



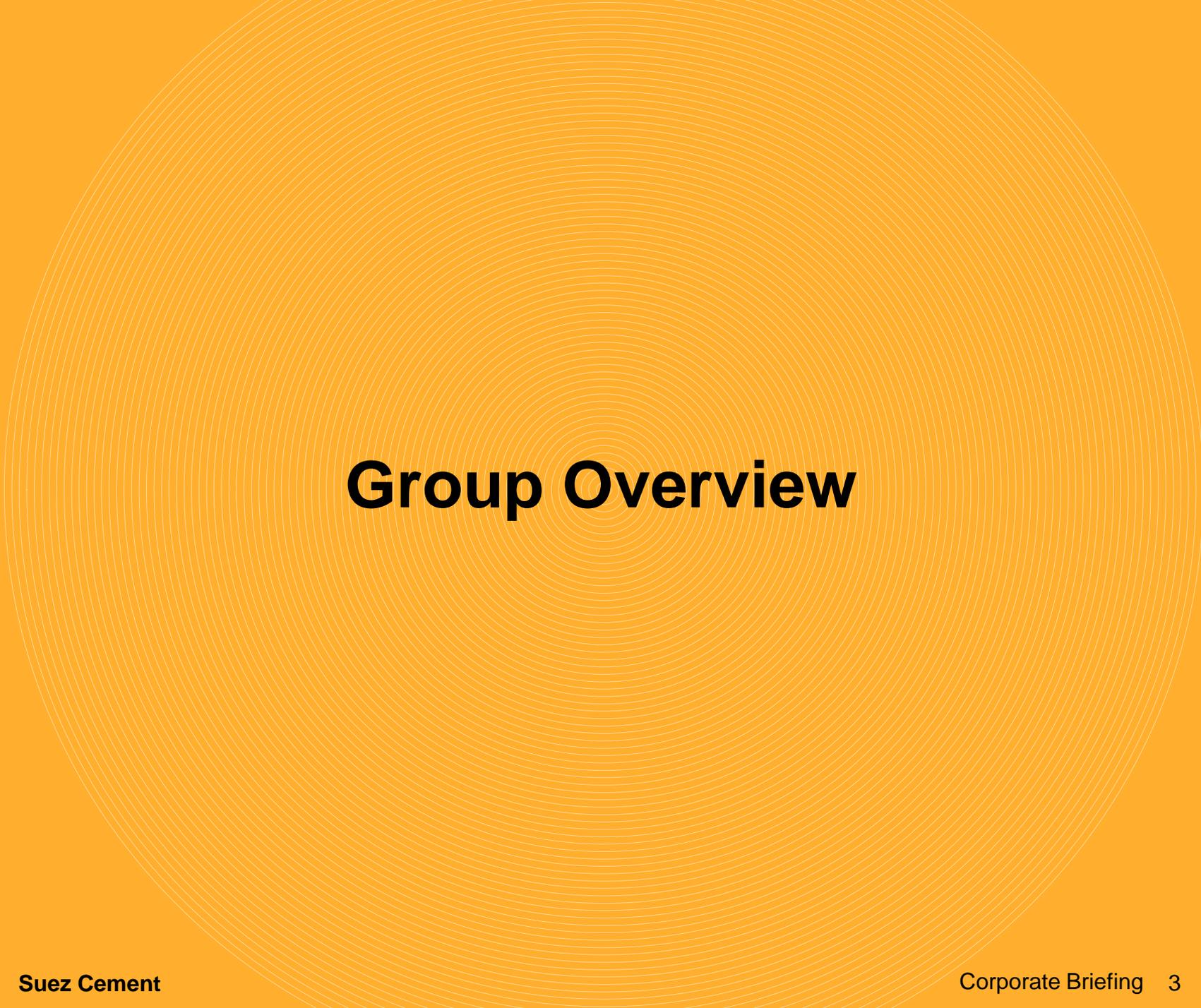
Corporate Briefing



Contents

- **Group Overview**
- **Market Overview**
- **Investment Highlights**
- **Financial Highlights**





Group Overview

Group Overview

➤ Vision and Mission

✓ Building our vision

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

✓ Building 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.

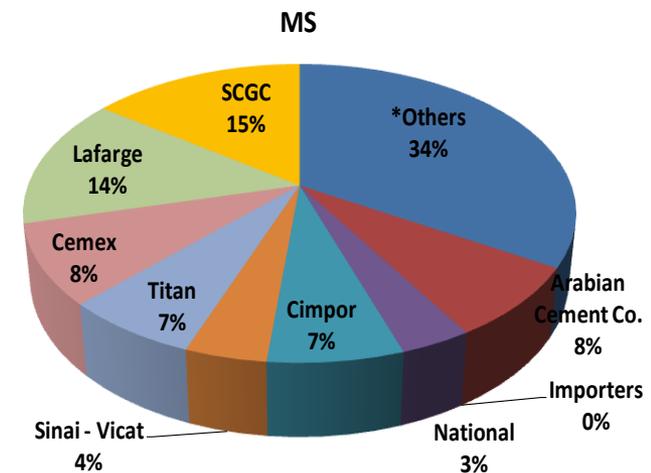
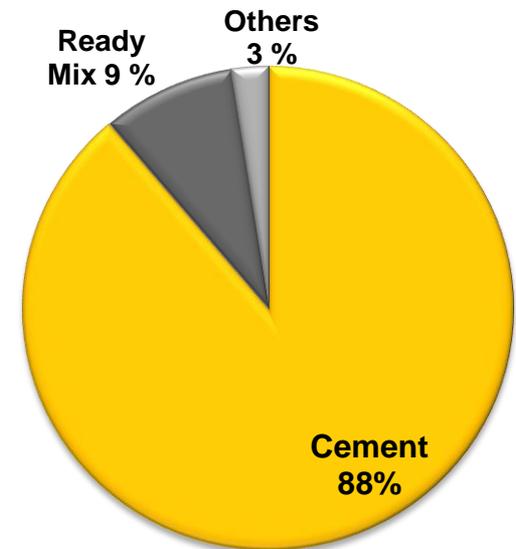


Group Overview

➤ SCGC Group at a glance

- ✓ Egypt's cement market leader
- ✓ Part of the world's fifth largest global cement producer
- ✓ Total production capacity of more than 12M t/y cement
- ✓ 5 cement plants, 2 terminals, and 20 concrete batching units
- ✓ Strong commitment to Environment protection and social responsibility
- ✓ Total revenues of EGP 6.152 bln in 2014 and EBITDA of EGP 1.154 bln

