAs (2013-2015) with union representatives from each SCGC branch. The CLAs were signed by the head of the General Union of Building and Wood Mr. Abdel Moniem El Gamal as well as related labor unions under the auspices of the Ministry of Labor.

The CLAs also guarantee a Shift Allowance worth 50% of the Basic Salary for Suez Cement Company (SCC), Suez Bags Company (SBC) and Tourah Portland Cement Company (TPCC) employees and 35 % for Helwan Cement Company (HCC) staff; the 6.5-month Performance Bonuses for SCC, SBC and TPCC are to be updated taking into account 2012 Basic Salaries; Work Nature Allowances for HCC staff will be increased by 5% under the 2012 Basic Salary to total between LE 100 and LE 250 and align with Performance Bonuses for SCC and TPCC employees; Service Upgrading will conclude; and Life Insurance for Death and Disability payments are now worth 24 months of Gross Salary, with the minimum payment being LE 100,000 in addition to a one-off payment of LE 6 million.

Furthermore, management proposed to maintain End of Service Compensation regulations as outlined in the previous CLA agreements. The intention is to implement a new system via a fund which, when established, will replace the current system. Staff also received a one-time payment worth 2% of Gross Salaries, while HCC staff now receive one extra dry meal per year like their counterparts at SCC and TPCC.

Some of the changes agreed to by all parties include: full and efficient operation of the Time Attendance & Access Control (TA&AC) systems; completion of TA&AC reader orders and/or installation at plant gates; the transition of printed salary pay slips to electronic salary receipts (with the exception of blue collar employees without email addresses); and the reduction of overtime hours from 889,667 hours in 2012 to 834,100 hours in 2013.

The HR Department's 2013 achievements span the creation of an online Performance Appraisal System, the introduction of Life Insurance and End of Service Compensation, the implementation of progressive staff restructuring programs, the reduction of recruitment costs through internal recruiting and employee development programs and the successful roll out of the Recruitment Policy, Performance Bonus Policy and Compensation Policy.

Another worthy achievement was the court ruling issued in favor of TPCC and HCC. The ruling on the social insurance cases saved the company LE 27 million overall (LE 19 million for TPCC and LE 8 million for HCC) and was made possible in collaboration with the Legal Department.

Facilities management

In terms of facilities management, SCGC's Security Department drafted Access Control Operational Procedures that are undergoing trials at all facilities. Moreover, the company performed a medical assessment for SCGC operations employees. The goal was to create a complete medical database that would help the firm prevent accidents due to ongoing health problems as well as detect and prevent health hazards from certain risk factors, implement sustainable development principles regarding health and industrial hygiene and provide training and health education via at least eight Basic Life Support and First Aid courses as per government requirements.

Operational Governance

As per SCGC Operational Governance (OG) plan, the Governance Department worked on several projects including through the alignment of HQ Technical Organization with CTG. It also created a single structure for Plant HR in collaboration and coordination with Industrial Relations, Facility and Plant HR Plant Managers. Access Control Operational Procedures were also prepared by the Governance Department in collaboration with the Security Department and reviewd by the Safety Department and Plant Managers.

It also worked on the Sales and Marketing Department Organizational chart and Suez Transport Organizational chart in line with SCGC organization chart.

It also developed Phase I of job description development of Sales and Marketing first-line managers in collaboration with HR Governance Department. It is currently developing a three-year Operational Governance Draft Plan based on Italcementi and SCGC needs and requirements.

Integrity

In terms of fighting corruption, SCGC implemented an Anti-Bribery Compliance Program in 2013. The program is part of a wider initiative aimed at reducing risks in terms of Corporate Criminal Liability. Within the scope of this project, SCGC will adopt Organization, Management and Control Model Targeting to prevent corruption and bribery.

In 2012, the company began developing a local Antitrust Compliance Program to provide a formal framework – guidelines, processes, monitoring and reporting activities – to ensure the business as a whole complies with all applicable antitrust laws. The scheme also identified and minimized related risks as well as outlined remedial actions to deal with issues in this regard.

SCGC is implementing an Enterprise Risk and Compliance Program as well to put more efficient risk management and auditing systems in place. With the aim of supporting the initiatives mentioned above, the integrated Internal Audit Program was updated as well. The program addresses health, safety, environmental protection, antitrust and anti-corruption issues over a period of three years. The goal is to better assess and contribute to the improvement of risk management controls and governance processes using a systematic and disciplined approach.

Sustainable Disclosure

SUSTAINABILITY POLICY

Since its acquisition, one of SCGC's main drives has been business excellence and best practices. This vision is part of the company's operational mission to create value in the building materials sector through the innovative and sustainable use of natural resources. The vision is designed to benefit Egyptian communities and SCGC's many clients.

Sustainable development is an integral part of the firm's strategy and working culture, which involves economic growth, environmental protection and social responsibility. It also contributes to value creation, long-term planning, durability and competitive advantage, all of which facilitate more progressive risk forecasting and management.

The Sustainability Policy is the cornerstone of the company's approach toward sustainability. It covers key themes affecting its business influence and activities, namely: human rights, business integrity, health and safety, labor practices, social initiatives, supply chain, energy efficiency, environmental protection, product quality and processes, innovation and R&D. All relevant issues are covered by policies derived from the Sustainability Policy itself, which draws its inspiration from international references and standards.

SCGC's strategy is focused on the renewal and expansion of its existing industrial network, acquisitions and partnerships in emerging and growing markets, vertical integration with ready-mixed concrete and aggregates, development of innovative building products and initiatives in the renewable energy sector. SCGC's major successes in this area are listed on the corporate website.

Sustainability policy

Suez Cement group embraces and supports its core values of responsibility, integrity, efficiency, innovation and diversity to serve as a guide for its daily activities.

The Group strives to create value in line with the highest standards of business integrity thereby contributing to economic development supported by innovation, protecting the environment, improving life at work and regularly engaging with local communities and society at large, including governments, non-governmental organisations and others in the public and private sectors.

The group and its subsidiaries are committed to applying principles of equality to all employees, contractors, subcontractors, suppliers, customers, end-users and all the other stakeholders involved in its sphere of business influence.

The group firmly believes that no source of value, whether related to human beings, natural or financial resources, intellectual capacity and use of time, shall be neglected or wasted.

Suez Cement group

1 Supports and respects internationally proclaimed **human rights** that are universal and belong equally to every person.

2 Enforces and ensures business integrity by implementing appropriate internal **codes of governance** and **organisational procedures.**

3 Is committed to guaranteeing the **health and safety** of all parties involved, providing proper working conditions, equipment, information and training.

4 Implements **labour practices** grounded on fair employment, equal opportunities, skill development; it regards diversity as a source of value in full compliance with internationally proclaimed human rights.

5 Promotes **social initiatives** investing time, expertise and resources in supporting communities, favouring local business development and establishing regular stakeholder engagement.

6 Aims at establishing and keeping **relations with customers and suppliers** based on transparent exchange of information and shared commitments.

7 Pursues **energy efficiency** and **climate protection**, defining global strategy and local actions.

8 Contributes to protecting **the environment** through responsible use of resources, adoption of best practicable options and management systems.

9 Guarantees and continuously strives to improve **the quality** of its products, processes and services.

10 Promotes **research and innovation** by developing new products, applications and services.

Bruno Carre
Managing Director

السويس للأسمنت Suez Cement Italcementi Group
أسمنت طره Tourah Cement Italcementi Group
أسمنت حلوان Helwan Cement Italcementi Group
السويس للأكياس Suez Bags Italcementi Group

Suez Cement group of Companies's Sustainability Policies draw their inspiration from international references such as the United Nations Universal Declaration of Human Rights, the International Labour Organization standards, the SA 8000 standard, the OECD guidelines on Multinational Companies and are reinforced by Italcementi Group's Codes, the agreement between Italcementi Group and the Building and Wood Workers International, the membership to the World Business Council for Sustainable Development and the participation in the United Nations Global Compact. Cairo, October 2011

Below are the core values that drive all SCGC activities:

Responsibility: Making a long-term commitment to sustainability

Integrity: Ethical behaviour at the heart of all business practices

Efficiency: Operational excellence through continuous improvement

Innovation: Encompassing all products application and management

Diversity: Understanding and supporting local identities

SAFETY

Safety is another key priority for SCGC. The firm considers safety and security fundamental values to be integrated in all its activities. With the aim of more ambitious results, the Zero Accidents project evolved into a more comprehensive safety program in 2011 that presented safe conduct at work and home for employees at every level. The company's goal is to create safer and healthier working environments by preventing accidents and injuries, in addition to developing communication initiatives to promote a safe and health-conscious work culture.

In collaboration with the Safety Department, D&T hosted two major training programs: working at heights and the safe use of heavy machinery.

To become one of the safest companies in our industry, SCGC sought to reduce the frequency rate of workplace accidents. In 2013, SCGC's Lost Time Injury (LTI) frequency rate — the number of accidents that resulted in lost time per million hours worked — for employees and temporary workers was 1.3. Additionally, the severity rate of recorded injuries was 0.09, while the total number of days lost without commuting was 652. The Total Recordable Injury Rate (TRIR) was 3.5 including Fatalities, Lost Time Injuries, Restricted Work Duty and Medical Treatment.

Another SCGC ambition is creating strong relationships with employees and subcontractors based on trust, which will contribute to an improvement of safety dynamics on site. In order to reach that goal, the company launched a new project that evaluated subcontractors' management based their Occupational Health and Safety Management Systems. In 2013, the firm evaluated 75 subcontractors. The process remains ongoing.

Every year, each plant actively promotes the celebration of the World Day for Safety and Health at Work and World Environment Day. The special days are an occasion to promote safety awareness activities and sustainable practices to support a greener environment.

In 2013, SCGC celebrated the World Day for Safety and Health at Work with a special teamwork activity – the Graffiti Safety Contest. Outstanding art representing safety at work and home was commemorated at each plant to serve as a reminder for employees to stay safe at all times. During the event, Plant Managers together with Safety Managers presented awards to the best Safety Inspectors followed by presentations from the Egyptian Society for Road Safety and E-Mokhalfa NGOs.

In 2013, the Safety Department also worked to improve the company-wide inspection program. At the end of the year, the department chose the best certified inspectors who then received awards for their efforts. 2013 marked the first time the Safety Department was able to create a Safety Database that allowed personnel to followup on training, safety talks, employee and contractor violations, unsafe conditions, corrective actions and implementations of SCGC standards such as Personal Protective Equipment (PPE) surveys, Working At Height (WAH), Confined Spaces Entry (CSE), Hot Work and Lock-Out Tag-Out. The LOTO system tracks bonus points awarded to specific employees to promote enhanced worker safety and awareness.

Frequency Rate	2009	2010	2011	2012	2013
Cement	3.1	2.7	4	1.9	1.2
Aggregates	_	_	_	-	
Concrete	_	_	_	-	
Group	2.7	2.5	4.1	2.2	1.3

Severity Rate	2009	2010	2011	2012	2013
Cement	0.2	0.18	0.17	0.11	0.09
Aggregates	_	_	_	-	
Concrete	_	_	_	-	
Group	0.2	0.17	0.16	0.10	0.09

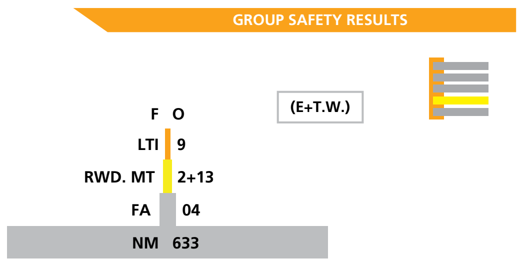
TRIR	2009	2010	2011	2012	2013
Cement	7.8	7.2	7.9	5.6	3.5
Aggregates	_	_	_	-	
concrete	_	_	_	-	
Group	7.1	6.8	7.5	6.3	3.5

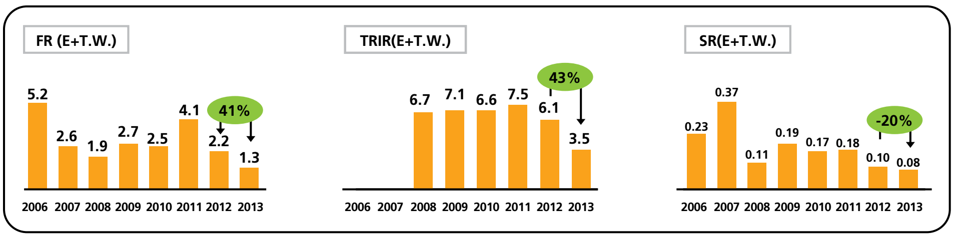
Fatalities	2009	2010	2011	2012	2013
Employees	0	1	0	0	0
Subcontractors	2	4	2	0	0
Third party	0	0	0	0	0

Work-Related Injuries With Lost Days	2009	2010	2011	2012	2013
Employees	**21**	**18**	**25**	**12**	**7**
Subcontractors	**20**	**17**	**17**	**13**	**25**

EGYPT

Fatal accidents 2013: 0
Manpower.3579

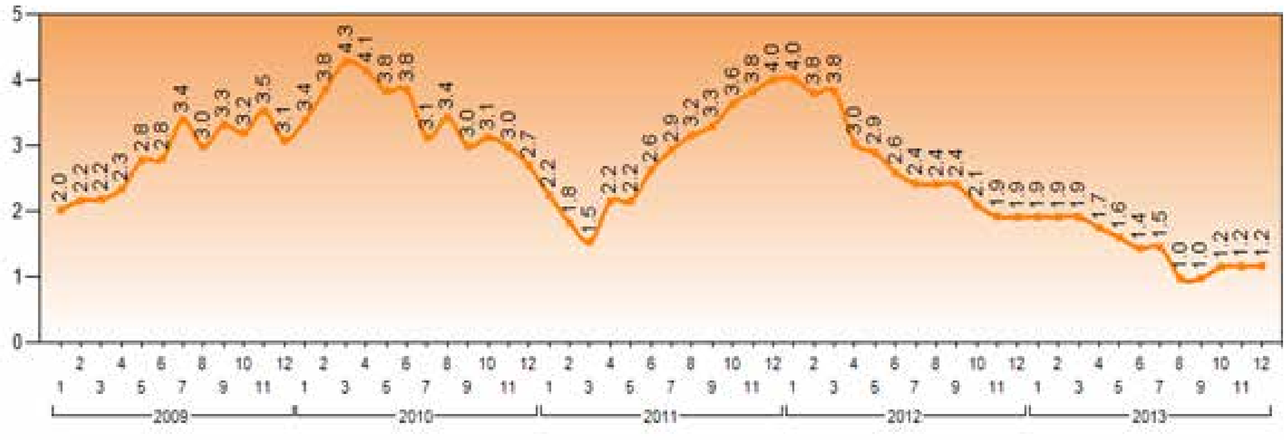




	2013	2012	
TRIR (E+T.W.)	3.5	6.1	▼
LTI FR (E+T.W.)	1.3	2.2	▼
SR (E+T.W.)	0.08	0.10	▼
NIBER OF ACCIDENTS FOR CONTRACTORS (FATSL + LTI) ON SIFE / OFF SITE	25 LTI	15 LTI	▲

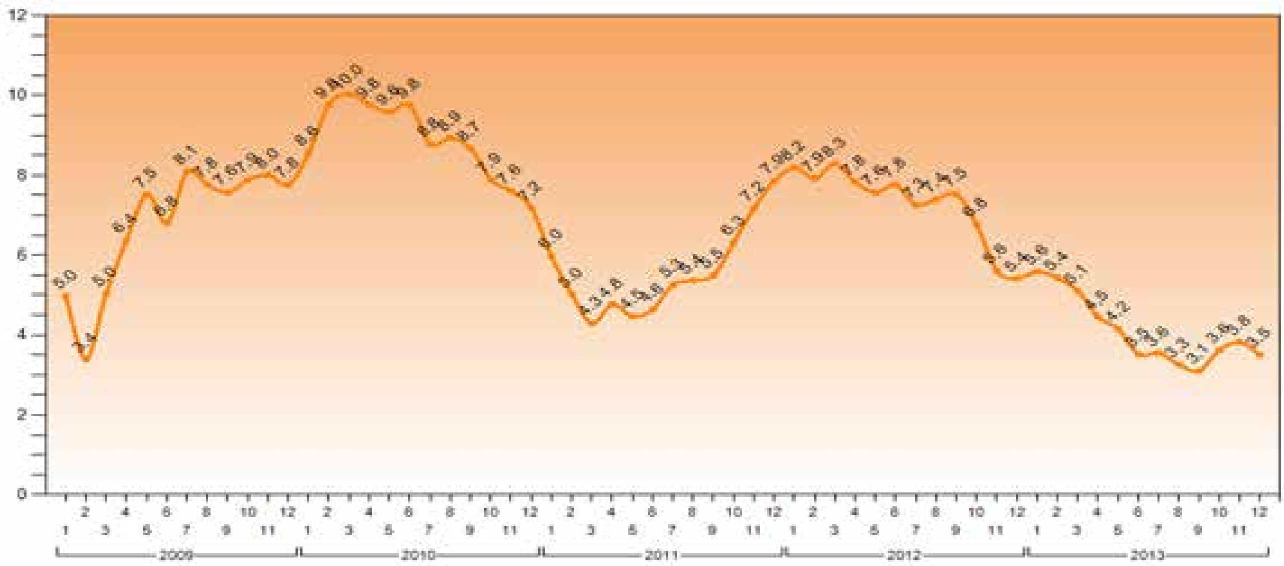
CEMENT	AMC	AGGREG.
3.5		
1.2		
0.09		
24LTI		

SLIDING COURSE FREQUENCY RATE



SEVERITY RATE SLIDING COURSE

SEVERITY RATE SLIDING COURSE



Health and Product Responsibility:

SCGC strongly believes that protecting employee health and enhancing the wellbeing of workers is as vital as safety awareness. The new Health Policy adopted in 2011 confirms this approach.