Revenue Breakdown



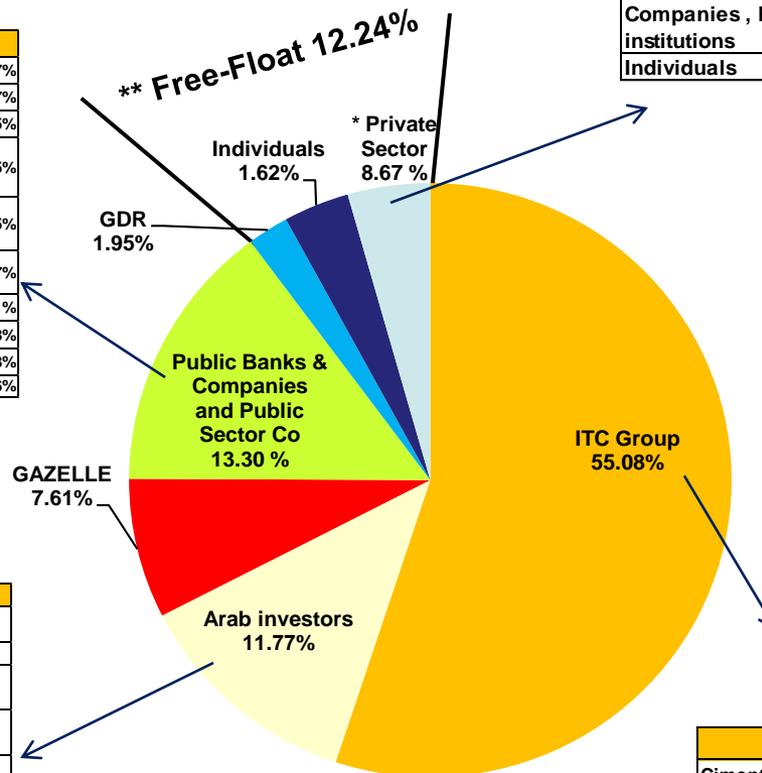
Group Overview - Stock Market

➤ SCC Ownership Structure

Name	No. of Shares	%
Misr Capital Investments, SAE	4,675,198	2.57%
Nasser Social Bank, SAE	2,307,866	1.27%
Social insurance Funds for Public sector	1,905,528	1.05%
Social insurance Funds for Public business sector employees	1,916,709	1.05%
Metallurgical Industries Company	457,485	0.25%
Chemical Industries Company	1,039,037	0.57%
National Investment Bank	6,924,107	3.81%
National Cement Company SAE	3,967,055	2.18%
Misr insurance Co.	873,246	0.48%
Other Public Corporation & Banks	115,315	0.06%

Name	No. of Shares	%
United Co. for Provendrs	2,816,815	1.55%
Abd Elkader Elmohedeb Co.	2,185,601	1.20%
Gulf International Trading & Real Estate Co. Ltd.	267,869	0.15%
abdul Monem Rashed Abdulrahman al rashed Co.	666,667	0.37%
Abd Elmenam Rashed Abd Elrahman	14,392,167	7.91%
International Trading and Contracting Co. Ltd.	864,330	0.48%
Samer ben Saleh Hossen Elkaaki	212,067	0.12%

Name	No. of Shares	%
Private Funds	7,354,716	4.04%
Private Insurance Companies, Banks and institutions	8,416,574	4.63%
Individuals	2,945,045	1.62%

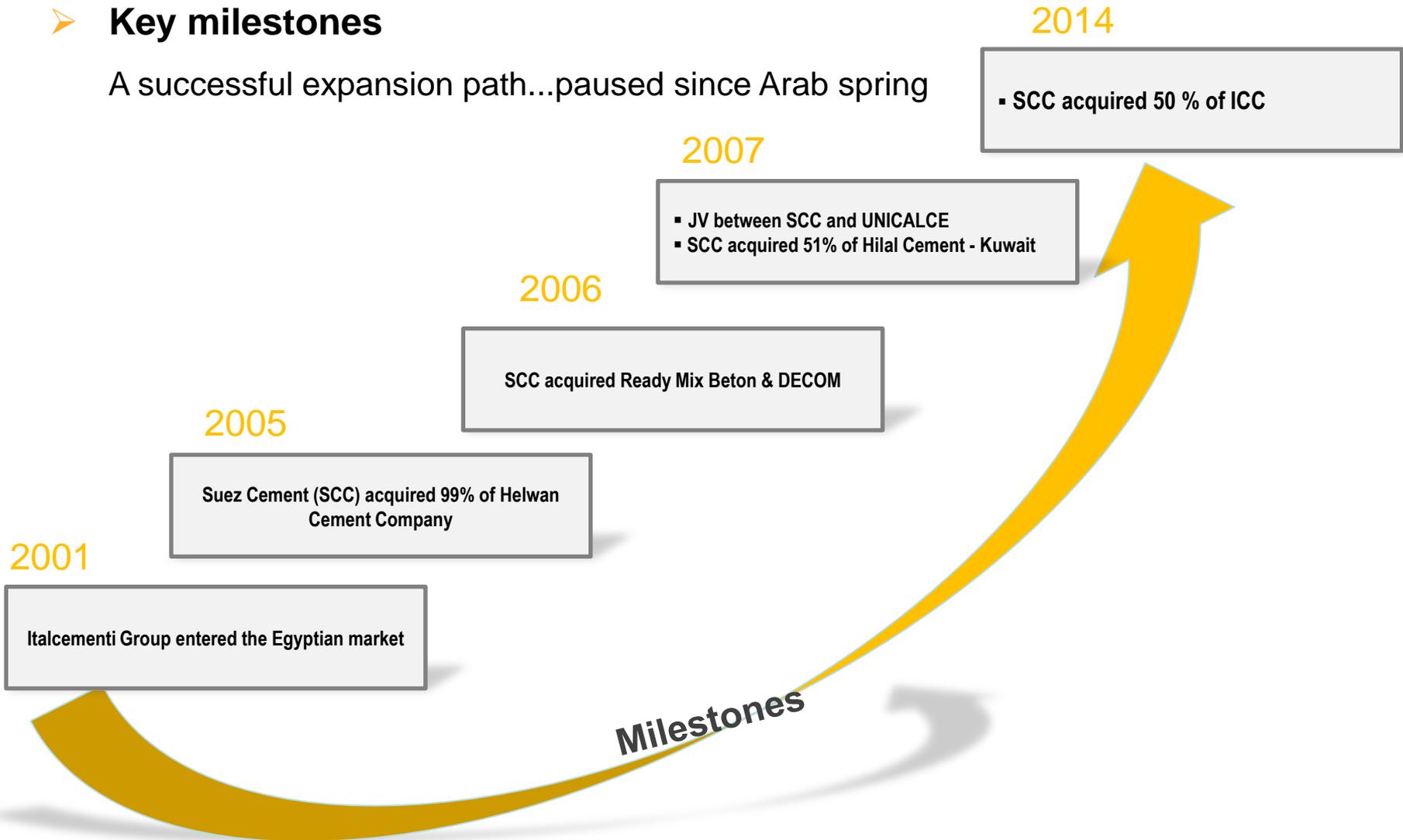


Name	No. of Share	%
Ciments Francies	22,485,545	12.36%
MENAF	47,373,830	26.05%
CIMENTS DU MAROC CIMAR	21,210,577	11.66%
TERCIM S A S	9,100,000	5.00%
Tourah Cement Company	1,132	0.00%