Health management, including industrial hygiene (dust, noise and whole-body vibration hazards), is one of the company's major concerns. The recent implementation of the Workplace Health Hazard Assessment re-prioritized the issue, proving that such hazards can have long-term effects. In this context, SCGC has had a positive impact in this area by providing information and medical care to its employees and local community members.

In 2013, a group of specialists from a university in Rome performed a full industrial hygiene assessment at the Helwan plant. The survey is a part of a strategic project by Italcementi Group aimed at improving working conditions based on key principles regarding sustainable development and CSR. The assessment was performed with the full co-operation Plant Managers, technical staff, safety staff and workers. The target in 2014 is to do the same assessment at the Suez plant.

Concerning product responsibility, SCGC discloses basic information on health, safety and environmental issues related to market products, even when regulatory frameworks do not exist or mandate this practice. Information sheets about each product describe the relevant properties of each cement and recommendations for its proper storage, transport, handling and use.

Industrial Hygiene Assessment 2013

Exposure Risk									
		Tourah	**Helwan**	**Kattameya**	**Suez**	**Minya**	**Suez Bags**	**HQ**	**Suez Transp**
% of workers exposed	Dust	48%	51%	53%	70%	45%	0%	0%	0%
	Silica	38%	37%	29%	41%	39%	0%	0%	0%
	Noise	18%	48%	54%	64%	38%	57%	0%	0%
	Whole-body vibration	2 %	2%	5%	4%	4%	0%	0%	70%
Monitoring									
% of workers monitored	Dust	98%	100%	100%	0%	100%	0%	0%	0%
	Silica	100%	100%	100%	0%	99%	0%	0%	0%
	Noise	65%	100%	100%	0%	100%	94%	0%	0%
	Whole-body vibration	100%	100%	100%	0%	100%	0%	0%	0%

ENVIRONMENTAL PROTECTION

The cement industry is aware of its responsibilities in the global fight against climate change. The sector's operations are both energy and carbon intensive. This means cement producers can play a key role in humanity's adaptation through the construction of dams and water storage facilities as well as basic public and private infrastructure.

In this spirit, SCGC has made environmental protection one of its key corporate pillars. It has implemented numerous long-t erm projects designed to reduce emissions, pollution and waste. Last year, SCGC received several awards from the Ministry of State for Environmental Affairs for its comprehensive environmental management and performance programs.

In related news, the Kattameya plant was honored with the "2013 Greenest Company in Egypt" first prize certificate in recognition of the plant's ongoing efforts to reduce the environmental impact of cement production.

Meanwhile, in November 2013, SCGC launched a new, state-of-the-art filtration system at the Helwan plant. The filter system reduces dust emissions levels to a maximum of $10mg/m^3$, which is well below Egyptian and European standards.

Furthermore, in light of the fuel crisis currently affecting Egypt, SCGC is working to replace traditional fossil fuels with AFs, and thereby decrease its total carbon dioxide emissions.

Meanwhile, SCGC launched the construction of innovative waste fuel projects at the Helwan and Kattameya plants. Both have been registered with the Clean Development Mechanism Executive Board of the United Nations Framework Convention on Climate Change and have a crediting period of 10 years (ending in 2023).

The purpose of the two projects is to reduce SCGC’s reliance on fossil fuels and increase the percentage of energy it produces from RDFs made from agricultural waste that includes rice straw, cotton stalks and municipal sludge. The hope is that RDFs will soon comprise 14% of SCGC's energy mix.

In addition, SCGC built a new waste-processing plant at its Kattameya site that turns pre-sorted waste into fuel. The facility is the first of its kind for Egypt and SCGC’s parent company Italcementi Group. The project, which took almost a year to be completed, is worth 5 million Euros. The facility is being built in compliance with Egyptian environmental law and is slated to produce approximately 35,000 tonnes of RDF annually.

In 2013, a project to convert electrostatic precipitators with bag houses at Kattameya, Suez and Minya plants was approved with a budget of LE 116.7 million. That same year SCGC completed the second phase of its AF plan at the Kattameya plant, worth LE 48 million. The program is set to be implemented at the Helwan and Suez plants as well.

Climate and Energy

The above initiatives are part of SCGC's comprehensive Energy Policy, which is driving company efforts to move toward a low-carbon economy and develop feasible environmental solutions in partnership with the government and other players in the building materials sector.

The cement industry is highly exposed to carbon risk, particularly in regions where CO_2 emissions trading systems or carbon taxation are in place. The level of risk is directly related to the carbon footprint of individual companies but it is also significantly affected by external factors such as the international Kyoto and post-Kyoto scenarios, local regulations and carbon prices on international markets. Experience has shown that the European Emission Trading Scheme (EU-ETS), even under free allocation, can significantly impact production margins due to costs incurred making up shortages in emissions allowances. The cost of electricity plays a role as well.

SCGC’s intensity-based target for direct emissions is to achieve an emission factor of 640 kg CO_2 per tonne of cementitious products by 2015. In 2013, the firm's emission factor was 677 kg CO_2 per tonne of cementitious products, which was an improvement compared to 2012 figures.

SCGC’s proactive approach is focused on prevention and mitigation of potential environmental impacts as well as the preservation of natural resources in the development and management of its production facilities. The firm has defined the following four specific priorities in line with its sustainability strategy:

- Climate protection through proper control and management of CO_2 emissions;
- Responsible use of resources, such as fuels and raw materials, electrical power and water;
- Control and reduction of air emissions by ensuring accurate monitoring of kilns and the adoption of best available techniques for emissions reductions;
- Minimization of landscape and visual impacts, including quarry rehabilitation.

To do this, SCGC is committed to:

- Improving thermal efficiency of processes;
- Extending use of AFs and biomass fuels;
- Increasing the use of alternative raw materials and blended cement;
- Extending the use of grinding aids in cement mills and reducing consumption of electricity.

SCGC's proactive approach is focused on the prevention and mitigation of potential environmental impacts as well as the preservation of natural resources in the development and management of its production facilities. Reduction initiatives mainly focus on using less carbon-intensive fuels following a multi-annual plan. In 2013, biomass programs comprised 98% of total AF production company-wide. SCGC also started to use agricultural waste in 2013, which fulfills requirements for CO_2 credits under the CDM scheme. Two projects were registered by mid-July with a 10-year crediting periods.

Moving on, in August 2011, new amendments to law No. 4 of 1994 were issued, including new restrictions on air emissions with a grace period of three years to comply. SCGC submitted a compliance action plan that included filter upgrading projects and received approval from authorities to meet former limits during the grace period until the projects are completed.

To this end, more restrictive environmental targets were developed to avoid penalties arising from violations. The targets comply with the firm's spirit of Continuous Improvement as well.

Furthermore, SCGC is committed to applying guidelines and protocols developed by the Cement Sustainability Initiative (CSI) on climate protection, the use of fuels and raw materials and emissions monitoring and reporting. This includes new projects and major upgrades as well as environmental and social impact assessments. The primary environmental focus is controlling and mitigating the consumption of raw materials, fuels, electricity and water.

In the field of energy efficiency, waste-heat recovery is being explored as a promising option in terms of electricity production or district heating.

SCGC is committed to preventing or otherwise minimizing, mitigating and repairing any negative environmental impacts from its activities. The Environment Management System (EMS) Program has further driven SCGC to adopt an Environmental Policy that reflects management's commitment toward improving the environment where the company operates.

The Environment Policy reinforces SCGC's approach in preserving the environment and society. SCGC strongly recommends the adoption of Environmental Management System schemes as an effective tool to prevent risk and prompt continuous improvement. All five plants are ISO 14001 and IS0 9001 certified and comply with requirements of the Environment Management System EMS-ISO 14001/2004.

As part of the company's ongoing efforts to reduce adverse environmental impacts, regular consultations and information sessions are held with local stakeholders. A Compliance Action Plan was launched in 2012, with key goals set to be reached in 2014. The project is worth approximately LE 530 million.

Air Emissions

All SCGC plants respect and monitor compliance with Egyptian environmental laws and work in close co-operation with the Ministry of Environmental Affairs to ensure standards are on target. Each plant regularly monitors and reports its emissions using a data reporting system in line with the WBCSD/CSI Protocol for CO_2 inventorying. The data are used to track performance against KPIs and set internal reduction targets.

Performance monitoring, with a special focus on emissions, is a key tool for environmental management. To achieve this, the company monitors its emissions using a Continuous Emission Monitoring System (CEMS) – automatic devices that measure real-time emissions 24 hours a day, stored in an emission performance database.

SCGC has eight operating kilns. Each are fully equipped with a CEMS to measure gas emissions according to company standards.

The firm has been monitoring and reporting carbon dioxide emissions since 2006, following its adoption of the WBCSD CSI CO_2 Version 3 Protocol for the cement industry. To validate the results, Ernst & Young will carry out an external audit in 2014 to consolidate SCGC's carbon dioxide emissions at all five plants. Pollutants and micro pollutants mentioned in the SD Air Emissions Procedures were integrated in SCGC's spot monitoring programs as of 2013.

SCGC 2013 CO_2 Cement Production* Emissions

Absolute gross (tonne/year)	5,048,465
Specific gross (kg/tonne clinker)	796
Specific gross (kg/tonne cem.**)	677

* The calculations are based on the WBCSD CSI CO_2 Protocol, June 2005 Version 2 and Italcementi Group guidelines
**"cem." is a cementitious product that includes both clinker and cement substitutes used for grinding

Water

Water has been increasingly recognized as a key factor in sustainable development by major industrial sectors, including building materials producers. Cement production requires water to produce "slurry" in wet process kilns, cool gases, improve the efficiency of process filters, control fugitive dust and cool mechanical equipment.

SCGC is striving to improve water management practices and efficient water use as well as apply reporting processes in this area as per the 2010 WBCSD Global Water Measurement Tool. Some 70% of total water withdrawals were monitored by counters. The remaining 30% are set to be counted by the end of 2014.

Natural Resources and Quarries

SCGC applies strict guidelines for the responsible use of AFs and alternative raw materials (ARMs). SCGC is striving to replace non-renewable fuels and raw materials with alternative resources. This will lead to an integrated industrial cycle, in which byproducts or waste from one process become a valuable resource for another. In 2013, SCGC utilized non-quarried materials (slag and broken clay bricks) as a substitution for clinker in cement that consisted of 9.05% ARM vs. quarried raw materials.

Clinker production for 2013 totaled 6,340,116 tonnes, while aggregate fuel consumption for cement operations was 6,052,033 Gcal. There was a slight decrease in kiln energy consumption compared to 2012 due to ratio improvement in line with that year's figures.

The company's strategy is to consolidate and increase the use of the AFs and, if possible, incorporate RDFs and biomass fuels. It is also focused on developing local biomass fuel opportunities.

Quarry Rehabilitation Programs

To preserve biodiversity and protect ecosystems, the company has made quarry rehabilitation a priority. Since all SCGC quarries are located in the desert, the company held sessions with local stakeholders to identify expectations and discuss ongoing environmental programs. The idea was to ensure any initiatives would work in harmony with the surrounding landscape and mitigate negative visual impacts through sustainable planning.

SCGC is currently implementing four rehabilitation projects, three of which were undertaken voluntarily. In 2007, SCGC began the first rehabilitation plan by refilling its clay quarry near the Tourah plant, which is the oldest quarry in the country. The other two refilling projects are located in the Suez plant's clay quarry, while the fourth involves planting palm trees around the Kattameya clay quarry to create a barrier between the site and the highway.

In 2013, SCGC launched its first Biodiversity Plan in co-operation with Ain Shams University's Zoology Department. The program's aim was to analyze and monitor biodiversity levels at the Helwan limestone quarry as well as similar desert areas. The preliminary results show that biodiversity in the quarry is more developed than it is in the surrounding desert. Scientists found more than eight plant varieties, nine terrestrial vertebrate species (ie mammals, reptiles and birds) and five soil invertebrates in addition to over 12 distinct types of water algae in quarry water bodies. The team said quarry activities had led to the formation of these small lakes that migratory birds now use as stopovers as they make their way south in the winter and north in the summer.

SOCIAL INITIATIVES

Driven by the company's ongoing commitment to corporate social responsibility, SCGC has continued to promote social initiatives that focused on key needs of local community members. In 2013, SCGC made education and health key priorities and spent more than €530,000 on related programs across the country. These initiatives also aim to improve stakeholder relations through dialogue and co-operation.

Based on mutual commitment, active partnerships, trust and openness, the company supports local projects to eradicate poverty and improve living conditions according to sustainable principles. Driven by the new Social Initiatives Policy issued in 2011 and the Charter of Values, SCGC supports community-based projects focused on capacity building. All initiatives must support development or create small business opportunities. They must also boost the quality of life for community members, comply with local government policies and the UN Universal Declaration of Human Rights and respond to community needs.

Only projects that contribute to the quality of life for community members, comply with local government policies and the UN Universal Declaration of Human Rights are chosen. One such project was SCGC's sponsorship of the annual ENACTUS National Competition involving universities in Helwan, Suez and Minya. ENACTUS is an international non-profit organization that brings together students, researchers and business leaders who are committed to entrepreneurship and development.

Egyptian students will present their ENACTUS projects in July 2014 to be evaluated by a panel of business leaders who will rank their ideas. The winners of the national competition will be invited to compete at the prestigious ENACTUS World Cup that will take place in Beijing, joining students from almost 40 countries. In this context, SCGC will be providing the Helwan, Tourah and Suez ENACTUS teams with technical support through an employee mentorship initiative. In this vein, SCGC has established a special marketing competition for university students as well. Youth at 40 Egyptian universities are working to prepare a marketing and communications plan for SCGC's innovative products for the local market.

Similarly, HCC and TPCC partnered in 2013 with the Misr El Kheir Foundation to revamp the Helwan Public Hospital. The project, worth LE 3 million, is set to tackle the hospital's crumbling infrastructure as well as provide proper medical equipment and maintenance over the next year. An analysis of hospital employee morale will be conducted as well.

SCGC understands that education is a key factor for the development of the country and plays a crucial role in poverty eradication and wealth creation. In 2013, the company continued to fund the Don Bosco Technical Institute in Cairo with its annual contribution of 50,000 Euros.

The objective of the program is to promote technical and vocational education. The partnership started in 2006 with the upgrade of Don Bosco's infrastructure and facilities as well as the development of new programs. Graduates of Don Bosco are well known and in demand throughout the industrial sector for their excellent training and professional skills. SCGC has hired more than 25 graduates from the program and provided on-the-job training for another 170 participants on top of summer internship opportunities.

Furthermore, in the past two years, 23 students from the institute have received scholarships thanks to contributions from SCGC.

SCGC also raised funds for 57357 Children's Cancer Hospital, one of the best cancer hospitals in the region. The donation, which included cash and cement products, is set to enable the hospital to continue to engage in advanced cancer treatment and research. In 2013, 25 SCGC employees from the Helwan, Tourah and Kattameya plants participated in a marathon organized by the hospital to raise more funding for the medical facility.

The cement producer also pioneered the first "arcVision Prize for Women and Architecture" competition in Egypt. The national contest's goal was to recognize and support the talent and creativity of female Egyptian architects. Nominees displayed outstanding qualitative excellence and attention to key issues in building construction, ie technology, sustainability and social and cultural implications. Winning candidates had envisioned projects that reflected and supported the socio-economic development of Egypt.
This award encourages society to contribute to the economic and social development of the country through architecture and building technology that spans housing as well as buildings used for public, cultural, educational, social, sports and environmental endeavors. The idea is to best serve the needs of people by offering them services that improve their quality of life.

In June 2013, SCGC joined hands with INJAZ to host the celebration of the World Environment Day at the Helwan plant, inviting all employees and more than 150 local children to join the celebration. The program included painting and planting activities as well as a session dedicated to waste management, recycling and saving energy. Young people also participated in games about the importance of protecting the environment and helped create a "green corner" inside the facility.