Group Overview

➤ Key milestones

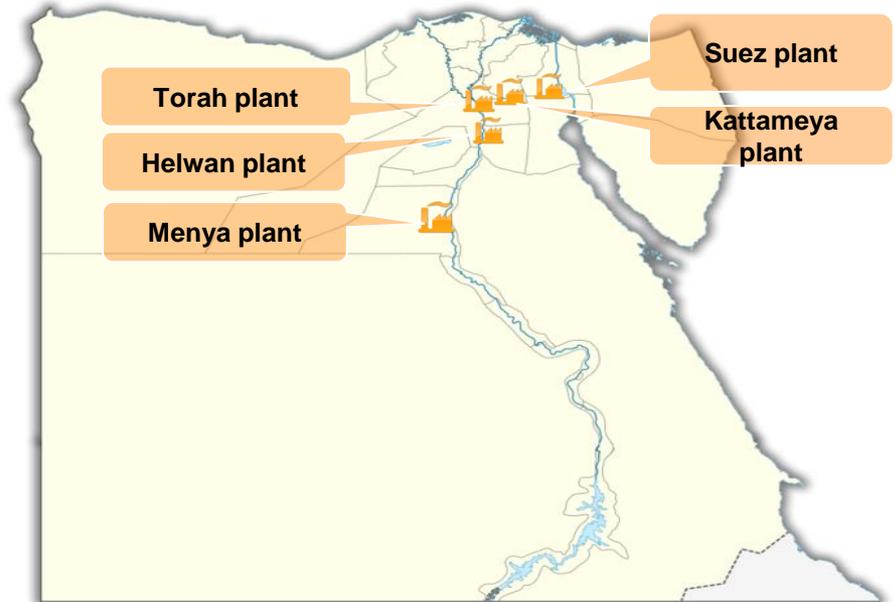
A successful expansion path...paused since Arab spring



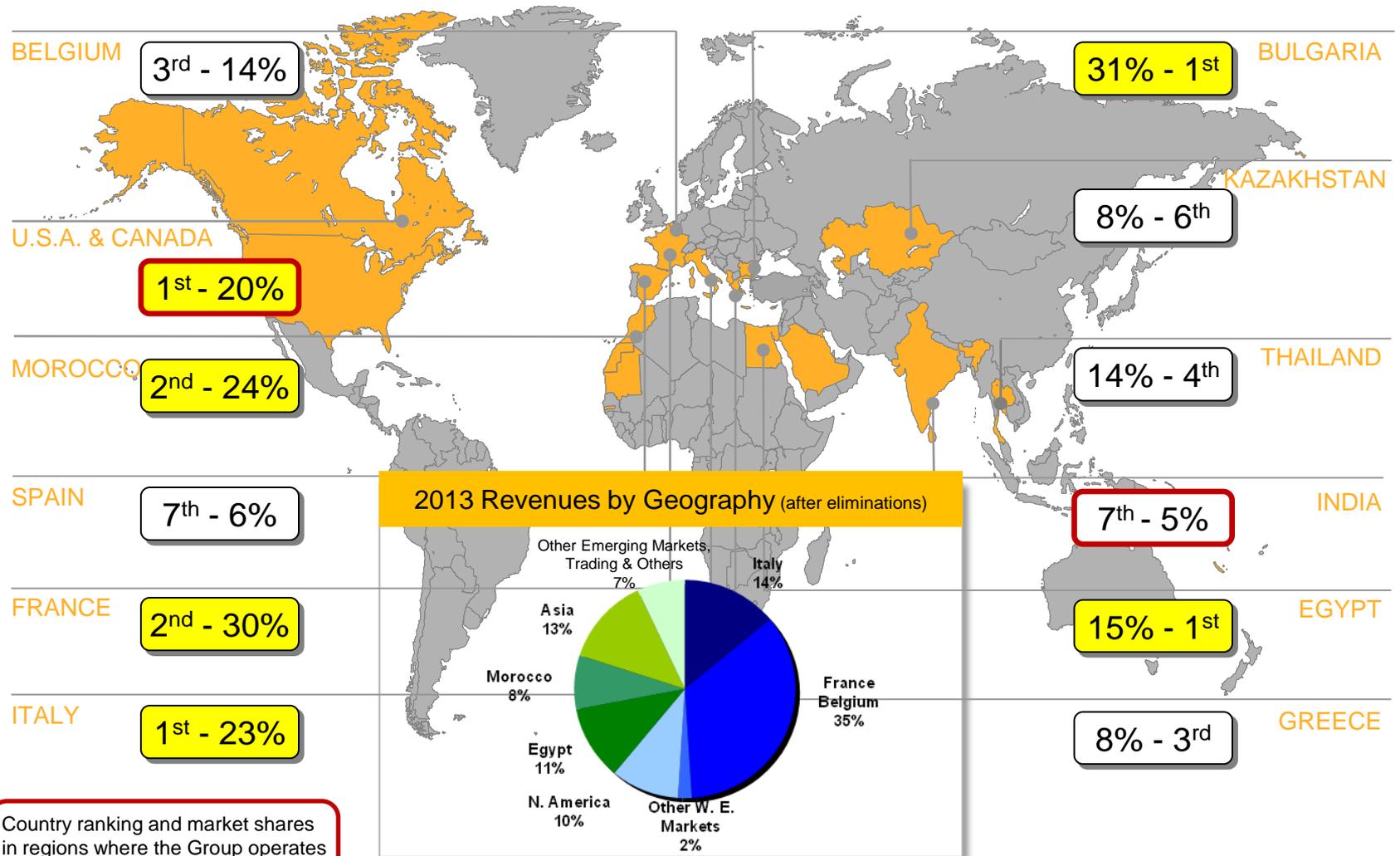
Group Overview

➤ SCgC Industrial network

- ✓ 5 production facilities located in Helwan, Tourah, Kattameya, Suez and El Minya.
- ✓ Total production capacity of 12 million metric tons of cement.
- ✓ Approximately 15 percent market share of grey cement.
- ✓ Approximately 26 percent market share of white cement.
- ✓ 15 Operating quarries.
- ✓ 8 kilns in operation.
- ✓ All plants are ISO 9002, ISO 14001 and OHSAS 18001 certified.