In line with the United Nations Millennium Goals, SCGC has strengthened relationships with its many stakeholders based on mutual commitment, active partnerships, trust, openness and long-term co-operation, serving communities near its manufacturing sites. During the Muslim holy month of Ramadan, SCGC's Helwan and Torah plants set up charity tents for 300 impoverished residents and provided each with a meal every evening at sunset. Another 6,000 Ramadan charity food bags were donated by employees across plants to support needy families in Cairo, Suez and Minya.

RESPONSIBLE PRODUCTION

Supply Chain

Stakeholder dialogue is a key success factor in preserving valued customer relationships. A fundamental pillar of SCGC's approach is its Supplier Qualification Office, which is responsible for the objective evaluation of suppliers to guarantee their ability to meet supply demands as well as their commitment to health, safety, environmental protection and SCGC's Code of Ethics.

This is an inter-departmental effort shared by team members from the Procurement, Technical, Safety, Finance and Legal Departments. Each department is responsible for the evaluation of suppliers in their areas of concern. They are tasked with assessing suppliers' current operations as well as supporting plans to improve supplier quality, health and safety standards as well as environment awareness. Both new and existing suppliers are continuously assessed in order to ensure suppliers meet SCGC's high standards. Once qualified, regular performance appraisals monitor compliance with company guidelines and principles.

In 2013, SCGC continued its efforts to eliminate occupational injuries and accidents and improve working conditions for employees and subcontractors. The firm addressed all safety violations and conducted meetings to coach subcontractors on the importance of practicing safety awareness.

Moreover, SCGC has continued researching the procurement of alternative materials that can be used in cement production that have fewer negative environmental impacts. They include the use of chromium reducers and the sale of unneeded steel, obsolete equipment, worn parts, kraft paper and waste oil.

Quality Policy and Product Range

SCGC offers several types of cement in various strength classes in compliance with both Egyptian (ES 4756/1-2013) and international (EN 197/1-2011) standards. The following types of cement are produced by SCGC:

Ordinary Portland Cement	CEM I 42,5 N
Ordinary Portland Cement	CEM I 42,5 R
Portland Limestone Cement	CEM II /B-L 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

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

SCGC controls the quality of each cement type and strength class through its Quality Management System. During the first half of 2012 the new Quality Policy was launched. The goal was to consolidate the company's strategy of improving the quality of its products, processes and services and thereby create added value along the life cycle of products. The strategy also serves to enhance relationships with customers and suppliers.

To guarantee routine quality control, SCGC signed an agreement with the Housing and Building Research Center to monitor the company's products via accredited laboratories. The five plants adopted the Quality Management System, were subjected to regular audits and periodic updates and received ISO 9001-2008 Quality Management System and ISO 14001-2004 Environment Management System certification. Each have also been EN 197-1 certified for evaluation of conformity as well as EN 197-2 certified for composition, specification and conformity criteria (CE mark). All products were granted the Egyptian Quality Mark (EQM).

Research and Innovation

SCGC's commitment to research and innovation is of strategic importance and guarantees growth, global competitiveness and improved quality of life in the communities where it works. It is also an important tool to maintain the firm's Sustainable Development Program.

The Innovation Rate, ie the ratio between innovation turnover and group global turnover, reached 6.5% in 2013. That figure was 6.2% in 2012, 6.9% in 2011 and 4.8% in 2010. Since 2009, these results have been subjected to third-party verification.

Innovation is a key value for SCGC. The ratio of revenue generated by innovative products and projects to total sales hit 6.5% in 2013, surpassing the company's medium to long-term goal of between 3.5% and 5%. The improvement was driven by sales of new products added to SCGC's already impressive product lineup.

End users could also access SCGC products at BRAVO BUILD retail shops in New Cairo and Tourah, purchase Lime Stone Cement (CEM II / B-L 32.5 N) and visit the Qalyoub hub. The innovation ratio target for 2014 is 3%.

REPORTING AND KPIs

The company is responsible for all data published. However, the disclosure has not yet been subjected to assurance by a third party. Nevertheless, the most relevant indicators are being verified by Ernst & Young.

SCGC assesses its performance according to a wide range of measures and indicators. These KPIs help executive management measure performance against SCGC's strategic priorities and business plans.

Group reference	KPI	Summary
SDD001 Air Emissions Reporting Procedure	Dust, NOx, SO_2: absolute and specific emissions	The procedure covers the emissions of pollutants at the main stack and the by- pass stack of the cement kilns. It defines requirements for quality tests and recommends methods for measurements according to "CSI Guidelines for Emissions Monitoring and Reporting, March 2005". Data are entered into the Group database and reported by means of the Group reporting software or dedicated spreadsheets. Specific emissions are based on available measurements (continuous or spot), absolute emissions are extrapolated to all kilns.
SDD002 CO_2 Reporting Methodology	Absolute and specific gross CO_2 emissions and CO_2 emissions from electricity consumption	The procedure is compliant with the WBCSD/CSI Protocol: "CO_2 Accounting and Reporting Standard for the Cement Industry", June 2005 ver.2. Absolute gross and specific CO_2 emissions are reported to SDD by means of the WBCSD/CSI Cement CO_2 protocol spreadsheet. CO_2 emissions account total direct emissions, excluding biomass fuels. Cementitious products account both clinker production and mineral additions for cement grinding.
SDD011 ISO 14001 Reporting Instruction	Percentage of cement plants certified ISO 14001	ISO 14001 certified facilities are cement plants which have developed and implemented Environmental Management Systems complying with the requirements set in the standard ISO 14001:2004, certified by qualified bodies and with valid certificates.
SDD012 Raw Materials Reporting Instruction	Total RMs and ARMs consumption	The procedure defines natural and alternative raw materials (ARMs). The Group Technical Center draws the data from the Group database; figures are endorsed by the subsidiaries before being forwarded to SDD. Dry tonnes of RMs and ARMs are reported according to "CSI Guidelines for the selection and use of fuels and raw materials in the cement manufacturing process".
SDD013 Fuels Reporting Instruction	Total fuels and AFs consumption	The procedure defines conventional and alternative fuels (AFs). The Group Technical Center draws the data from the Group database; figures are endorsed by the subsidiaries before being forwarded to SDD. Thermal input from conventional fuels and AFs reported according to "CSI Guidelines for the selection and use of fuels and raw materials in the cement manufacturing process".
SDD016 Quarry rehabilitation Instruction	Percentage of quarries with a rehabilitation plan	The procedure defines the quarries included in the scope, providing extracted raw materials to cement plants and aggregates. It sets the minimum requirements to be fulfilled for the assessment of rehabilitation plans.

N4 Group Innovation	Percentage of turnover from innovative products	The innovation rate is the ratio between the operational turnover realized with the sales of innovative products and the total operational turnover. Innovation Projects are identified as New Products (cements and binders, ready mix concretes, admixtures, mortars and others); New Applications (new construction solutions even with existing products); New Services pertaining to the area of sustainable development, distribution and packaging; New Manufacturing Processes represented by specific manufacturing processes made available to the market after an internal development of specific know-how and patents. Innovation projects are classified according to three categories: Established (Product-Application-Service-Manufacturing process already present both in the reference market of the Subsidiary and in the Subsidiary offer); Incremental (Product-Application-Service-Manufacturing process present in the reference market of the Subsidiary but not in the Subsidiary offer); Radical (Product- Application-Service-Manufacturing process new to the reference market of the Subsidiary and to the Subsidiary offer). According to the novelty condition, the innovation period can vary from a minimum of 3 years to a maximum of 9 years. The innovation rate includes admixtures with no limit of duration because of the permanent adaptation of the product. It also includes the cement in case of common sales of admixtures and cement to third parties. Existing products which have been repositioned because of their contribution to sustainable development are included in the innovation rate as well.
Safety management handbook	LTI Frequency Rate	A Group database, automatically updated at site level, calculates lost time injuries (days) in a year per million hours worked, according to WBCSD/CSI definitions.
SDD017 Industrial Hygiene – Workplace Assessment	Percentage of employees potentially exposed to dust, silica, noise and vibration covered by the workplace assessment	The procedure sets that employees potentially exposed to dust, silica, noise and vibration have to be evaluated versus international standards recommended in the procedure. When defining the number of potentially exposed employees only, default values may be are used to correct incomplete reporting from countries. Monitoring activity is always supported by evidence.

EY
Building a better working world

Italcementi - Suez Cement Group of Companies

Year ended December 31, 2013.

Independent assurance report on CO2 emissions

To the Shareholders,

Further to the request made by Italcementi, we performed a review on the CO2 absolute gross emissions (5,048,465 tons of CO2) and specific gross emissions (677 kg of CO2/ton of cementitious products) for the year ended December 31, 2013 (the "Indicators") to obtain limited assurance that the Indicators were prepared in accordance with the reporting criteria applicable in 2013 (the "Reporting Criteria"), consisting in external standards elaborated by the World Business Council for Sustainable Development - Cement Sustainability Initiative (WBCSD-CSI) available on the WBCSD web site[1] completed with Group specific procedures, a summary of which is provided in Section 6.2 of Italcementi's 2013 sustainability disclosure under the heading "Third party assurance", which can be consulted on Italcementi Group's web site[2].

It is the responsibility of Suez Cement Group of Companies' Environment Department to prepare these Indicators and to provide information on the Criteria.

It is our responsibility to express a conclusion on these Indicators on the basis of our review. Our review was conducted in accordance with ISAE 3000[3] International Standard from IFAC.

Our independence is defined by regulatory requirements and the Code of Ethics of our profession. In addition, we have implemented a quality control system, including documented policies and procedures to ensure compliance with ethical standards, professional standards and applicable laws and regulations.

Nature and scope of our review

We performed the following review to be able to express a conclusion:

- We have assessed the Reporting Criteria with respect to their relevance, their completeness, their neutrality, and their reliability.
- At the Group of companies level, we have conducted interviews with people responsible for reporting in order to assess the application of the Reporting Criteria. At this level, we also have implemented analytical procedures and verified, on a sample test basis, the calculations and the consolidation of the data.
- We have selected a sample of one cement plant (Suez plant) on the basis of its contribution to the Group of companies' consolidated data and the results of the review performed during previous financial years. At the level of the selected site, we have verified the understanding and application of the Reporting Criteria, and undertook detailed tests on the basis of samples, consisting in verifying the calculations made and linking them with supporting documentation.
- We reviewed the presentation of the Indicators in the sustainability disclosure and the associated notes on methodology.

We consider that the sample methods and sizes of the samples that we considered by exercising our professional judgment allow us to express a limited assurance conclusion; an assurance of a higher level would have required more extensive verification work. Due to the necessary use of sampling techniques and other limitations inherent in the functioning of any information and internal control system, the risk of non-detection of a significant anomaly in the Indicators cannot be entirely eliminated.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the Indicators were not established, in all material respects, in accordance with the Reporting Criteria.

Paris-La Défense, July 9, 2014

ERNST & YOUNG et Associés

Christophe Schmeitzky Partner, Sustainable Development	Bruno Perrin Partner

[1] http://www.wbcsdcement.org/
[2] http://www.italcementigroup.com
[3] ISAE 3000: "Assurance Engagement other than reviews of historical data", International Federation of Accountants, International Audit and Assurance Board, December 2003.

SUEZ CEMENT COMPANY (S.A.E)

Separate Financial Statements
For The Year Ended 31 December 2013
Together With Auditors' Report

AUDITORS' REPORT TO THE SHAREHOLDERS OF SUEZ CEMENT COMPANY

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 31st December 2013, and the related separate 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 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 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 separate 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 depend 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 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 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 separate financial position of Suez Cement Company (S.A.E), as of 31st December 2013, and of its separate financial performance and its separate cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

Translation of Auditors' report

Originally issued in Arabic

- As indicated in notes (1) and (5) of the notes to the separate financial statements, the company has investments in subsidiaries and prepared consolidated financial statements as of 31st December 2013, for better understanding of the company's financial position as 31st December 2013 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 the 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: 11 March 2014

Auditors

Nabil A. Istanbouli	**Emad H. Ragheb**
FESAA – FEST	FESAA – FEST
(RAA. 5947)	(RAA. 3678)
(EFSAR.71)	(EFSAR.42)

Allied for Accounting & Auditing (EY)

SEPARATE BALANCE SHEET AS OF 31 DECEMBER 2013

	Note	2013 (LE)	2012 (LE)
Non current assets			
Fixed assets	(3)	495,268,061	508,589,118
Projects under construction	(4)	217,121,847	153,517,080
Investments in subsidiaries	(5-a)	4,500,284,736	4,501,972,838
Investment in an associate	(5-b)	28,334,257	28,334,257
Available-for-sale investments	(5-c)	3,861,405	3,739,680
Amounts paid under investments in subsidiaries and other companies	(5-d)	836,791	686,791
Loan to subsidiaries	(6)	46,000,000	60,000,000
Total noncurrent assets		**5,291,707,097**	**5,256,839,764**
Current assets			
Inventory	(7)	195,410,955	227,465,473
Accounts receivable	(8)	165.613	349,989
Due from related parties	(9)	2,349,934	13,856,069
Prepayments and other receivables	(10)	79,025,187	74,083,076
Cash at banks	(11)	1,058,608,637	722,084,853
Total current assets		**1,335,560,326**	**1,037,839,460**
Current liabilities			
Provisions	(12)	143,730,547	136,184,390
Accounts payable		193,342,453	198,332,813
Due to related parties	(13)	33,419,164	29,273,773
Accrued income taxes		97,533,354	82,130,340
Accrued expenses and other payables	(14)	148,028,279	157,946,138
Total current liabilities		**616,053,797**	**603,867,454**
Working capital		**719,506,529**	**433,972,006**
Total investment		**6,011,213,626**	**5,690,811,770**
Financed as follows:			
Equity			
Issued and paid up capital	(15-a)	909,282,535	909,282,535
Legal reserve	(15-b)	454,641,267	454,641,267
Other reserves	(15-b)	2,211,524,361	2,210,626,660
Net unrealized gains on available-for-sale investments		2,748,405	2,626,680
Retained earnings		1,785,348,568	1,508,848,343
Profits for the year		628,473,258	596,445,398
Total equity		**5,992,018,394**	**5,682,470,883**
Noncurrent liabilities			
Other long term liabilities	(16)	13,496,517	-
Deferred tax liabilities	(17)	5,698,715	8,340,887
Total noncurrent liabilities		**19,195,232**	**8,340,887**
Total finance of working capital and non current assets		**6,011,213,626**	**5,690,811,770**

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

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

SEPARATE STATEMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 LE	2012 LE
Sales		**1,673,539,137**	**1,432,213,504**
Cost of sales		(1,411,114,992)	(1,173,236,436)
GROSS PROFIT		**262,424,145**	**258,977,068**
General and administrative expenses	(19)	(54,363,261)	(59,706,795)
Provisions	(12)	(18,293,744)	(17,595,817)
Provisions no longer required		3,960,222	-
Decline in value of accounts receivable		-	(337,295)
Reverse the decline in the value of the other receivable		193,752	-
Board of directors' remuneration and allowance		(111,000)	(117,000)
Dividends Income	(21)	375,400,489	385,264,523
Other income	(20)	68,706,727	65,604,350
OPERATING PROFITS		**637,917,330**	**632,089,034**
Finance expenses		(2,441,625)	(1,297,466)
Impairment loss on investment in subsidiary		(1,688,102)	-
Credit interests		36,914,641	22,187,698
Gain from sale of fixed asset		184,809	2,691,248
Foreign exchange differences		52,477,387	27,239,078
(Losses) of sale of obsolete inventory		-	(6,080,760)
PROFITS BEFORE INCOME TAXES		**723,364,440**	**676,828,832**
Deferred income taxes for the Year		2,642,172	1,746,906
Income taxes expense for the Year	(18)	(97,533,354)	(82,130,340)
PROFITS FOR THE PERIOD		**628,473,258**	**596,445,398**
EARNINGS PER SHARE	**(25)**	**3,23**	**3,06**

Accounting Manager	Chief Financial Officer	Managing Director	Chairman
Shereif El Masry	Ali Ihsan Kucukoglu	Bruno Michel Carre	Omar A. Mohanna

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

SEPARATE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2013

	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 2013	909,282,535	454,641,267	2,210,626,660	2,626,680	1,508,848,343	596,445,398	5,682,470,883
Transferred to retained earnings	-	-	-	-	596,445,398	(596,445,398)	-
Dividends and transferred to other reserves	-	-	897,701	-	(319,945,173)	-	(319,047,472)
Net unrealized gain on available for sale investments				121,725	-	-	121,725
Profits for the year	-	-		-	-	628,473,258	628,473,258
Balance as of 31 December 2013	**909,282,535**	**454,641,267**	**2,211,524,361**	**2,748,405**	**1,785,348,568**	**628,473,258**	**5,992,018,394**
Balance as of 1 January 2012	909,282,535	454,641,267	2,206,689,265	3,350,779	1,247,818,301	804,933,820	5,626,715,967
Transferred to retained earnings	-	-	-	-	804,933,820	(804,933,820)	-
Dividends and transferred to other reserves	-	-	2,143,848	-	(338,547,445)	-	(336,403,597)
Net unrealized loss on available for sale investment	-	-	-	(724,099)	-	-	(724,099)
Interim dividends			1,793,547		(205,356,333)		(203,562,786)
Profits for the year	-	-	-	-	-	596,445,398	596,445,398
Balance as of 31 December 2012	**909,282,535**	**454,641,267**	**2,210,626,660**	**2,626,680**	**1,508,848,343**	**596,445,398**	**5,682,470,883**

Financial Statements

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

SEPARATE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	31/12/2013 (L.E)	31/12/2012 (L.E)
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the year before income taxes		723,364,440	676,828,832
Dividends income	(21)	(375,400,489)	(385,264,523)
Depreciation of fixed assets	(3)	102,062,894	97,954,346
Provisions	(12)	18,293,744	17,595,817
Provisions no longer required		(3,960,222)	-
Decline in value of obsolete inventory	(7)	1,099,277	7,288,481
Decline in value of accounts receivables		-	337,295
Reverse the decline in the value of the other receivable		(193,752)	-
Liabilities against end of service plan	(16)	13,496,517	-
Finance expenses		2,441,625	1,297,466
Impairment loss on investment in subsidiary		1,688,102	-
Credit interests		(36,914,641)	(22,187,698)
(Gain) from sale of fixed assets	(3)	(184,809)	(2,691,248)
Foreign exchange differences		(52,477,387)	(27,239,078)
Operating profits before changes in working capital		**393,315,299**	**363,919,690**
Change in inventory	(7)	30,955,241	78,002,503
Change in accounts receivable	(8)	184,376	192,072
Change in due from related parties	(9)	11,506,135	(566,470)
Change in prepayments and other receivables		1,097,095	829,850
Change in accounts payable		(4,990,360)	64,528,643
Change in due to related parties	(13)	4,145,391	6,933,901
Change in accrued expenses and other payables	(14)	(9,917,859)	(20,345,207)
Cash from operations		**426,295,318**	**493,494,982**
Finance expense paid		(2,441,625)	(1,297,466)
Income taxes paid		(82,130,340)	(97,314,721)
Provisions used	(12)	(6,787,365)	(18,557,574)
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		**334,935,988**	**376,325,221**
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed asset	(3)	(976,697)	(5,000)
Proceeds from sale of fixed assets	(3)	184,809	9,262,550
Payments in respect of projects under construction	(4)	(151,369,907)	(89,289,504)
Proceeds for amounts paid under investments in subsidiaries & other companies	(5-a)	-	13,275,000
Payments under investments in subsidiaries and other companies	(5-d)	(150,000)	(50,000)
Dividends received	(21)	375,400,489	385,264,523
Credit Interests received		31,069,187	22,187,698
NET CASH FLOWS PROVIDED FROM INVESTING ACTIVITIES		**254,157,881**	**340,645,267**
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds of loan to subsidiary company		14,000,000	12,000,000
Dividends paid		(319,047,472)	(539,966,383)
NET CASH FLOWS (USED IN)FINANCING ACTIVITIES		**(305,047,472)**	**(527,966,383)**
Net decrease in cash and cash equivalent during the year		**284,046,397**	**189,004,105**
Foreign exchange differences		52,477,387	27,239,078
Cash and cash equivalent- beginning of the year		722,084,853	505,841,670
Cash and cash equivalent- end of the year		**1,058,608,637**	**722,084,853**

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

NOTES TO THE SEPERATE FINANCIAL STATEMENTS 31 DECEMBER 2013

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 (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.

The financial statements of the Company for the year ended 31 December 2013 were authorized for issuance in accordance with a resolution of the directors on 11 March 2014.

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 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.

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 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 are derecognized 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,

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

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.

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 recognized at cost inclusive direct attributable expenses. After initial measurement, available for sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in the statement of income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized 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 realizable 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 recognized 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 recognized 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 recognized 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 recognized in the statement of income.

2.9 PROVISIONS

Provisions are recognized 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 recognized 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 recognized 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 amortized cost using the effective interest rate method, Gains and losses are recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized 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 amortization is included in finance cost in the income statement.

2.12 EMPLOYEES' BENEFITS

End of service benefits

Defined benefit plan

The Company provides end of service benefits to its employees. The entitlement to these benefits is measured based upon the employees' final salaries and length of service, The expected costs of these benefits are accrued over the period of employment.

The expected costs of these benefits are accrued over the period of employment based on the actuarial present value of the future payments required to settle the obligation resulting from employees' service in the current and prior periods.

2.13 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 recognized 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 recognized 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 recognized 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 recognized, in the same or a different period, directly in equity.

2.14 REVENUE RECOGNITION

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured, Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty, The following specific recognition criteria must also be met before revenue is recognized:

• Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.

• Interest income

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

• Dividends

Revenue is recognized 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.

2.15 EXPENSES

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

2.16 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.

2.17 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.

2.18 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.

2.19 IMPAIRMENT

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.

2.20 STATEMENT OF CASH FLOWS

The statement of cash flows is prepared using the indirect method.

2.21 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 2013	398,503	484,541,044	1,311,327,138	38,556,820	62,071,632	1,896,895,137
Transfer from Projects under construction	-	15,524,646	52,539,534	2,368,149	17,332,811	87,765,140
Additions	-	-	976, 697	-	-	976,697
Disposals	-	-	-	(438,911)	-	(438,911)
As of 31 December 2013	**398,503**	**500,065,690**	**1,364,843,369**	**40,486,058**	**79,404,443**	**1,985,198,063**
Accumulated depreciation						
As of 1 January 2013	-	(356,672,549)	(949,842,716)	(34,420,201)	(47,370,553)	(1,388,306,019)
Depreciation for the year	-	(16,040,734)	(78,405,112)	(1,393,821)	(6,223,227)	(102,062,894)
Disposals	-	-	-	438,911	-	438,911
As of 31 December 2013	**-**	**(372,713,283)**	**(1,028,247,828)**	**(35,375,111)**	**(53,593,780)**	**(1,489,930,002)**
Net book value as of 31 December 2013	**398,503**	**127,352,407**	**336,595,541**	**5,110,947**	**25,810,663**	**495,268,061**
Net book value as of 31December 2012	**398,503**	**127,868,495**	**361,484,422**	**4,136,619**	**14,701,079**	**508,589,118**

First:

Proceeds from sale of fixed assets	**184,809**
Cost of sold fixed assets	438,911
Accumulated depreciation of sold fixed assets	(438,911)
Net book value	**-**
Gain from sale of fixed assets	**184,809**

Second:

- Fixed Assets as of 31 December 2013 include assets that are fully depreciated and still in use, The acquisition cost for these assets are as follows:

Assets	Cost
Building, construction, infrastructure and roads	178,314,370
Machinery, equipment and tools	527,829,243
Motor vehicles	31,141,620
Furniture and office equipment	38,024,304
Total	**775,309,537**

- No pledged assets against credit facilities offered for the company.
- No temporarily idle assets and the fair value of assets are not materially different from its carrying amount.

4. PROJECTS UNDER CONSTRUCTION

Balance as of 1 January 2013	Additions during the Year	Transferred to assets during the year	Balance as of 31 December 2013
LE	LE	LE	LE
153,517,080	**151,369,907**	**(87,765,140)**	**217,121,847**

5. INVESTMENTS

A) Investments in subsidiaries

	% of Ownership	Par value	31/12/2013	31/12/2012
	LE	LE	LE	LE
Subsidiary companies				
Helwan Cement Company S,A,E	99,536	5	2,832,496,952	2,832,496,952
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
Ready Mix Concrete Al alamia (RMC)" S,A,E	52	100	81,432,859	81,432,859
Suez Bags Company S,A,E	53,3	10	22,438,108	22,438,108
Development for Industries Company S,A,E	90	100	225,000	225,000
Axim Egypt Company S,A,E	90	100	225,000	225,000
Subsidiary companies through indirect investments *				
Suez For Transport and Trade S,A,E	96,32	100	3,500,000	3,500,000
Development and Construction Materials Company (DECOM) S,A,E	52	10	11	11
			4,498,351,738	4,498,351,738
Suez Lime Company S,A,E	49,66	100	3,621,100	3,621,100
Impairment loss			(1,688,102)	-
			1,932,998	3,621,100
			4,500,284,736	**4,501,972,838**

Ready Mix Production Company (SAE) (subsidiary company by 52%) and Ready Mix Concrete Al alamia S,A,E (subsidiary company by 52%) were merged to form Universal for ready mix production company " S,A,E and the percentage contribution of Suez Cement in the new emerged company is 52%.

On February 26,2012 the extraordinary General Assembly meeting amended to Article no.(2) of the Statute to modify the company's name to: Ready Mix Concrete Al alamia (RMC)" S,A,E,

* In addition to the company's share in the subsidiary companies, The company owns indirect shares through its subsidiaries. Hence,these companies are qualified 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 49,66%.

- Suez cement company indirect share (through Helwan Cement S,A,E – subsidiary company by 98,69% and Tourah Portland Cement Company S,A,E – subsidiary company by 66,12%) in Suez for Transport and Trade (S,A,E) by 96,32%.

- Suez cement company indirect share (through Ready Mix Concrete Al alamia (RMC)" S,A,E – subsidiary company by 52%) in Development and Construction Materials Co (DECOM) (S,A,E) by 52% .

- Suez cement company indirect share (through Development for Industries Company S,A,E – subsidiary company by 98,28% and Axim Egypt Company S,A,E – subsidiary company by 98,28% and Suez For Transport and Trade S,A,E – subsidiary company by 96,32%) in Suez for import and export (S,A,E) by 97,88%.

B) Investment in an associate

	% of Ownership	Par value	31/12/2013	31/12/2012
		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	31/12/2013	31/12/2012
		LE	LE	LE
Lafarge Cement Company – Egypt S,A,E				
(Previously : 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			2,748,405	2,626,680
			3,861,405	**3,739,680**

D) Amounts paid under investments in subsidiaries and other companies

	% of Ownership	Par value	31/12/2013	31/12/2012
		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	600,000	500,000
Italgin Gulf el Zeit S,A,E	1	100	50,000	-
			836,791	**686,791**

6. LOAN TO SUBSIDIARIES

On 20 October 2006, Suez Cement Company's Board of Directors approved to lend Ready Mix Concrete Al alamia (RMC)" S,A,E and its subsidiaries an amount of LE 300 Million at annual interest 10,54%, The loan's balance as of 31 December 2013 amounting to LE 23 Million from Ready Mix Concrete Al alamia (RMC)" S,A,E and LE 23 Million from Development and Construction Materials Company (DECOM) SAE (subsidiary company by 52%).

7. INVENTORY

	31/12/2013	31/12/2012
	LE	LE
Raw materials	7,153,628	5,003,030
Spare parts and supplies	161,483,188	182,175,745
Fuel	10,842,606	2,462,209
Packing materials	2,516,401	3,231,974
Work in progress	36,985,897	74,796,973
Finished goods	31,423,588	14,552,629
Letters of credit	2,255,874	1,393,863
	252,661,182	**283,616,423**
Less:		
Decline in value of obsolete (spare parts) inventory*	(57,161,139)	(55,130,993)
Decline in value of obsolete (packing -bags) inventory*	(89,088)	(1,019,957)
	(57,250,227)	**(56,150,950)**
	195,410,955	**227,465,473**

* The decline in the value of inventory amounted to LE 1,099,277 has been added on the cost of sales

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8. ACCOUNTS RECEIVABLE

	31/12/2013	31/12/2012
	LE	LE
Accounts receivable	502,908	687,284
Less:		
Decline in the value of accounts receivables	(337,295)	(337,295)
	165,613	**349,989**

9. DUE FROM RELATED PARTIES

	31/12/2013	31/12/2012
	LE	LE
Ready Mix Concrete Al alamia (RMC)" S,A,E	1,406,863	851,637
Tourah Portland Cement Company SAE	-	5,467,223
Helwan Cement Company S,A,E	-	6,242,364
Axim Egypt Company S,A,E	-	49,135
Italgin Egypt For Energy S,A,E	159,970	-
Suez Lime S,A,E	202	-
Suez Export &Import S,A,E	-	19,177
Techno Gravel For Quarries-Egypt SAE	366	366
Development and Construction Materials Company (DECOM) SAE	782,533	1,226,167
	2,349,934	**13,856,069**

10. PREPAYMENTS AND OTHER RECEIVABLES, NET

	31/12/2013	31/12/2012
	LE	LE
Prepaid expenses	4,927,429	9,055,204
Advances to suppliers	12,537,121	12,598,520
Deposits with others	35,324,490	33,232,313
Debtors - sale of assets	-	100,000
Tax authority	7,574,294	8,934,010
Tax refunded	5,868,762	3,467,597
Other debit balances	7,429,330	7,370,877
	73,661,426	**74,758,521**
Accrued interest	7,304,631	1,459,177
Less: Impairment in value of other debit balances	(1,940,870)	(2,134,622)
	79,025,187	**74,083,076**

11. CASH AT BANKS

	31/12/2013	31/12/2012
	LE	LE
a- Egyptian Pound		
Current accounts	25,103,262	48,822,632
Treasury bills and time deposits (maturing in three months)	467,016,672	125,591,847
b- Foreign currencies		
Current accounts	802,203	864,305
Time deposits (maturing in three months)	565,686,500	546,806,069
	1,058,608,637	**722,084,853**

12. PROVISIONS

	Balance as of 1 January 2013	Charged during the year	Utilized during the year	No longer required	Balance as of 31 December 2013
	LE	LE	LE	LE	LE
Tax claims	65,550,000	12,568,716	(4,268,716)	-	73,850,000
Juridical disputes	13,838,465	2,199,998	(209,068)	(3,960,222)	11,869,173
Early pension funds	2,309,581	-	(2,309,581)	-	-
Training support fund	54,486,344	3,525,030	-	-	58,011,374
	136,184,390	**18,293,744**	**(6,787,365)**	**(3,960,222)**	**143,730,547**

13. DUE TO RELATED PARTIES

	31/12/2013	31/12/2012
	LE	LE
Ciments Francais (major shareholder)	11,474,056	17,197,971
Italcementi S,P,A	1,170,083	1,657,589
Tourah Portland Cement Company SAE	5,996,103	-
Helwan Cement Company S,A,E	2,634,980	-
Suez Bags Company S,A,E,	9,250,922	8,516,741
Suez For Transport and Trade S,A,E	2,893,020	1,901,472
	33,419,164	**29,273,773**

14. ACCRUED EXPENSES AND OTHER PAYABLES

	31/12/2013	31/12/2012
	LE	LE
Accrued expenses	29,540,668	27,368,422
Advances from customers	64,473,000	62,035,155
Tax authority – salary tax	2,107,482	1,378,857
Tax authority – withholding taxes	7,196,251	1,296,453
Tax authority-sales tax	3,762,287	10,800,874
Deposits from others	5,445,168	3,595,077
Social and medical security	932,751	841,092
Other payables	34,570,672	50,630,208
	148,028,279	**157,946,138**

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,

On 25 March 2013, the extra ordinary General Assembly Meeting Approved to increase the Company's authorized capital to LE 3,600 million.

15/b. RESERVES

	31/12/2013	31/12/2012
	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	11,805,111	10,907,410
Total other reserves	**2,211,524,361**	**2,210,626,660**
Legal reserve	**2,666,165,628**	**2,665,267,927**

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. OTHER LONG TERM LIABILITIES

Liabilities - end of service plan

The company pays an amount to the employees when they retire at the end of service, according to the defined benefits plan, which specifies the amount of retirement, which are entitled to the employee. The amount of pay based on one or more factors, including age and years of service and salary. The output is calculated for the defined benefit plan actuarial valuation conducted in a manner estimated additional unit after taking into consideration the group following assumptions:

	2013
Discount rate	14.5 %
Average salary increase	9 %
Annuity schedule	**60**

The amounts recognized in the date of balance sheet are as follows:

	2013
	LE
Liability at present value	13,496,517
Liability at the balance sheet	13,496,517

The movement of liabilities as per the balance sheet

	2013
	LE
Liability at Initial recognition	11,765,646
Current service cost	811,150
Interest cost	1,701,613
Benefits paid	(1,575,000)
Actuarial losses on obligation	793,108
Liability at 31 December 2013	**13,496,517**

The cost as per income statement

	2013
	LE
Cost at initial recognition	11,765,646
Accrued cost of service	811,150
Cost of interest	1,701,613
Recognized actuarial losses during the year	793,108

17. DEFERRED INCOM TAXES LIABILITIES

	31/12/2013	31/12/2012
	LE	LE
Depreciation of fixed assets	(41,425,079)	(40,655,201)
Provisions	35,726,364	32,314,314
Net deferred income tax asset (liability)	**(5,698,715)**	**(8,340,887)**

18. RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

	31/12/2013
	LE
Net profits before income taxes	723,364,440
Add:	
Provisions	20,323,889
Provision for pensions	13,496,517
Board of directors' allowance	1,663,005
Donations	1,173,502
Depreciation	102,062,894
Labors Club	3,000,000
Previous year expenses	751,669
Indemnities and penalties expenses	284,540
Hilal Company - Chairman Salary	40,416
Impairment on equity participation	1,688,102
Less:	
Depreciation	(104,953,085)
Provisions used	(2,518,649)
Provisions no longer required	(5,084,843)
Capital Gains – cars	(184,809)
Donations	(260,450)
Suez cement share in suez bag and tourah for cement of directors bonuses	(2,359,091)

Dividends received - subsidiaries	(362,354,633)
Taxable income	**390,133,414**

Income tax using applicable tax rate (25%) – 390,133,414 X 25%	97,533,354
Income Tax at the effective tax rate 13.5 %	**97,533,354**

Income tax using applicable tax rate (25%) – 723,364,440 X 25%	180,841,110
Income Tax at the applicable tax rate	**180,841,110**

19. GENERAL AND ADMINISTRATIVE EXPENSES

	31/12/2013	31/12/2012
	LE	LE
Technical assistance fees (note 26-a)	10,430,930	10,039,269
Salaries	18,392,802	17,623,243
End of service benefits plan	13,369,904	-
Club and social services	5,624,017	7,236,823
Cars expenses and transportation	5,063,685	5,347,502
Other general and administrative expenses	1,481,923	19,459,957
	54,363,261	**59,706,795**

20. OTHER INCOME

	31/12/2013	31/12/2012
	LE	LE
Management fees	8,949,816	6,501,962
Settlement value of clay development contribution fees*	49,703,386	49,811,955
Other income	10,053,525	9,290,433
	68,706,727	**65,604,350**

* This amount represents tax authority accruals of clay development contribution fees for the year from 1 January 2013 till 31 December 2013 these accruals have been reversed and recognized among other income in the income statement based on the meeting held at the office of the Tax Authority Chairman on 28 December 2010 with the representatives of the cement companies working in Egypt.