Country rankings and market shares

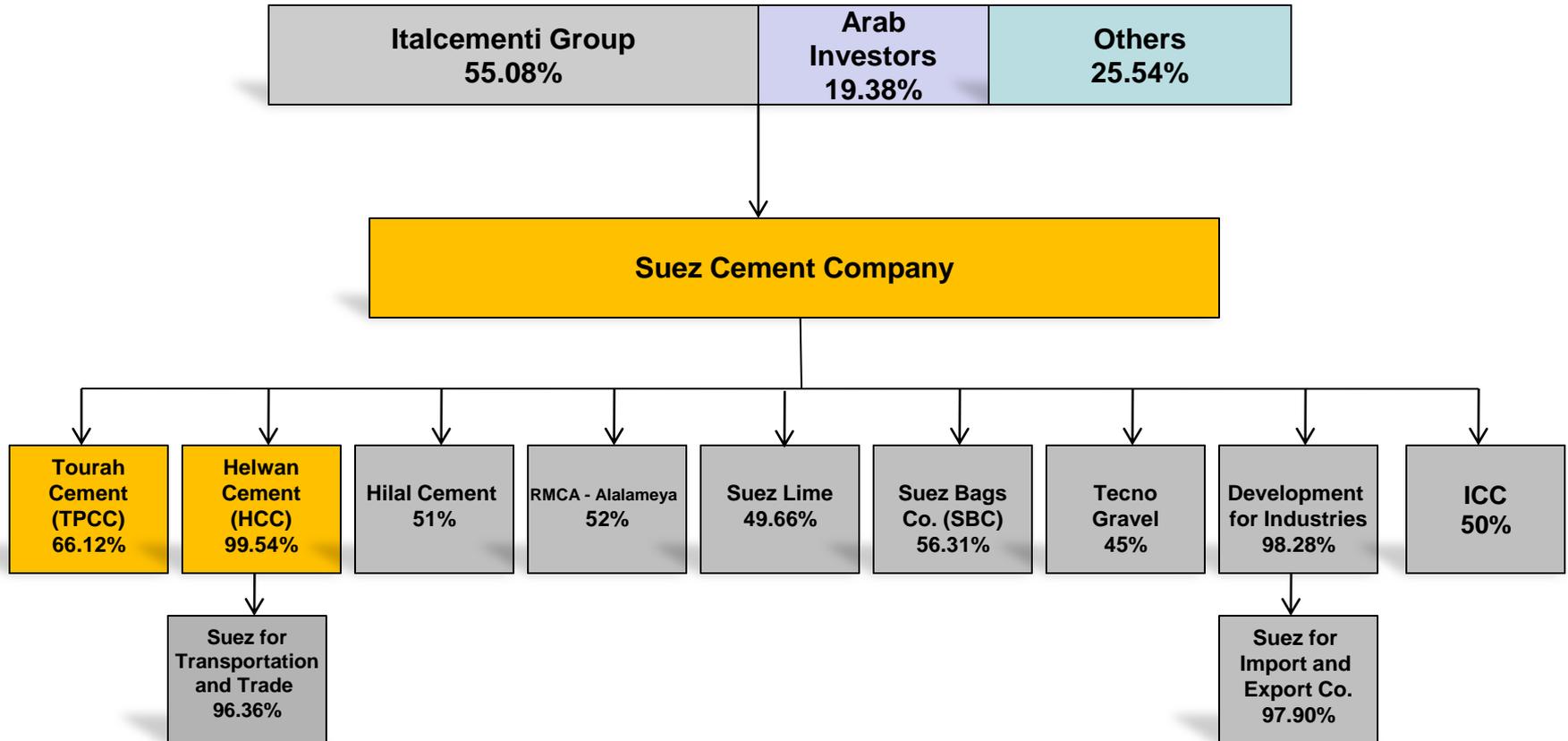


Country ranking and market shares in regions where the Group operates (Italcementi estimates)

Source: Italcementi estimates based on brokers' reports

Group Overview

➤ SCgC Group structure

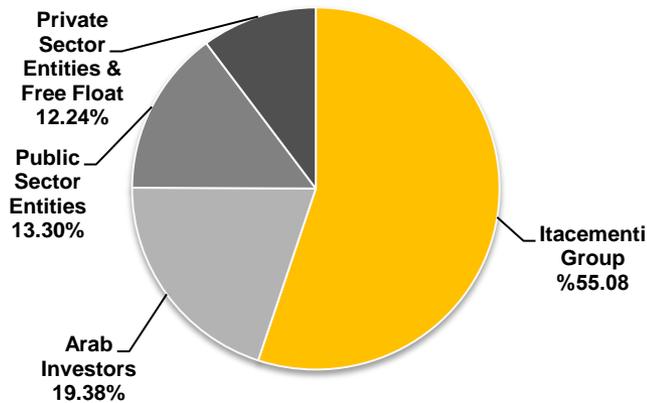


30 June 2015

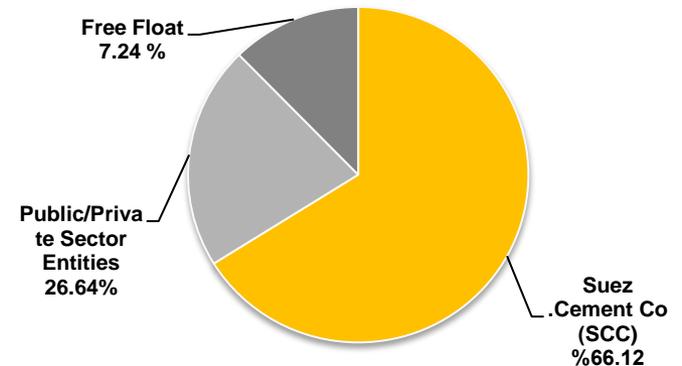
Group Overview - Stock Market

➤ 3 Companies are listed in the Egyptian Stock Market

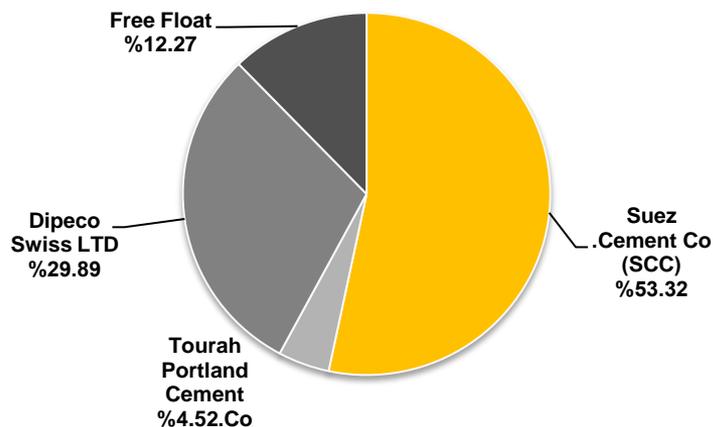
Suez Cement Company (181,856,507 shares)



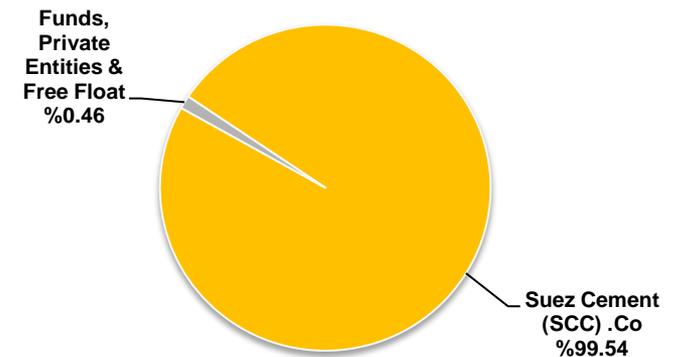
Tourah Portland Cement Company (71,524,200 shares)



Suez Bags Company (2,025,000 shares)