According to the decision declared by the Egyptian Cabinet of Ministers dated 26 April 2012, The Clay fees related to the period from 5 May 2008 till 30 June 2010 has been amended to be LE 9 per ton of Cement, which has resulted in the amendment of the amount due from the Tax authority.

During the current year the company has received the final reconciliation from the tax authority which mentioned that the balance due to the company is amounting to LE 81,603,296 till 31 July 2012 to be amortized using the future dues on the company production.

21. DIVIDENDS INCOME

	31/12/2013	31/12/2012
	LE	LE
Helwan Cement Company S,A,E	244,076,754	214,973,999
Tourah Cement Company S,A,E	94,585,986	132,420,380
Ready Mix Concrete Al alamia (RMCA)- S,A,E	2,158,000	3,120,000
Suez Bags Company S,A,E	16,196,416	16,574,331
Suez for Transport and Trade – Egypt S,A,E	552,328	488,482
Lafarge Cement Company – Egypt S,A,E - (Previously : Egyptian company for Cement S,A,E)	1,725,150	686,590
Techno Gravel For Quarries-Egypt S,A,E	1,800,000	5,400,000
El Helal Cement Company	13,045,855	11,600,741
Axim Egypt Company S,A,E	1,260,000	-
	375,400,489	**385,264,523**

22. CONTINGENT LIABILITIES

- The Company has credit facilities from several Egyptian banks with a maximum limit amounted to LE 670 million, nothing used during the year ended at 31 December 2013.
- The letters of guarantee issued at the Company's as follows:

Bank name	Amount in issued currency	Equivalent in	Cash margin
		LE	LE
NSGB	10,000	10,000	10,000
Alexandria Bank	1,990,950	1,990,950	19,763
	2,000,950	**2,000,950**	**29,763**

23. TAX SITUATION

a) Corporate taxes

- Period since inception up to 2006:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- Year 2007:

The tax authority in the process of inspecting the company, and it was agreed by the Internal Committee and the required value was paid within the limits of the provision

- The period from 2008 to 2009:

Examination of documents the company during this period has not been completed.

- **The period from 2010 until 2012:**

The company provides tax return in the period legal allowed, not checking the company tax for this period.

b) Sales tax

- Period since inception up to 2007:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- The Period from 2008 to 2009 :

Been completed checking the books for this period and the company has objected to the test result for mortar and thermal matrial Alaxim where that perspective dispute before the court - the rest of the items have been settled by the company's position.

- The Period from 2010 to 2012 :

The company submits the sales tax return within the legal grace period i,e monthly, the company has not been assessed for this period.

c) Salary tax

- Period since inception up to 1998:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- The period from 1999 to 2009:

The company deduct tax from employees and submitted to the IRS during the period of legal Allowed (monthly) which is currently under re-examination of tax for this period.

- The period from 2010 to 2012

The company deduct tax from employees and submitted to the IRS during the period of legal Allowed (monthly) did not examine the company for the period until now.

d) Stamp duty tax

- Period since inception up to 2005:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- Years from 2006 to 2010 :

The tax authority in the process of inspecting the company books and records for this period now.

- Year 2011/2012:

The company has not been assessed for this period till now.

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 at banks, accounts receivable, due from related parties and other debit balances, The financial liabilities include credit facilities, 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.

The fair value of the financial assets and liabilities are not materially different from their carrying amounts.

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 588,406,094.

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:

	31/12/2013	31/12/2012
	LE	LE
Net profits for the period	628,473,258	596,445,398
Less:		
Board of directors' dividends (estimated) *	(3,000,000)	(3,000,000)
Employees' dividends (estimated) *	(37,690,515)	(37,690,515)
Net profit available for shareholders	**587,782,743**	**555,754,883**
The weighted average number of outstanding shares	181856507	181856507
Earnings per share	**3,23**	**3,06**

* Estimation only / subject to the approval of the General Assembly.

26. RELATED PARTY TRANSACTIONS

a) Ciment Français (major shareholder)

The amount of the technical assistance fees offered by Cements Frances (major shareholder) for the period from 1 January 2013 to 31 December 2013 amounting to LE 25,869 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 10,431 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 value of supplies and other services due to Italcementi S,P,A amounting to LE 8,538 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 period from 1 January 2013 to 31 December 2013.

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 89,545 million for the period from 1 January 2013 to 31 December 2013.

The Suez Bags portion from the fees of Suez Cement Group amounting to LE 5,806 million for the period

from 1 January 2013 to 31 December 2013.

d) Tourah Portland Cement Company S,A,E (subsidiary)

The value of the purchase clinker from Tourah Cement Company S,A,E(subsidiary) amounting to LE 29,688 million for the period from 1 January 2013 to 31 December 2013.

Tourah Cement Company S,A,E, (subsidiary) portion from the fees of Suez Cement Group amounting to L,E 30,276 million for the period from 1 January 2013 to 31 December 2013.

e) Helwan Cement Company S,A,E (subsidiary)

The value of the purchase clinker from Helwan Cement Company S,A,E(subsidiary) amounting to LE 26,498 million for the period from 1 January 2013 to 31 December 2013, and the value of the purchase cement from Helwan Cement Company S,A,E(subsidiary) amounting to LE 0,814 million for the period from 1 January 2013 to 31 December 2013,

Helwan Cement Company S,A,E, (subsidiary) portion from the fees of Suez Cement Group amounting to LE 49,937 million for the period from 1 January 2013 to 31 December 2013.

The value of the supplied cement for Helwan Cement Company S,A,E(subsidiary) amounting to LE 0,022 million for the period from 1 January 2013 to 31 December 2013.

f) Ready Mix Concrete Al alamia (RMC)" S,A,E (subsidiary)

The value of cement sold to Ready Mix Concrete Al alamia (RMC)" S,A,E (subsidiary) amounting to LE 10,497 million for the period from 1 January 2013 to 31 December 2013.

g) Egyptian development for construction materials Decom Company S,A,E (subsidiary)

The value of cement sold to Egyptian development for construction materials Decom Company S,A,E (subsidiary) amounting to LE 6,951 million for the period from 1 January 2013 to 31 December 2013.

h) Suez for 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 0,401 million for the period from 1 January 2013 to 31 December 2013.

The value of transportation services offered by Transport and Trade S,A,E (subsidiary) amounting to LE 13,663 million for the period from 1 January 2013 to 31 December 2013.

27. CURRENT EVENTS

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

It is difficult to conclude any impact for the year.

28. COMPARATIVE FIGURES

Certain comparative figures for the year 2012 have been reclassified to conform to the period presentation of these separate interim financial statements.

SUEZ CEMENT COMPANY (S.A.E)

Consolidated Financial Statements
For The Year Ended 31 December 2013
Together With 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 31st December 2013, 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 31st December 2013, 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: 11 March 2014

Auditors

Nabil A. Istanbouli	**Emad H. Ragheb**
FESAA – FEST	FESAA – FEST
(RAA. 5947)	(RAA. 3678)
(EFSAR .71)	(EFSAR .42)

Allied for Accounting & Auditing (EY)

CONSOLIDATED BALANCE SHEET - As Of 31 December 2013

	Note	2013 (LE)	2012 (LE)
Non current assets			
Fixed assets	(4)	3,522,931,254	3,577,674,773
Projects under construction	(5)	536,277,334	376,075,663
Goodwill		2,740,344,085	2,615,836,513
Investment in an associate	(6 a)	28,329,468	29,021,780
Available-for-sale investments	(6 b)	3,881,966	3,760,241
Held to maturity investments	(6 c)	8,429,279	8,429,279
Amounts paid under investments in subsidiaries and other companies	(6 d)	1,486,795	43,194,289
Total non current assets		**6,841,680,181**	**6,653,992,538**
Current assets			
Inventory	(7)	843,881,414	804,355,247
Accounts and notes receivable	(8)	203,778,327	268,078,270
Prepayments and other receivables	(9)	264,952,613	334,430,440
Cash on hand and at banks	(10)	1,816,643,530	1,622,317,094
Total current assets		**3,129,255,884**	**3,029,181,051**
Current liabilities			
Banks credit balances		3,075,192	267,178
Provisions	(12)	482,721,583	482,121,531
Current portion of medium term loans	(15)	51,725,125	37,275,309
Accounts payable		597,635,770	542,420,224
Accrued income taxes		49,349,326	252,069,143
Income taxes for the Year		215,108,298	-
Accrued expenses and other payables	(11)	347,785,828	369,365,726
Total current liabilities		1,747,401,122	1,683,519,111
Working capital		1,381,854,762	1,345,661,940
Total investment		**8,223,534,943**	**7,999,654,478**
Financed as follows			
Equity			
Issued and paid up capital	(13 a)	909,282,535	909,282,535
Reserves	(13 b)	2,666,165,628	2,665,267,927
Net unrealized gains on available-for-sale investments	(6b)	2,748,405	2,626,680
Cumulative foreign currencies translation differences		35,164,036	23,333,438
Retained earnings		3,121,204,427	2,957,762,677
Profits for the year		538,280,899	524,400,192
Total equity		7,272,845,930	7,082,673,449
Non-controlling interest	**(14)**	**657,349,693**	**673,010,065**
Total equity		7,272,845,930	7,082,673,449
Non-controlling interest	**(14)**	**657,349,693**	**673,010,065**
Noncurrent liabilities			
Medium term loans	(15)	57,955,739	56,754,837
Other long term liabilities	(16)	16,019,091	6,169,508
End of service benefits liabilities	(17)	32,272,622	-
Deferred tax liabilities	(23)	187,091,868	181,046,619
Total non current liabilities		293,339,320	243,970,964
Total finance of working capital and non current assets		**8,223,534,943**	**7,999,654,478**

Auditors	Consolidation Manager	Chief Financial Officer	Managing Director	Chairman
Nabil A. Istanbouli	Nagah Khider Abu Zeid	Ali Ihsan Kucukoglu	Bruno Michel Carre	Omar A. Mohanna

- The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

- Auditors' report attached.

CONSOLIDATED STATMENT OF INCOME FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013 L.E	2012 LE
Sales		5,049,317,944	4,596,985,679
Cost of sales		**(4,115,103,938)**	**(3,745,066,771)**
GROSS PROFIT		934,214,006	851,918,908
General and administrative expenses	(18)	(335,130,905)	(298,030,935)
Provisions	(12)	(51,257,961)	(65,005,714)
Provisions no longer required	(12)	17,980,874	4,116,088
Impairment in value of accounts and notes receivable		(5,760,609)	(7,566,418)
Impairment in value of prepayments and other receivables		(52,952)	(829,558)
Reversal of impairment in value of prepayments and other receivables		342,010	-
Board of directors' remuneration and allowances		(448,451)	(421,232)
Investment income in an associate company	(6 a)	2,631,603	3,936,272
Investment income		2,855,628	443,720
Other income	(19)	154,319,486	267,299,446
OPERATING PROFITS		719,692,729	755,860,577
Finance expenses	(20)	(12,757,545)	(5,544,482)
Credit interests		55,279,296	39,598,150
(loss) / Gain from sale of fixed assets	(4)	(70,258)	3,101,743
Foreign exchange differences		84,044,238	48,744,733
(Loss) on Amounts paid under investments in subsidiaries		(45,523)	-
Other expenses	(21)	(18,960,865)	(30,151,442)
Other expenses- Loss from sale of obsolete inventory		(13,840,464)	(22,414,324)
PROFITS BEFORE INCOME TAXES		813,341,608	789,194,955
Deferred income taxes	(23)	(6,045,249)	12,075,248
Income taxes for the Year	(22)	(215,108,298	(209,752,209)
PROFITS FOR THE YEAR BEFORE NON- CONTROLLING INTEREST		592,188,061	591,517,994
Non-controlling interest		(53,907,162)	(67,117,802)
PROFITS FOR THE YEAR		**538,280,899**	**524,400,192**

Consolidation Manager	Chief financial Officer	Managing Director	Chairman
Nagah Khider Abu Zeid	Ali Ihsan Kucukoglu	Bruno Michel Carre	Omar A. Mohanna

- The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

- Auditors' report attached

CONSOLIDATED STATEMENT OF Changes in equity FOR THE YEAR ENDED 31 DECEMBER 2013

	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 2013	909,282,535	2,665,267,927	2,626,680	23,333,438	2,957,762,677	524,400,192	7,082,673,449
Adjustments on retained earnings - Majority interest in the capital decrease of Helwan Cement Company	-	-	-	-	(72,813)	-	(72,813)
Adjustments on retained earnings-Tax differences	-	-	-	-	(2,566,149)	-	(2,566,149)
Adjusted balance as of 1 January 2013	909,282,535	2,665,267,927	2,626,680	23,333,438	2,955,123,715	524,400,192	7,080,034,487
Transferred to retained earnings	-	-	-	-	524,400,192	(524,400,192)	-
Dividends and transferred to reserves	-	897,701	-	-	(358,319,480)	-	(357,421,779)
Net unrealized gain on available-for-sale investments	-	-	121,725	-	-	-	121,725
Foreign currencies translation differences for the year	-	-	-	11,830,598	-	-	11,830,598
Profits for the year	-	-	-	-	-	538,280,899	538,280,899
Balance as of 31 December 2013	**909,282,535**	**2,666,165,628**	**2,748,405**	**35,164,036**	**3,121,204,427**	**538,280,899**	**7,272,845,930**
Balance as of 1 January 2012	909,282,535	2,661,330,532	3,350,779	15,622,769	2,977,818,670	568,642,009	7,136,047,294
Adjustments on retained earnings - Majority interest in the capital decrease of Helwan Cement Company	-	-	-	-	(368,378)	-	(368,378)
Adjustments on retained earnings-Tax differences	-	-	-	-	(3,829,415)	-	(3,829,415)
Adjusted balance as of 1 January 2012	909,282,535	2,661,330,532	3,350,779	15,622,769	2,973,620,877	568,642,009	7,131,849,501
Transferred to retained earnings	-	-	-	-	568,642,009	(568,642,009)	-
Dividends and transferred to reserves	-	3,937,395	-	-	(584,500,209)	-	(580,562,814)
Net unrealized loss on available-for-sale investments	-	-	(724,099)	-	-	-	(724,099)
Foreign currencies translation differences for the year	-	-	-	7,710,669	-	-	7,710,669
Profits for the year	-	-	-	-	-	524,400,192	524,400,192
Balance as of 31 December 2012	**909,282,535**	**2,665,267,927**	**2,626,680**	**23,333,438**	**2,957,762,677**	**524,400,192**	**7,082,673,449**