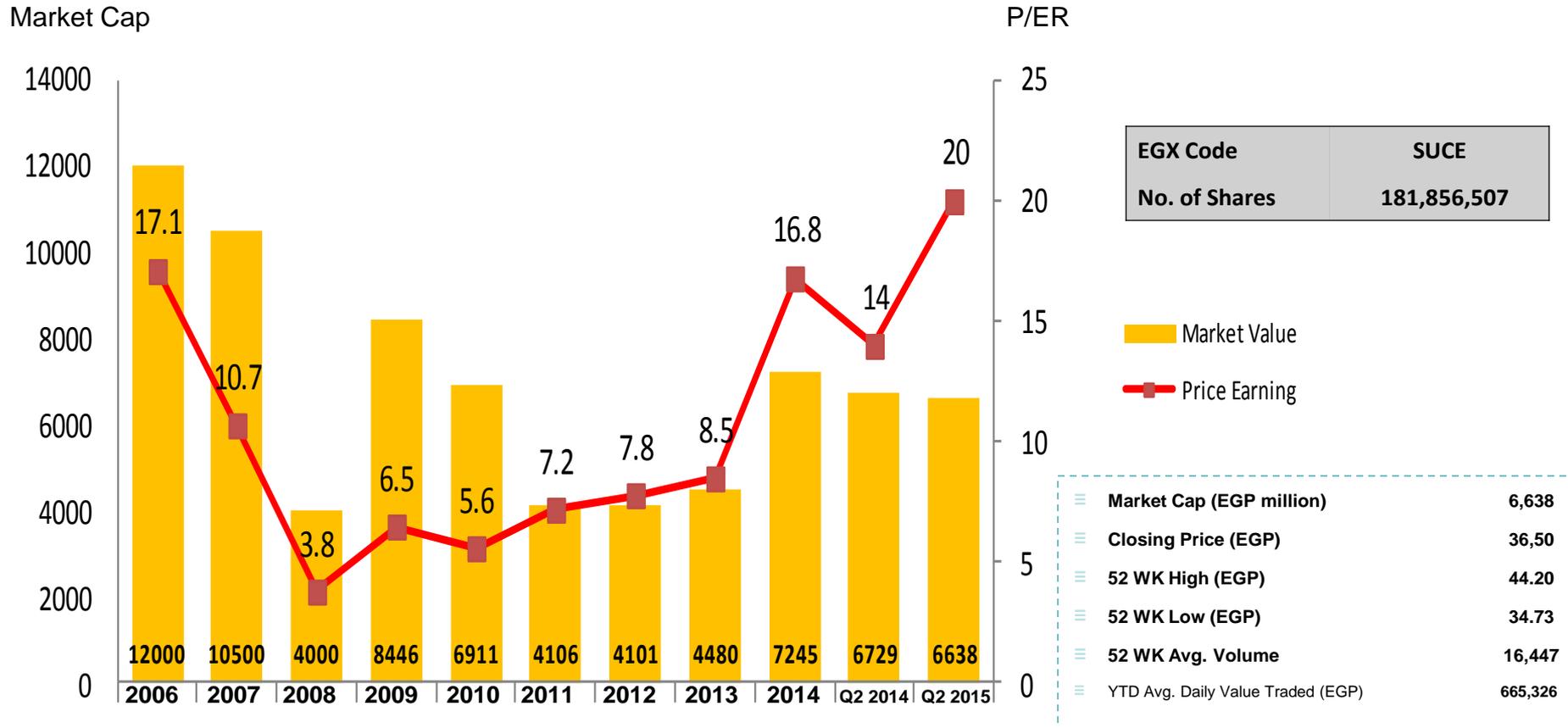
Helwan Cement Company (116,684,924 shares) (Not Listed)



Group Overview - Stock Market

➤ Strong decline in **Price/Earning** multiple which started to bounce back

Suez Cement (In M EGP)



Market Overview

Market Overview

➤ Egypt Macroeconomic Outlook

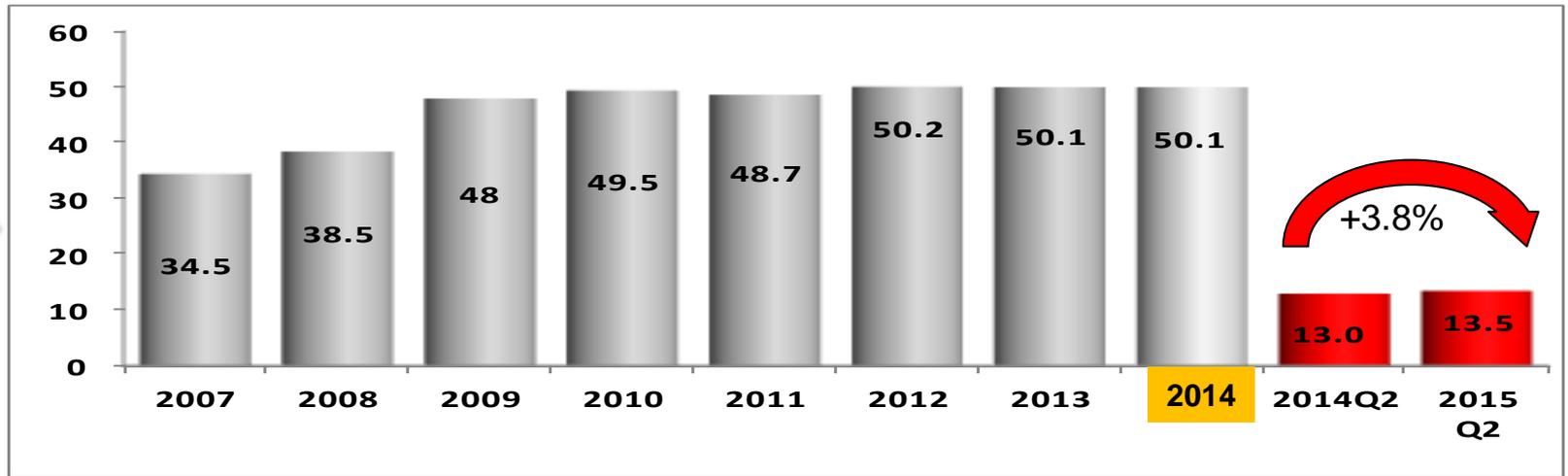
Macroeconomic Data	2009	2010	2011	2012	2013 F	2014 F	2015 F
Population	79.7	81.1	82.5	80.7	82.1	83.4	84.7
Real GDP growth %	4.7	5.1	1.4	2.2	2.2	2.2	3.0
Inflation rate %	15.7	11.7	10.1	7.2	9.4	10.5	11.5
Construction industry real growth %	11.4	13.2	3.7	3.3	5.9	4.5	5.3
Construction industry % of GDP	4.1	4.1	4.2	4.3	4.4	4.5	4.5
Grey Cement Market Growth %	24.8%	3.1%	-1.6%	5.0%	-2.1%	2.6%	5.6%
Grey Cement Consumption	48.0	49.5	48.7	51.2	50.1	51.4	54.3
Consumption per capita (Kgm)	0.60	0.61	0.59	0.63	0.61	0.62	0.64

5 years compounded annual growth rate – Source: Business Monitor International (a

Market Overview

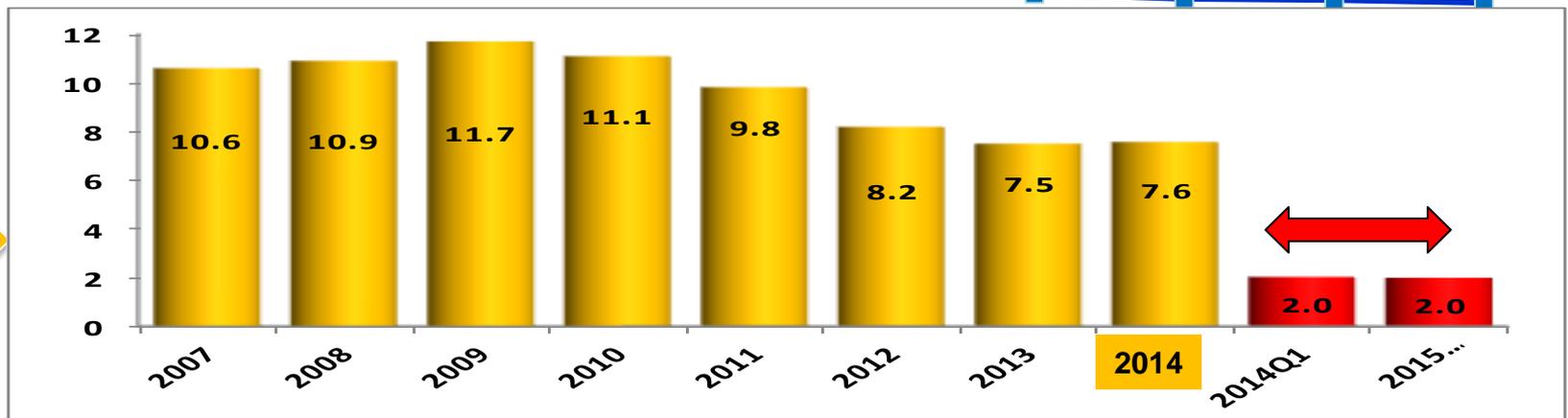
➤ Egypt Macroeconomic Outlook

Market Volumes*
M tons



SCGC MS %

SCGC Volumes
M tons



CAGR: Compound Annual Growth Rate

*Source: Ministry of Investment

Market Overview

- **The residential segment consumes more than 85% of the total cement consumption**

☐ Residential

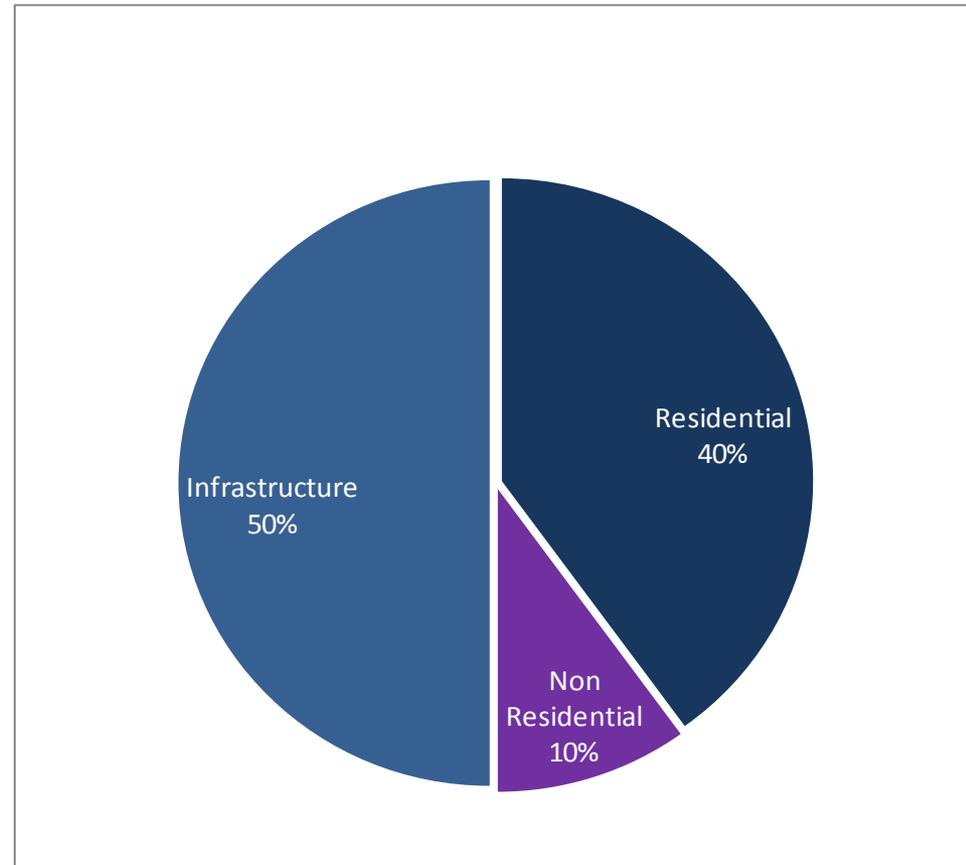
- ✓ Although the tough situation this segment still have Good perspectives in the short and medium term projects.

☐ Non-residential

- ✓ Sharp drop expected in the tourism & industrial sectors due to the country political situation.

☐ Infrastructure

- ✓ This segment has been strongly affected by the 25th of January revolution and the government instability.



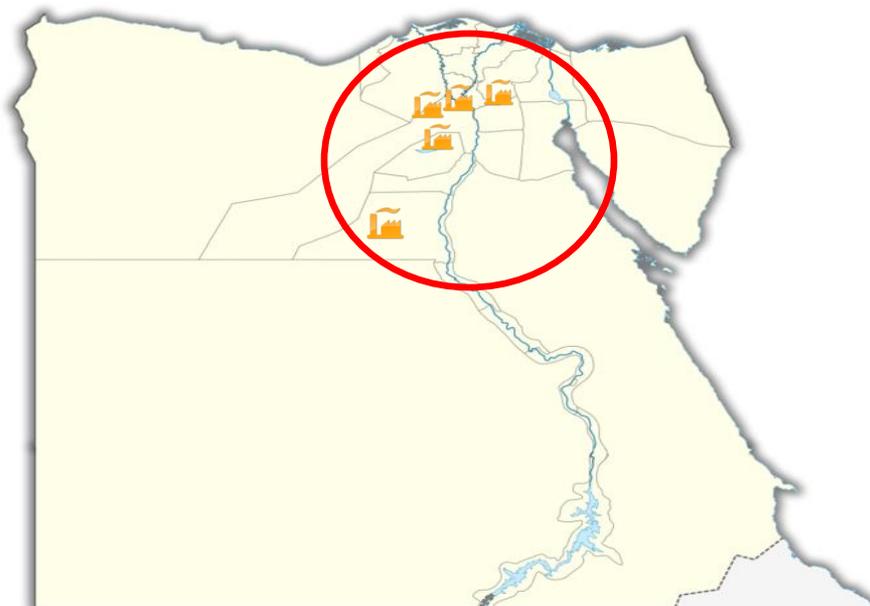
Market Overview

- **More than 60% of Egypt's cement consumption is concentrated in Greater Cairo & Delta**

- ✓ **Cement dispatch/ region**

	% from Market	SCGC MS%
Greater Cairo	29%	32%
Delta	35%	36%
Upper Egypt	20%	0.5%
Others	16%	19%

- Population 2014*: 84.6 million
- Growth rate (2011-2013)*: 1.9%
- Age profile (CAPMAS** – May2014):
 - ✓ 0 – 4 10.6%
 - ✓ 5 – 14 21.1%
 - ✓ 15 – 44 49.8%
 - ✓ 45 – 60 12.4%
 - ✓ +60 6.1%