- The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2013

	Note	2013	2012
		LE	LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Profits for the period before income taxes		813,341,608	789,194,955
Depreciation of fixed assets	(4)	379,343,608	348,584,670
Impairment in value of accounts and notes receivables		5,760,609	7,566,418
Impairment in value of prepayments and other receivables		52.952	829.558
Reversal of impairment in value of prepayments and other receivables	(9,8)	(342.010)	8,395,976
Reversal of decline in value of inventory	(7)	(26,431,558)	5,807,944
Provisions	(12)	51,257,961	65,005,714
Provision no longer required	(12)	(17,980,874)	(4,116,088)
Provision for end of service benefits liabilities	(17)	35.197.622	-
Investment income in an associate company		(2,631,603)	(3,936,272)
Finance expenses		12,757,545	5,544,482
Credit interests		(55,279,296)	(39,598,150)
Loss / (Gain) from sale of fixed assets	(4)	70,258	(3,101,743)
Foreign exchange differences		(84,044,238)	(48,744,733)
Operating profits before changes in working capital		**1,111,072,584**	**1,123,036,755**
Change in inventory	(7)	(13,094,609)	187,607,505
Change in accounts receivable, and prepayments and other receivables	(9,8)	128,206,219	(100,853,851)
Change in accounts payables, and accrued expenses and other payables	(11)	33,635,648	63,768,092
Cash from operations		**1,259,819,842**	**1,273,558,501**
Finance expenses paid		(12,757,545)	(5,544,482)
Income taxes paid	(11)	(202,719,817)	(213,946,424)
Tax differences paid		(2,566,149)	(3,829,415)
Provisions used	(12)	(32,677,035)	(54,861,507)
Payments in respect of end of service benefits	(17)	(2.925.000)	-
NET CASH FLOWS PROVIDED FROM OPERATING ACTIVITIES		1,006,174,296	995,376,673
CASH FLOWS FROM INVESTING ACTIVITIES			
Payments to acquire fixed assets	(4)	(50,206,748)	(6,153,985)
Proceeds from debtors – sale of assets	(9)	100,000	1,400,000
Proceeds from sale of fixed assets	(4)	1,163,468	11,180,644
Payments in respect of projects under construction	(5)	(380,810,609)	(239,946,755)
Change in respect of goodwill		(124.507.572)	-
Adjustment related to Hilal Cement Company (Write-up of fixed assets)	(4)	)48,623,049)	-
Proceeds from investment in an associate company	(6-a)	3,323,915	7,401,756
Change in amounts paid under investment in subsidiaries and other companies	(6-d)	41.707.494	(100,000)
Credit interests received		55,279,296	39,598,150
NET CASH FLOWS (USED IN) INVESTING ACTIVITIES		**(502,573,805)**	**(186,620,190)**

CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of medium term loans and other long term liabilities	(15,16)	**25.500.301**	(15,856,259)
Dividends paid		**(357,421,779)**	(580,562,814)
Change in banks - credit balance		**2,808,014**	267,178
Dividends paid to non-controlling interest	(14)	**(86,418,774)**	(108,474,813)
Changes in non-controlling interest	(14)	**16,851,240**	18,062,032
Adjustments on retained earnings		**(72,813)**	(368,378)
NET CASH FLOWS (USED IN) FINANCING ACTIVITIES		**(398,753,811)**	(686,933,054)
Net Increase in cash and cash equivalent during the Year		**104,846,680**	121,823,429
Foreign exchange differences		**84,044,238**	48,744,733
Foreign currencies translation differences related to fixed assets		**(6,395,080)**	(3,831,724)
Change in Cumulative foreign currencies translation differences		**11,830,598**	7,710,669
Cash and cash equivalent - beginning of the year		**1,622,317,094**	1,447,869,987
CASH AND CASH EQUIVALENT – END OF THE YEAR		**1,816,643,530**	**1,622,317,094**

- The accompanying notes from (1) to (30) are an integral part of these consolidated financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS 31 December 2013

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 Consolidated financial statements of the Company for the year ended 31 December 2013 were authorized for issuance in accordance with the resolution of the Board of Directors on 11 March 2014.

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

	2013	2012
	%	%
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.	99.54	99.54
Ready Mix Concrete El - Alamya (RMCA) S.A.E	52	52
Hilal Cement Group (K.S.C.C.) – Kuwait	51	51
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%	96.36	96.35
Suez Lime Company S.A.E.	49.66	49.66
Development for Industries Company S.A.E	98.28	98.28
Axim for industries Company S.A.E Formerly, Upper Egypt For Industries Company S.A.E	98.28	98.28
Suez For import and Export S.A.E	**97.90**	**97.89**

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 3-4). The total accumulated depreciation as of 31 December 2013 amounting to LE 348,337,159 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 2013 amounting to LE 376,588,768.

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 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%.

During year 2010, Helwan Cement Company S.A.E. purchased 921,690 shares of its outstanding shares at LE 34,063,566.

On 6 December 2010 the, Extraordinary General Assembly Meeting decided to decrease issued capital by 921690 shares, and to decrease par value by LE 5 instead of LE 10 , consequently, the Company's outstanding shares reached 116775085 shares.

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.

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 260000 shares from the shares of Ready Mix Beton Company S.A.E., Suez Cement Company S.A.E. share is 52 % (260000 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.

The Company was merged to form Universal Ready Mix Concrete S.A.E that was established on 21 February 2012,

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 520000 shares from the shares of Ready Mix Beton – Egypt Company S.A.E., Suez Cement Company S.A.E. share is 52% (520000 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.

The Company was merged to form Universal Ready Mix Concrete S.A.E that was established on 21 February 2012,

Universal Ready Mix Concrete S.A.E "El – Alamya" (RMCA)

Universal for Ready Mix Concrete S.A.E was established under the law 8 of 1997 on 21 February 2012 by mean of the merge took place between Universal for Ready Mix Production S.A.E "Subsidiary" and Ready Mix Production S.A.E "Subsidiary".

On 26 February 2012, the extra-ordinary assembly meeting decided the change of the Company's name to become "Ready Mix Concrete El – Alamya (RMCA) S.A.E

The objective of the company is manufacturing and construction building materials especially ready mix.

On 31 December 2009, the merge took place by mean of revaluing the assets and liabilities of the merged companies, taking into consideration the changes occurred on the financial position till the establishment date as of 21 February 2012,

This merge were reflect at the balance sheet as an increase in the fixed Assets by 129,758,310 EGP against a decrease in the good will by 68,686,548 EGP and a decrease in Non-Controlling interest by 61,071,762 EGP. The final good will amounted to 735,755 EGP.

Development and Construction Material Company (DECOM) S.A.E.

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.

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.

Hilal Cement Group (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% (16830000 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.

Additionally; there's a goodwill related to Hilal Cement Company and its subsidiaries amounted to KD 5,047,444 equivalent to LE 124,507,572; and consequently, goodwill of Hilal Cement Company (K.S.C.C.) – Kuwait amounted to LE 241,107,547. 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 35,164,036 as of 31 December 2013 have been presented separately in the shareholders' equity.

The cumulative foreign currencies translation differences resulted from the translation which belong to the non-controlling amounting to LE 33,785,054 as of 31 December 2013 have been treated as a part of non-controlling interests (Note 14).

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 49.66%.

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 financial statements of Suez Cement Company S.A.E. have been prepared from the standalone financial statements of Suez Cement Company S.A.E. and its subsidiaries (note 1), In preparing the consolidated financial statements of Suez Cement Company S.A.E., an entity combines the financial statements of the parent and its subsidiaries line by line adding assets, liabilities, equity, income and expenses. In order that the consolidated 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.

- Non-controlling interest on the net of assets of consolidated subsidiaries are identified separately from the parent shareholders' equity in them; Non-controlling interest in the net of assets consists of:

(1) The amount of those non-controlling interest at the date of the original combination.

(2) The non-controlling'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 non-controlling 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 non-controlling interest s are allocated to, and reported as part of, the non-controlling 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 consolidated 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 consolidated 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 period are consistent with those of the previous period.

3.3 Foreign currency translation

The consolidated 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 derecognized 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 recognize 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 recognized at cost inclusive direct attributable expenses.

After initial measurement, available for sale financial assets are measured at fair value with unrealized gains or losses recognized directly in equity until the investment is derecognized, at which time the cumulative gain or loss recorded in equity is recognized in the statement of income, or determined to be impaired, at which time the cumulative loss recorded in equity is recognized 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 recognized 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 realizable 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 recognized 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 recognized 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 recognized 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 recognized in the statement of income.

3.9 Provisions

Provisions are recognized 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 recognized as a finance cost.

3.10 Legal reserve

According to the Company's articles of association, 5% of the net profits of the period 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 recognized 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 recognized in the income statement when the liabilities are derecognized as well as through the effective interest rate method amortisation process.

Amortized 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 Employees' benefits

End of service benefits

Defined benefit plan

The Company provides end of service benefits to its employees. The entitlement to these benefits is measured based upon the employees' final salaries and length of service, The expected costs of these benefits are accrued over the period of employment.

The expected costs of these benefits are accrued over the period of employment based on the actuarial present value of the future payments required to settle the obligation resulting from employees' service in the current and prior periods.

3.13 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 recognized 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 recognized 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 recognized 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 recognized, in the same or a different year, directly in equity.

3.14 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received, excluding discounts, rebates, and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognized:

• Sale of goods

Revenue from the sale of goods is recognized when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods

• Interest income

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

• Dividends

Revenue is recognized 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.

3.15 Expenses

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

3.16 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.

3.17 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.

3.18 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 periods. Actual results could differ from these estimates.

3.19 Impairment

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 periods. Such reversal is recognized in the statement of income.

3 – 20 Statement of cash flows

The statement of cash flows is prepared using the indirect method.

3 – 21 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 2013	561,985,210	1,489,407,830	5,454,871,393	196,542,981	122,754,489	7,825,561,903
Foreign currencies translation differences	-	12,605,698	3,643,288	290,248	321,949	16,861,183
Fixed assets additions - Hilal Cement Group	6,620,152	14,969,023	62,598,687	102,377,096	3,299,839	189,864,797
Adjusted Balance as of 1 January 2013	568,605,362	1,516,982,551	5,521,113,368	299,210,325	126,376,277	8,032,287,883
Additions	17,500,000	1,054,683	5,718,781	4,859,496	21,073,788	50,206,748
Transferred from Assets under construction	-	31,216,350	161,923,584	6,915,692	20,553,312	220,608,938
Reclassification	-	119,521	59,806,218	(59,806,218)	(119,521)	-
Disposals	-	(56,314)	(1,406,460)	(10,789,787)	(81,181)	(12,333,742)
As of 31 December 2013	**586,105,362**	**1,549,316,791**	**5,747,155,491**	**240,389,508**	**167,802,675**	**8,290,769,827**
Accumulated depreciation						
As of 1 January 2013	-	(855,977,224)	(3,129,754,405)	(167,517,730)	(94,637,771)	(4,247,887,130)
Foreign currencies translation differences	-	(7,369,535)	(2,668,362)	(244,675)	(183,531)	(10,466,103)
Accumulated depreciation of fixed assets additions - Hilal Cement Group	-	(13,179,547)	(45,971,049)	(79,222,870)	(2,868,282)	(141,241,748)
Adjusted Balance as of 1 January 2013	-	(876,526,306)	(3,178,393,816)	(246,985,275)	(97,689,584)	(4,399,594,981)
Depreciation for the year	-	(60,022,416)	(294,562,172)	(10,703,770)	(14,055,250)	(379,343,608)
Reclassification	-	(7,844)	(47,582,536)	47,582,536	7,844	-
Disposals	-	56,314	203,781	10,758,740	81,181	11,100,016
As of 31 December 2013	**-**	**(936,500,252)**	**(3,520,334,743)**	**(199,347,769)**	**(111,655,809)**	**(4,767,838,573)**
Net book value as of 31December 2013	**586,105,362**	**612,816,539**	**2,226,820,748**	**41,041,739**	**56,146,866**	**3,522,931,254**
Net book value as of 31 December 2012	**561,985,210**	**633,430,606**	**2,325,116,988**	**29,025,251**	**28,116,718**	**3,577,674,773**

4. FIXED ASSETS CONT'D

First:

	L.E
Proceeds from sale of fixed assets	**1,163,468**
Cost of sold fixed assets	12,333,742
Accumulated depreciation of sold fixed assets	(11,100,016)
Net book value	**1,233,726**
Gain from of sale fixed assets	**(70,258)**

Second:

Fixed Assets as of 31 December 2013 includes assets that are fully depreciated and still in use, and the acquisition cost for these assets was as follows:

Asset	Cost
	L.E
Building, constructions, infrastructure and roads	243,139,149
Machinery, equipment and tools	1,265,310,116
Motor vehicles	86,523,119
Furniture and office equipment	68,156,808
Total	**1,663,129,192**

Third: Helwan Cement Company S.A.E. (Subsidiary) has lands in its possession recorded in fixed assets without value, represented in 153 Fadden's, 4 hectares and 18 shares located in Helwan and ELmenya Governorates.

Fourth: 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.

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

Sixth: Additions during the year ended 31 Dec 2013 amounting to L.E 270,815,686 included an amount of L.E 220,608,938 represents the assets transferred from projects under construction (Note 5).

5. PROJECTS UNDER CONSTRUCTION

Balance at 1 January 2013	Additions during the year	Transferred into assets during the year (Note 4)	Balance at 31 December 2013
LE	LE	LE	LE
376,075,663	**380,810,609**	**(220,608,938)**	**536,277,334**

6. INVESTMENTS

A) Investment in an associate

	% of Ownership	Par value	2013	2012
		LE	LE	LE
Techno Gravel For Quarries-Egypt S.A.E*	45	10		
Investment cost– Beginning of the period			29,021,780	32,487,264
Plus:				
The Company's share in profit for the period			2,631,603	3,936,272
Deduct:				
Dividends			(3,323,915)	(7,401,756)
Investment balance - End of the period			**28,329,468**	**29,021,780**

* 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	2013	2012
Investment available-for-sale Measured at fair value			LE	LE
Lafarge Cement Company – Egypt 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			2,748,405	2,626,680
			3,861,405	**3,739,680**
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
			3,881,966	**3,760,241**

C) Held to maturity investments

	2013	2012
	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	2013	2012
		LE	LE	LE
Suez Bosphorus Cimento Sanayi Ve Ti	100	3.64	186,795	186,794
Helwan Bags S.A.E	71	100	-	177,500
Italgen Egypt for Energy Company S.A.E	2	100	1,200,000	1,000,000
Italgen Gulf El-Zeit for Energy Company S.A.E	2	100	100,000	-
Al Mahaliya Readymix Company (K.S.C.C)	51	99822	-	41,829,995
			1,486,795	**43,194,289**

7. INVENTORY

	2013	2012
	LE	**LE**
Raw materials	105,709,618	93,987,359
Fuel, Spare parts and Consumables	572,261,504	588,674,973
Rolling and packing Material	20,092,968	21,529,068
Work in progress	207,077,455	231,002,778
Finished Products	111,122,272	75,395,871
Letters of credit	12,611,871	5,191,030
	1,028,875,688	**1,015,781,079**
Less:		
Decline in value of inventory	(184,994,274)	(211,425,832)
	843,881,414	**804,355,247**

8. ACCOUNTS AND NOTES RECEIVABLE

	2013	2012
	LE	LE
Accounts receivable	**281,940,636**	340,479,970
Notes receivable	**10,243,681**	10,243,681
	292,184,317	350,723,651
Less :		
Impairment in value of accounts and notes receivable.	**(88,405,990)**	(82,645,381)
	203,778,327	268,078,270

9. PREPAYMENTS AND OTHER RECEIVABLES

	2013	2012
	LE	LE
Other debtors – Tax Authority	26,329,187	24,465,616
Deposits with others	147,161,900	129,532,062
Prepaid expenses	19,287,885	19,533,481
Accrued revenue	10,379,494	9,449,627
Checks under collection	8,928,765	9,021,041
Advance to suppliers	34,657,523	32,052,010
Margin on letters of guarantee	236,160	494,338
Insurance compensation	-	79,650,700
Other receivables *	25,243,315	37,692,239
	272,224,229	**341,891,114**
Debtors - sale of fixed assets	3,106,324	3,206,324
	275,330,553	345,097,438
Less:		
Impairment in value of other debit balances.	(10,377,940)	(10,666,998)
	264,952,613	**334,430,440**

* Other receivables included an amount of LE 402,617 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 according to the primary verdict in favor to the social insurance association on 3 August 2008.

10. CASH ON HAND AND AT BANKS

	2013	2012
	LE	LE
a- Egyptian Pound		
Cash on hand	1,205,448	736,510
Current accounts	161,550,649	142,314,458
Time deposits and treasury bills (mature in 3 months)	706,622,654	305,352,966
b. Foreign currencies		
Current accounts	20,798,049	18,275,147
Time deposits (mature in 3 months)	926,466,730	1,155,638,013
	1,816,643,530	**1,622,317,094**

11. ACCRUED EXPENSES AND OTHER PAYABLES

	2013	2012
	LE	LE
Shareholders - credit balance	31,147,527	53,137,628
Advances from customers	146,357,478	165,662,710
Deposits from others	19,768,390	12,431,949
Accrued salaries	1,129,337	1,384,017
Accrued expenses	74,404,488	65,661,391
Other credit balances	74,978,608	71,088,031
	347,785,828	**369,365,726**

12. PROVISIONS

	Balance as of 1 January 2013	Charged during the year	Utilized during the year	No longer required during the year	Balance as of 31 December 2013
	LE	LE	LE	LE	LE
Tax claims	173,885,000	36,071,094	(6,620,739)	(146,038)	203,189,317
Site restoration	49,468,250	-	(1,292,380)	-	48,175,870
Judicial disputes	66,603,913	6,463,419	(15,094,348)	(17,834,836)	40,138,148
Employee training support	131,494,800	8,723,448	-	-	140,218,248
Early pension refunds	9,669,568		(9,669,568)	-	-
Gas claims for Tourah Plant	51,000,000	-	-	-	51,000,000
	482,121,531	**51,257,961**	**(32,677,035)**	**(17,980,874)**	**482,721,583**

13. CAPITAL AND RESERVES

13/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,

On 25 March 2013, the Extra ordinary General Assembly Meeting approved the increase of the Company's authorized capital to LE 3,600 million.