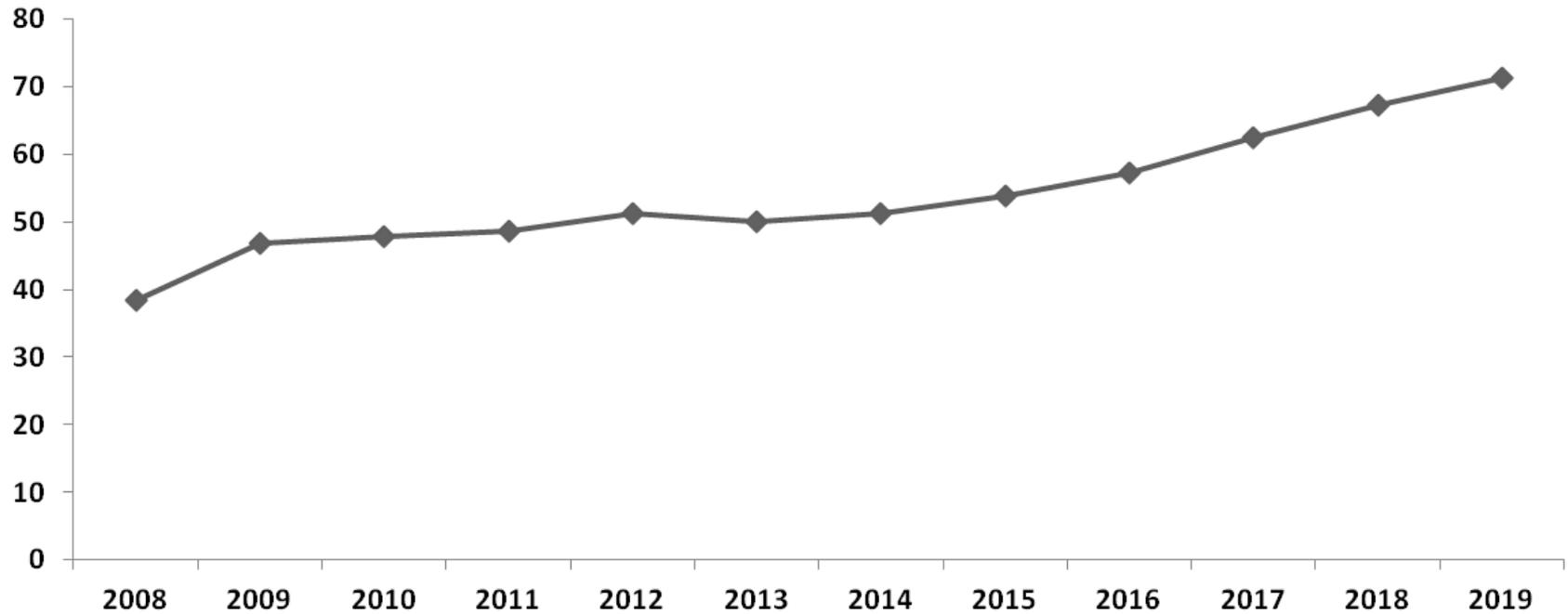


****CAPMAS: Central Agency for Public Mobilization And Statistics**
- Source: Business Monitor International Data referred to 2009

Market Overview

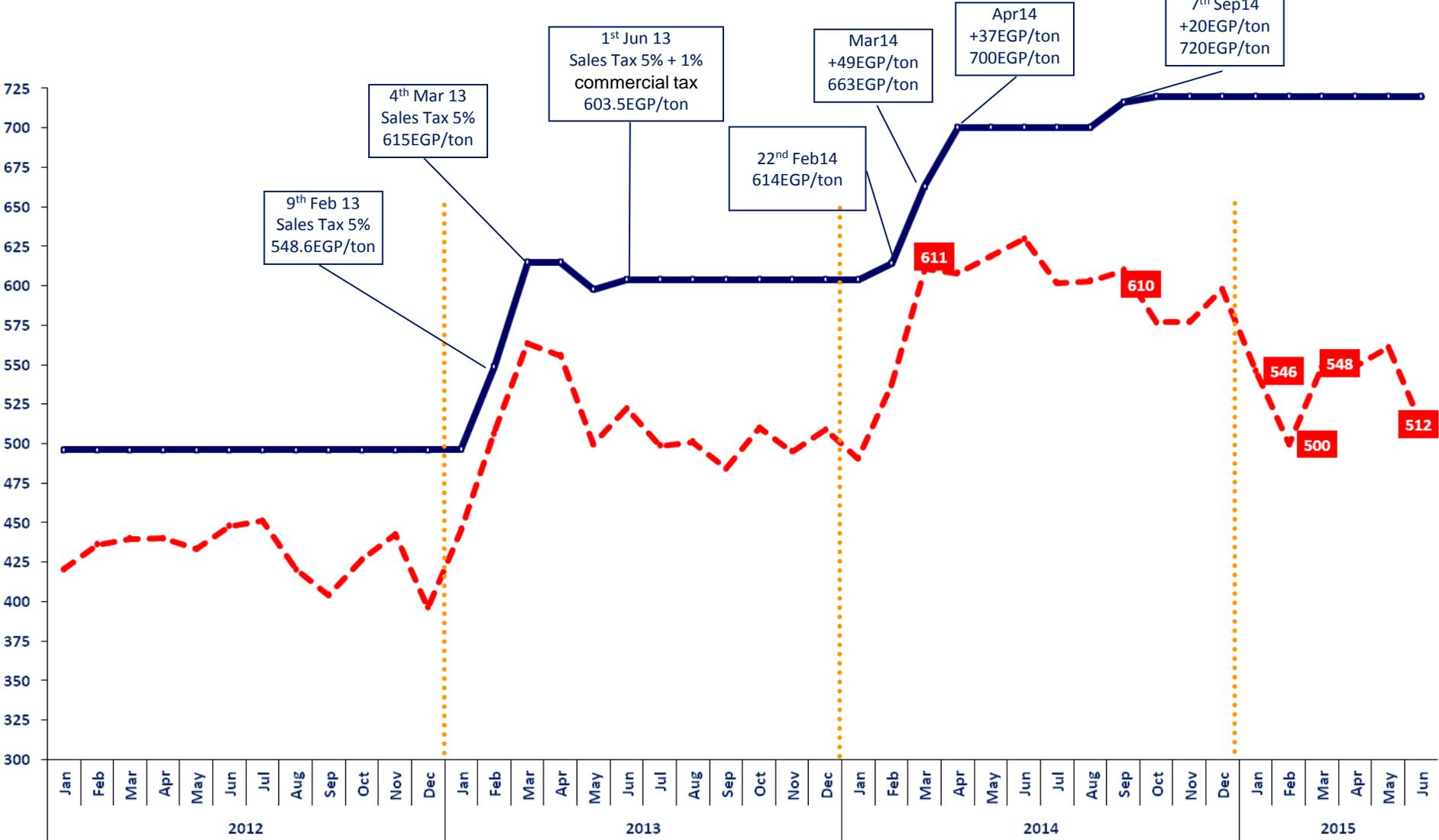
➤ Egypt Grey Cement Market

Structural Demand (Mt)