13/b. RESERVES

	2013	2012
	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	11,805,111	10,907,410
Total other reserves	2,211,524,361	2,210,626,660
Legal reserve	**2,666,165,628**	**2,665,267,927**

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.

14. NON-CONTROLLING INTEREST

Changes in non-controlling interest

	2013	2012
	LE	LE
Beginning balance for the year	**673,010,065**	635,233,282
Non-controlling interest in the net profits for the year	**53,907,162**	67,117,802
Non-controlling interest in equity of Hilal Cement Group (K.S.C.C.) – Kuwait	**22,603,376**	-
Non-controlling interest in Foreign currencies translation differences	**33,785,054**	22,418,402
Adjustments on retained earnings	**(39,537,190)**	56,715,392
Dividends Paid	**(86,418,774)**	(108,474,813)
Ending balance for the year	**657,349,693**	**673,010,065**

The balance of non-controlling interest in subsidiaries

	Ownership	2013	2012
	%	LE	LE
Egyptian Tourah Portland Cement Company S.A.E.	33.88	**256,566,988**	288,878,467
Suez Bags Company S.A.E.	43.69	**48,040,594**	51,041,793
Helwan Cement Company S.A.E.	0.48	**8,787,840**	9,063,865
Ready Mix Concrete El - Alamya (RMCA) S.A.E	48	**122,294,715**	114,957,339
Hilal Cement Group (K.S.C.C.) – Kuwait	49	**174,219,287**	157,447,066
Cumulative foreign currencies translation differences		**33,785,054**	22,418,402
Development and Construction Material Company – (DECOM) –S.A.E.	48	**11,053,797**	26,406,742
Suez for Transport and Trade Company S.A.E.	3.65	**586,676**	524,428
Industries Development Company S.A.E	1.72	**10,389**	4,516
Axim for industries Company S.A.E			
Formerly, Upper Egypt For Industries Company S.A.E	1.72	**13,604**	30,851
Suez For import and Export Company S.A.E	2.11	**4,937**	22,996
Suez Lime Company S.A.E.	50.34	**1,985,812**	2,213,600
		657,349,693	**673,010,065**

15. MEDIUM TERM LOANS

	2013	2012
	LE	LE
MEDIUM TERM LOANS		
Egyptian Tourah Portland Cement Company S.A.E.		
National Bank of Egypt	54,086,478	80,025,080
Helwan Cement Company S.A.E.		
National Bank of Egypt	7,914,672	14,005,066
Hilal Cement Company (K.S.C.C.) – Kuwait		
unsecured borrowings from local banks availed in Kuwaiti Dinar	47,679,714	-
TOTAL MEDIUM TERM LOANS	**109,680,864**	**94,030,146**
CURRENT PORTION OF MEDIUM TERM LOANS		
Egyptian Tourah Portland Cement Company S.A.E.		
National Bank of Egypt	(33,282,650)	(30,485,745)
Helwan Cement Company S.A.E.		
National Bank of Egypt	(3,518,668)	(6,789,564)
Hilal Cement Company (K.S.C.C.) – Kuwait		
unsecured borrowings from local banks availed in Kuwaiti Dinar	(14,923,807)	-
TOTAL CURRENT PORTION OF MEDIUM TERM LOANS	**(51,725,125)**	**(37,275,309)**
	57,955,739	**56,754,837**

15/1. Egyptian Tourah Portland Cement S.A.E

National Bank of Egypt Loan

The company issued a medium term loan in December 2009 with the National Bank of Egypt with an amount of USD 15M or its equivalent in EGP for a grace period of thirty months The loan was provided by some international donors in the framework of industrial pollution control project phase 2 EPAPII, And payments are made to open letters of credit without cash cover local – external for the suppliers or in the form of direct cash transfers or copies of invoices or bill of progresses from suppliers,The loan bears an interest rate of 1.5% above Mid Corridor with a minimum of 11.5% for EGP and, 2% above Libor (6 Months) for USD, The loan is repayable on 10 equal quarter instalments starting from September 2012 till December 2014, The company paid all due instalments till date.all due instalments till date.

The balance of the loan as of 31 December 2013 amounting to EGP 54,086,478; the total repayable current portion amounting to EGP 33.282.650

15/2. Helwan Cement S.A.E

National Bank of Egypt Loan

A) In Mar. 2010, a medium-term loan contract signed between Helwan Cement Company S.A.E. and National Bank of Egypt with an amount of MEG 14.28 for a grace period 1 year. The loans provide by some international donors in the framework of industrial pollution control project phase 2 EPAPII. In order to use the funding to open letters of credit without a cash cover local – external for the suppliers or in the form of direct cash transfers or copies of invoices or certified extracts from suppliers. The loan bears an interest rate 1.5% above Mid Corridor rate with minimum 11.5%. The loan is repayable on 12 equal instalments every three months starting from Jun. 2011and ended in Mar. 2014 and the company paid all matured instalments up to date.

B) In Jun. 2011, a medium-term loan contract signed between Helwan Cement Company S.A.E. and National Bank of Egypt with an amount of MEG 12.39 for a grace period 2 years. The loans provide by some international donors in the framework of industrial pollution control project phase 2 EPAPII. In order to use the funding to open letters of credit without a cash cover local – external for the suppliers or in the form of direct cash transfers or copies of invoices or certified extracts from suppliers. The loan bears an interest rate 1.5% above Mid Corridor rate with minimum 10.5%. The loan is repayable on 12 equal monthly starting from Jun. 2013 and ended in May. 2014.
The balance of the loan as of 31 December 2013 amounting to EGP 7,914,675; the total repayable current portion amounting to EGP 3.518.668

15/3. Hilal Cement (K.S.C.C.) – Kuwait

Term loans represent unsecured borrowings from local banks availed in Kuwaiti Dinar. Term loans carry interest rate in the range of 4.5% to 5% per annum (2012: 4.5% to 5%).

The balance of the loan as of 31 December 2013 amounting to EGP 47,679,714; the total repayable current portion amounting to EGP 14.923.807

16. OTHER LONG TERM LIABILITIES

	2013 (LE)	2012(LE)
OTHER LONG TERM LIABILITIES		
Long term creditors – Land purchasing	1,174,196	1,515,726
Production lines sales tax	-	961,049
Long term employee benefits – Hilal Cement Company (K.S.C.C.) – Kuwait	14,844,896	3,692,733
TOTAL OTHER LONG TERM LIABILITIES	**16.019.091**	**6,169,508**

17. END OF SERVICE BENEFITS LIABILITIES

The company pays an amount to the employees when they retire at the end of service, according to the defined benefits plan, which specifies the amount of retirement, which are entitled to the employee. The amount of pay based on one or more factors, including age and years of service and salary. The output is calculated for the defined benefit plan actuarial valuation conducted in a manner estimated additional unit after taking into consideration the group following assumptions:

	2013
Discount rate	14.5 %
Average salary increase	9 %
Annuity schedule	60

The amounts recognized in the date of balance sheet are as follows:

	2013 (LE)
Liability at present value	32,272,622
Liability at the balance sheet	**32,272,622**

The movement of liabilities as per the balance sheet

	2013
Liability at Initial recognition	27,336,987
Current service cost	1,753,973
Interest cost	4,057,608
Benefits paid	(2,925,000)
Actuarial losses on obligation	2,049,054
Liability at 31 December 2013	**32,272,622**

The cost as per income the statement

	2013 (LE)
Cost at initial recognition	27,336,987
Accrued cost of service	1,753,973
Cost of interest	4,057,608
Recognized actuarial losses during the year	2,049,054

The analysis of end of service cost as per income the statement

	2013 (LE)
General and administrative expense	31.140.014
Finance expense	4,057,608
	35.197.622

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18. GENERAL AND AMINISTRATIVE EXPENSES

	2013	2012
	LE	LE
Technical assistance fees	81,673,439	74,414,402
Salaries	107,473,657	81,771,274
Club and social services	5,624,017	7,236,823
End of service benefits plan	31,140,014	-
Insurance	17,835,514	16,358,770
Other general and administrative expenses	91,384,264	118,249,666
	335,130,905	**298,030,935**

19. OTHER INCOME

	2013	2012
	LE	LE
Settlement of clay development contribution fees*	115,651,877	127,608,510
Salvage sold income	2,034,024	5,838,239
Compensation	-	79,650,700
Other income	36,633,585	54,201,997
	154,319,486	**267,299,446**

* This amount represents tax authority accruals of clay development contribution fees for the year from 1 January 2012 till 31 December 2012 these accruals have been reversed and recognized among other income in the income statement based on the meeting held at the office of the Tax Authority Chairman on 28 December 2010 with the representatives of the cement companies working in Egypt.

According to the decision declared by the Egyptian Cabinet of Ministers dated 26 April 2012, The Clay fees related to the period from 5 May 2008 till 30 June 2010 has been amended to be LE 9 per ton of Cement, which has resulted in the amendment of the amount due from the Tax authority.

During the current year the company has received the final reconciliation from the tax authority which mentioned that the balance due to the company is amounting to LE 223,607,449 till 31 July 2012 to be amortized using the future dues on the company production.

20. FINANCE EXPENSES

	2013	2012
	LE	LE
Finance interests	4,409,152	2,401,144
Interest expense on post-employment benefit plan	4,057,608	-
Other Finance Expenses	4,290,785	3,143,338
	12,757,545	**5,544,482**

21. OTHER EXPENSES

	2013	2012
	LE	LE
Rent for unused quarries	12,723,517	12,754,430
Other Expenses	6,237,348	17,397,012
	18,960,865	**30,151,442**

22. RECONCILIATION OF THE EFFECTIVE INCOME TAX RATE

		2013
		LE
NET PROFITS BEFORE INCOME TAXES		813,341,608
ADD:		
PROVISIONS		38,748,638
PROVISION FOR PENSIONS		47,117,518
BOARD OF DIRECTORS' ALLOWANCE		2,792,554
DONATIONS		1,943,301
DEPRECIATION		379,343,608
OTHER EXPENSES		9,062,550
LESS:		
DEPRECIATION		(318,327,239)
PROVISIONS USED		(50,999,919)
DIVIDENDS INCOME		(2,855,628)
DONATIONS		(976,253)
OTHER		(58,757,546)
INCOME TAXES AT THE EFFECTIVE TAX RATE		**860,433,192**
860,433,192 X 25%		215,108,298
INCOME TAX AT THE EFFECTIVE RATE	**26.45 %**	**215,108,298**
813,341,608 X 25%		203,335,402
INCOME TAX AT THE APPLICABLE TAX RATE		**203,335,402**

23. DEFERRED INCOME TAXES

	2013	2012
	LE	LE
Depreciation of fixed assets	(319,678,517)	(318,404,047)
Provisions	132,586,649	137,357,428
Net deferred income tax (liability)	**(187,091,868)**	**(181,046,619)**

24. TAX SITUATION

A) CORPORATE TAXES

- PERIOD SINCE INCEPTION UP TO 2006:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- Year 2007:

The tax authority in the process of inspecting the company, and it was agreed by the Internal Committee and the required value was paid within the limits of the provision

- Years from 2008 to 2011 :

The company submits the tax declaration within the legal grace period, the company has not been assessed for this period.

B) SALES TAX

- PERIOD SINCE INCEPTION UP TO 2007:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- Years from 2008 to 2009 :

The authority has assessed the company for this period, the company objected against the inspection results.

- Years from 2010 to 2011 :

The company submits the sales tax return within the legal grace period i,e monthly, the company has not been assessed for this period.

C) SALARY TAX

- Period since inception up to 1998:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- Years from 1999 to 2004:

The company deducts the salary tax from the employees and remit it to the tax authority within the legal grace period i,e monthly, however the tax authority is in the process of inspecting the company books and records for this period now.

- Years from 2005 to 2011:

The company deducts the salary tax from the employees and remit it to the tax authority within the legal grace period i,e monthly, the company has not been assessed for this period till now.

D) STAMP DUTY TAX

- Period since inception up to 2005:

The tax authority has assessed the company for this period, the tax due was paid and settled based on the internal committee decision.

- Years from 2006 to 2010 :

The tax authority in the process of inspecting the company books and records for this period now.

- Year 2011:

The company has not been assessed for this period till now.

25. CONTINGENT LIABILITIES

Suez Cement Group contingent liabilities amounted to LE 117,149,228 as of 31 December 2013, 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.	2,000,950
Egyptian Tourah Portland Cement Company S.A.E.	21,897,907
Suez Bags Company S.A.E.	12,652,803
Hilal Cement Company (K.S.C.C.) Kuwait	9,620,306
Helwan Cement Company S.A.E.	70,977,262
	117,149,228

26. FAIR VALUE OF FINANCIAL INSTRUMENTS

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 receivables. The financial liabilities include bank credit balances, current and non-current portion of medium loans, non-current portion of long term liabilities, end of service benefits liability, accounts payable 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 (3) of these notes to the financial statements.

The fair value of the financial assets and liabilities are not materially different from their carrying amounts.

27. RISK MANAGEMENT

A) INTEREST RATE RISK

The Company monitors the maturity structure of assets and liabilities with the related interest rates.

B) 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 1,145,898,911 whereas, the total financial liabilities denominated in foreign currencies amount to LE 146,063,285.

28. RELATED PARTY TRANSACTIONS

The transactions with related parties during the period from 1 January 2013 to 31 December 2013 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 FROM 1 JANUARY 2013 TO 31 DECEMBER 2013 AS FOLLOWS:

	Sales/ service revenue	Purchases/ service cost
	LE	LE
Suez Cement Company S.A.E.	17,871,128	164,384,451
Egyptian Tourah Portland Cement Company S.A.E.	57,148,732	100,159,058
Helwan Cement Company S.A.E.	189,555,122	29,044,030
Ready Mix Concrete El - Alamya (RMCA) S.A.E	-	58,864,976
Development and Construction Material Company		
(DECOM) S.A.E.	-	44,672,121
Suez Bags Company S.A.E.	142,704,445	-
Suez for Transport and Trade Company S.A.E.	45,015,458	55,170,249
	452,294,885	**452,294,885**

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B- THE TECHNICAL ASSISTANCE FROM SUEZ CEMENT COMPANY S.A.E. TO SUEZ CEMENT GROUP COMPANIES FROM 1 JANUARY 2013 TO 31 DECEMBER 2013 AS FOLLOWS:

	Technical assistance –revenues	Technical assistance –expenses
	LE	LE
Suez Cement Company S.A.E.	86,018,242	-
Egyptian Tourah Portland Cement Company S.A.E.	-	30,275,856
Helwan Cement Company S.A.E.	-	49,936,702
Suez Bags Company S.A.E.	-	5,805,684
	86,018,242	**86,018,242**

C- LOANS AND ITS INTEREST TRANSACTIONS BETWEEN SUEZ CEMENT GROUP COMPANIES DURING FROM 1 JANUARY 2013 TO 31 DECEMBER 2013 AS FOLLOWS:

	Lender	Borrower	Debit / (Credit) Interest
	LE	LE	LE
Suez Cement Company S.A.E.	46,000,000	-	(6,058,241)
Ready Mix Concrete El - Alamya (RMCA) S.A.E	-	23,000,000	2,981,183
Development and Construction Material Company (DECOM) S.A.E.	-	23,000,000	3,077,058
	46,000,000	**46,000,000**	**-**

D- CEMENTS 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 period from 1 January 2013 to 31 December 2013 amounted to L.E 25,869 Millions, 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 10,431 Million and L.E 15,438 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 Purchases of Suez Cement Company S.A.E. - from Interbulk Company during the period from 1 January 2013

To 31 December 2013 amounted to LE 59,406 MEGP.

- The Purchases of Tourah Portland Cement Company S.A.E. - from Interbulk Company during the period from 1 January 2013

To 31 December 2013 amounted to LE 44,539 MEGP.

- The Purchases of Helwan Cement Company S.A.E. - from Interbulk Company during the period from 1 January 2013

To 31 December 2013 amounted to LE 8,642 MEGP.

- The sales of Helwan Cement Company S.A.E. - to Interbulk Company during the period from 1 January 2013

To 31 December 2013 amounted to LE 56,880 MEGP.

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 sales of Helwan Cement Company S.A.E. - to Interbulk Egypt for Export during the period from 1 January 2013 to 31 December 2013 amounted to L.E 71,369 MEGP.

29. SUBSTANTIAL EVENTS

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

30. COMPARATIVE FIGURES

- Certain consolidated comparatives figures for year 2012 have been reclassified to conform to the year presentation of these consolidated financial statements.

Shareholder Information

COMPOSITION OF THE BOARD OF DIRECTORS AS OF DECEMBER 31st, 2013

Chairman

- Mr. Omar Mohanna

Managing Director

- Mr. Bruno Carré

Board 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. Ahmed Hussein El Araby
- Mr. Emad Elwy Farag

SHAREHOLDER INFORMATION

Suez Cement Company (SCC)

Established in 1977, SCC is one of the largest grey cement producers in Egypt, with a production capacity of 3.97 million tonnes of clinker per year. The company started its activities with the construction of its plant in Suez and then another in Kattameya worth a total investment of 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 (TPCC)

TPCC, Egypt's first cement company, was established in 1927 and currently produces nearly 3.2 million tonnes of cement annually. Besides licensing the oldest clay quarry in Egypt, TPCC was also the first to use the dry cement production method and modernize its lines by reusing wet kilns to get rid of bypass dust. In June 2006, TPCC received the API quality certification for producing Oil Well cement.

Helwan Cement Company (HCC)

Established in 1929, HCC was the second cement producer to enter the market. HCC has a production capacity of 3.52 million tonnes of clinker per year. The company manufactures grey and white cement in its Helwan and El Minya plants, with a combined capacity of 3.8 million tonnes per year. HCC was voluntarily delisted from the Egyptian Stock Exchange in January 2010.

Suez Bags Company (SBC)

SBC was established in 1988 as an Egyptian joint-stock company. SBC owns five lines, with a combined production capacity of 300 million bags per year. Four of these lines are for the production of bags for cement, gypsum and other building materials, while the third caters to special orders, such as chemicals, seeds and animal feed. Made with imported semi-Copake (semi-extensible) kraft-layer paper from Austria, Sweden, Russia and Canada, the company's bags meet the highest quality standards. Because of its imported ink and specialized technology, the company is the only supplier able to print four colors on all bag types.

Ready Mix Concrete Al-Alameya

Since 1985, RMCA has become one of the leading companies in Egypt for the production of ready-mix concrete. RMCA and the ready-mix company Decom together produce more than 1 million cubic meters of concrete annually and have a market share of 14%. They are supported by 22 central mixing plants, 6 of which are located in the Greater Cairo area. RMCA and Decom also have a fleet of 173 truck mixers and 42 concrete pumps. 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 RMCA and an Egyptian market that is ripe for expansion and diversification.

Suez Lime

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 to manufacture quick and hydrated lime for the Egyptian market. The lime is used in a diverse range of applications such as water and waste treatment, soil stabilization, agricultural applications and asphalt modification. It is also used as a component in building products, such as mortars, plasters, whitewash and stuccos.

Suez for Transportation and Trade (STT)

Suez for Transportation and Trade (STT) is responsible for developing bulk and bag sales (delivered sales) as well as enhancing the quality of services provided to clients. With proven expertise in logistics, STT dispatched almost 1,119,539 tonnes of cement in 2012. In addition, STT expanded its business through the establishment of BravoBuild retail shops that sold 43,440 tonnes of cement. In 2012, profits exceeded those of 2011 by 14.3% to reach LE 2.4 million.

Hilal Cement Company – Kuwait

KSCC was established in 1984 as a closed joint-stock Kuwaiti company. The main activities of KSCC, which is the third largest cement business in Kuwait, include importing, storing and distributing cement and other bulk materials.

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

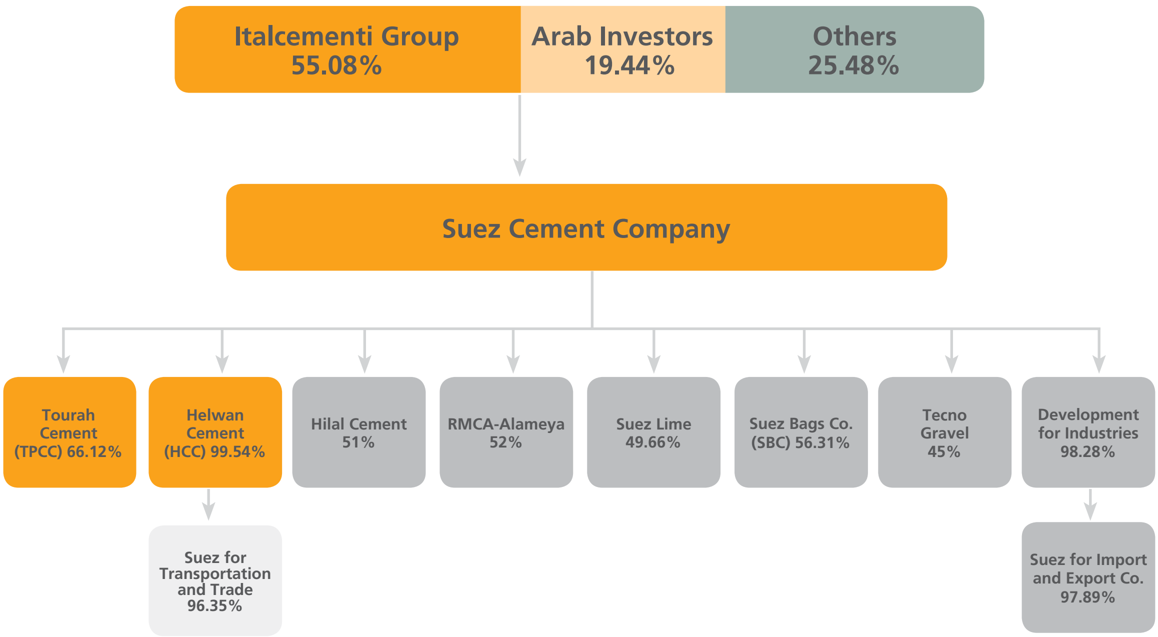
S.A.E., a subsidiary of SCGC, was established in 2009. The current objective of the company is to import cement to fulfill domestic grey cement market needs

Suez Cement group of Companies (SCGC) is one of Egypt's largest cement producers. With a long –standing history in the Egyptian market, SCGC is proud that its cement has helped build some of Egypt's well-known landmarks and continues to serve market needs with its innovative products and brands.

SCGC has an industry network of five production facilities located in Suez, Kattameya, Tourah, Helwan and El Minya, delivering quality white and grey cement to Egyptian and export markets.

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 Concrete Al-Alameya (RMCA) and Hilal Cement in Kuwait.

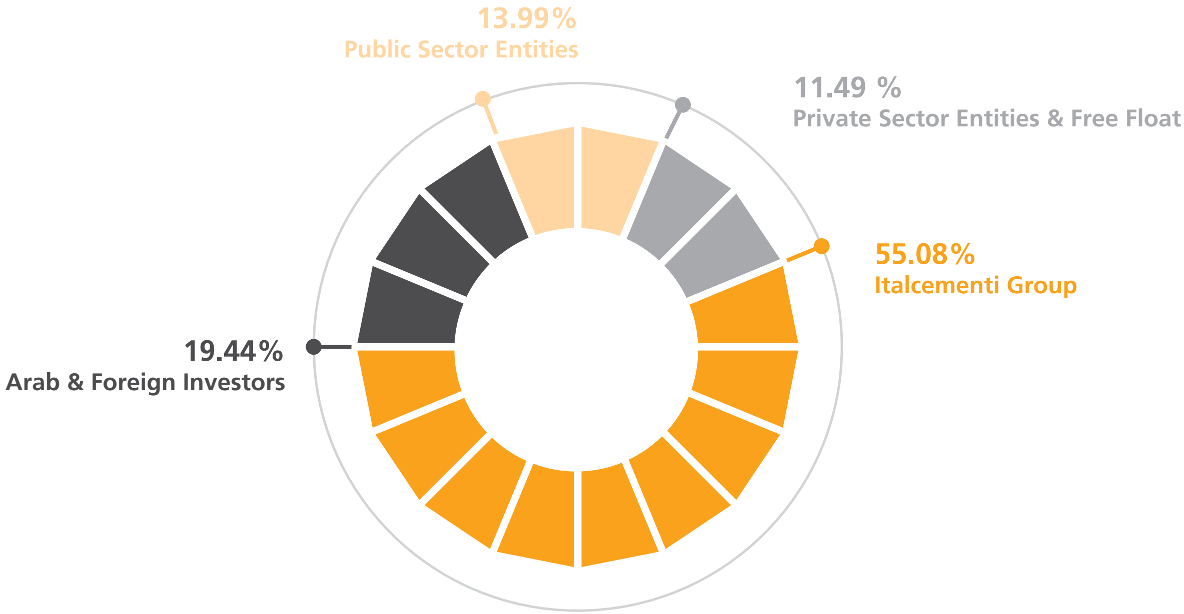
The Italcementi Group is the majority shareholder of SCC with a share of 55.08% in SCC which holds 66.12% of TPCC, 53.32% of Suez Bags and 99.54 % of HCC. SCC, TPCC and SBC are listed on the Egyptian Stock Exchange, while HCC was optionally delisted in January 2010.



31 December 2013
The aforementioned structure includes SCC's direct and indirect ownership structure

Shareholder Information

SCC Shareholding Structure as of December 31st, 2013



SCC Trading Volume on The Egyptian Stock Market 2013

Month	Number of Traded Shares	Average Monthly Price	Trade Value EGP
January	276,641	21.84	6,040,607
February	110,107	22.17	2,441,622
March	147,544	22.40	3,305,001
April	100,985	22.44	2,265,679
May	338,764	22.80	7,723,184
June	55,019	21.74	1,195,932
July	18,081	22.71	410,544
August	33,861	22.98	778,253
September	195,576	22.79	4,456,353
October	156,036	23.39	3,649,419
November	2,465,284	24.18	59,612,511
December	79,161	24.47	1,937,460
Total	**3,977,059**	**23.59**	**93,816,565**

Source: Misr Information System and Trading (MIST)

Dividend Policy

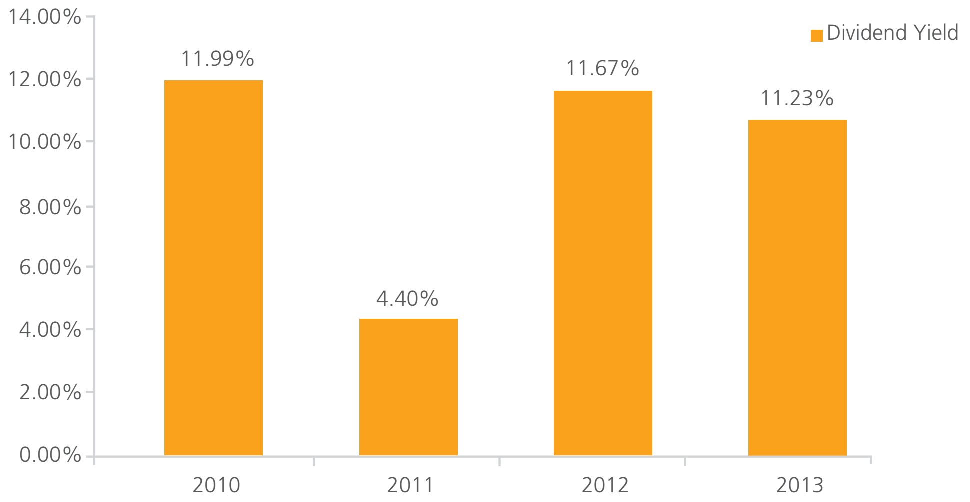
SCGC's management aims to continue implementing its high earning per share policy despite the challenging conditions over the last year. Our success in doing so proves SCGC's ability to sustain its business and even grow in the face of difficult market conditions.

Year	2010	2011	2012	2013
Average Share Price	40.88	37.49	22.71	23.59
Dividend Per Share	4.90	1.65	2.65	2.65*
Dividend Yield	11.99%	4.40%	11.67%	11.23%

EGP

*EGP 2.65 subject to OGM approval

SCC Dividend Yield

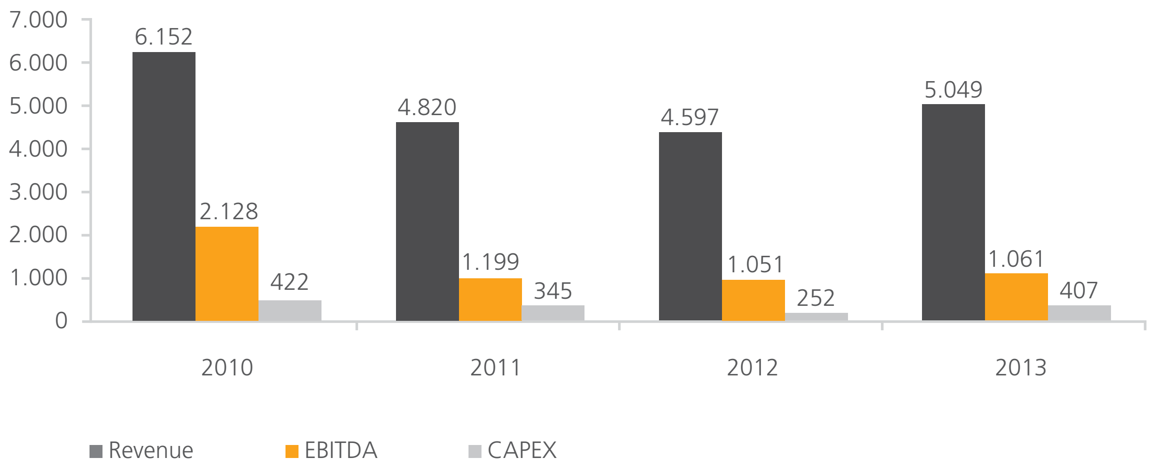


Capital Expenditure (CAPEX)

SCC Capital Expenditure programme is focused on reconstruction and modernization of our existing production facilities in order to reduce costs, improve process, and increase utilization capacities.

Year	2010	2011	2012	2013
Revenue	6,152	4,820	4,597	5,049
EBITDA	2,128	1,199	1,051	1,061
CAPEX	408	324	252	407

MEGP



Shareholder Information

FINANCIAL HIGHLIGHTS CONSOLIDATION

(MEGP)	Dec-13	Dec-12	Dec-11
Revenue	5,049	4,597	4,820
Gross Profit	934	852	1,087
EBITDA	1,150	1,103	1,202
Net Earnings	538	524	569
Return on Sales	11%	11%	12%
Gross Margin	18%	19%	23%
EBITDA Margin	23%	24%	25%
Fixed Assets	4,059	3,954	3,931
Total Assets	9,971	9,683	9,661
Cash & Cash Equivalents	1,817	1,622	1,448
Working Capital	1,382	1,346	1,348
Total Debt	110	94	110
Minority Interest	657	673	635
Shareholders Equity	7,273	7,083	7,136
Net Fixed Assets turnover	124%	116%	123%
ROA , Total Assets turnover	51%	47%	50%
Return on Equity	7%	7%	8%
Current Ratio	179%	180%	184%
Debt to equity ratio	23%	22%	19%
Gearing ratio	23%	22%	19%

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**
From		Joint stock company, governed by the Egyptian Law no. 8/1997	Egyptian stock company, governed by the Egyptian Law no. 159/1981	Egyptian stock company, governed by the Egyptian Law no. 159/1981	Joint stock company, governed by the 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 04/12/2038
Purpose		Producing all kinds of cement. Expired on 05/03/2027	Producing all kinds of cement and lime; owing terrestrial and river transportation; manufacturing spare parts and bags; land possession; selling and exploitation of quarries.	Producing all kinds of cement and lime; owing 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 Francias 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 3,600 million	LE 800 million	LE 2000 million	LE 24 million
	Paid	LE 909,282,535	LE 357,621,000	LE 583,466,475	LE 20,250,000

GLOSSARY OF TERMS

Acronyms and abbreviations

AFs	Alternative Fuels
ARMs	Alternative Raw Materials
AFRs	Alternative Fuels and Raw Materials
BWI	Building and Wood Workers' International
CEMs	Continuous Emissions Monitoring system
CSI	Cement Sustainability Initiative
GRI	Global Reporting Initiative
ILO	International Labour Organisation
ISO 14001	The International Standards Organisation model for management and external certification of environmental performance
KPIs	Key Performance Indicators
LTI	Lost Time Injuries
WBCSD	World Business Council for Sustainable Development

Chemicals and units

CO_2	Carbon dioxide
SO_2	Sulphur dioxide
NOx	Nitrogen oxides
CO	Carbon monoxide
VOC	Volatile Organic Compounds

Chemicals and units

ng	nanogram (0.000000001 g)
mg	milligram (0.001 g)
g	gram
kg	kilogram (1,000 g)
t	tonne (1,000 kg)
kt	kilotonne (1,000 tonnes)
toe	tonnes of oil equivalent
ktoe	kilotonnes (1,000 tonnes) of oil equivalent
tpd	tonnes per day
m^3	cubic metre
MJ	mega joule (1 million joules)
MW	mega watt (1 million watt)
kWh	kilowatt-hour (1,000 watt-hour)
GWh	gigawatt-hour (1 billion watt-hour)