	H1 Actual	Forecast
Consumption Mt	26,462	53,871

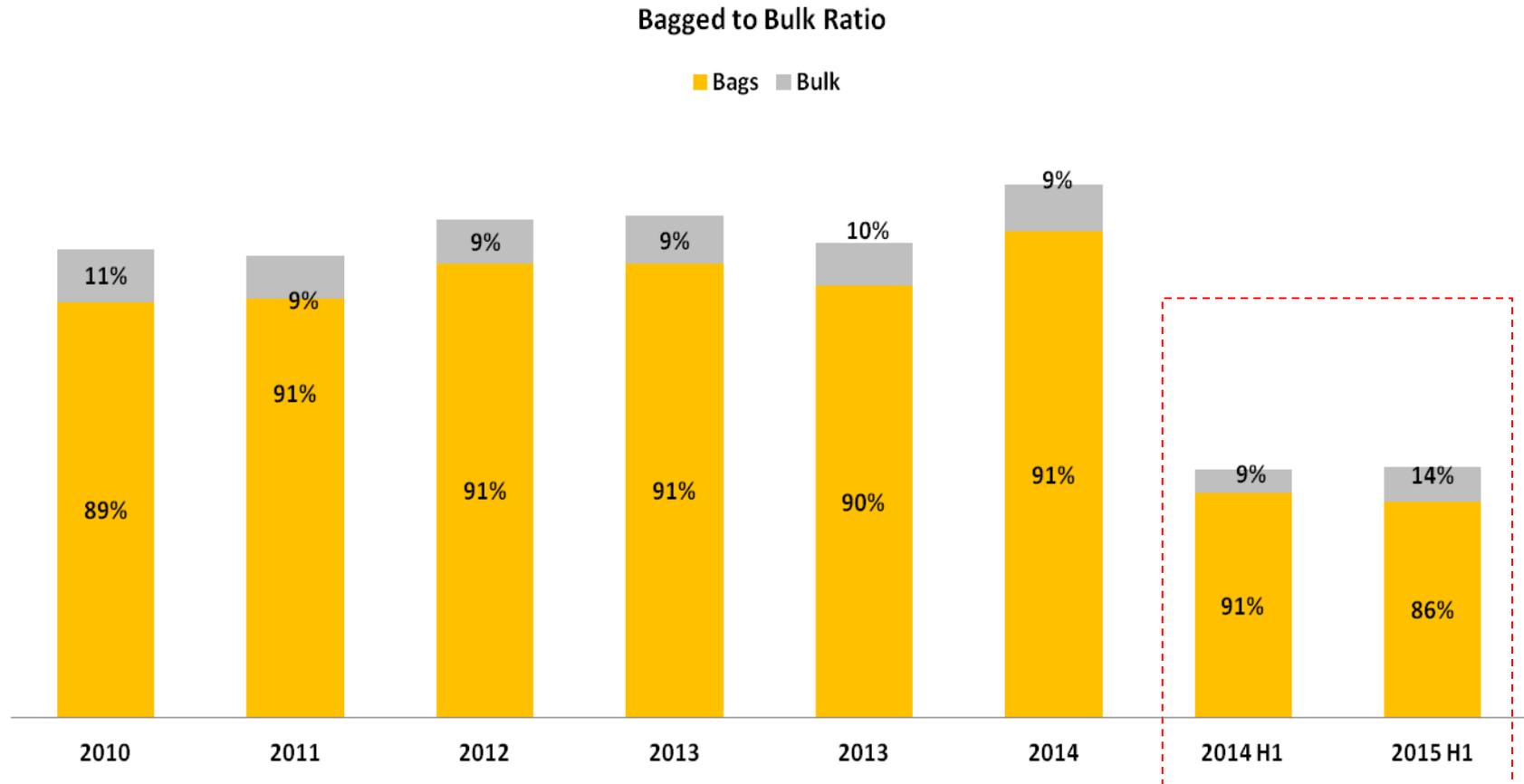
Evolution of SCGC OPC Bags Ex-works price (EGP/t)



OPC: Ordinary Portland Cement

Market Overview

➤ Evolution of OPC Bag – Bulk Ratio in the Egyptian Market



Source: internal market intelligence

Investment Highlights

Investment Highlights

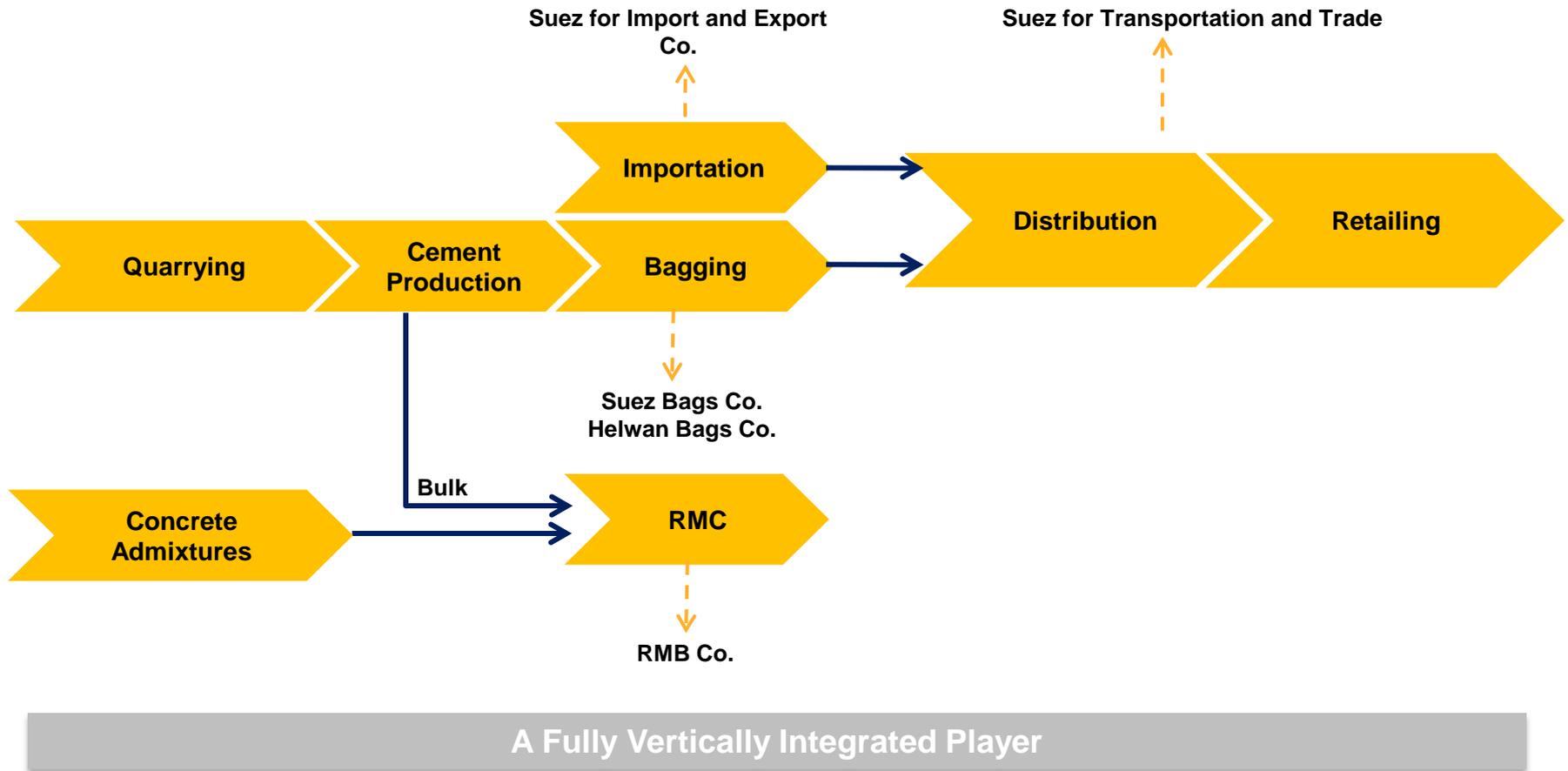
- **Being part of a global player, SCgC has an immediate access to worldwide best practices**



Italcementi Group

Investment Highlights

➤ Attractive Business Model



Investment Highlights

➤ Operational Efficiencies in the pipeline

- ❑ Installing state-of-the-art kiln and mill production lines replacing the less efficient ones
- ❑ Starting to use Coal instead of Gas.
- ❑ Decreasing the clinker ratio in cement production through the use of alternative raw materials can result in saving energy and reducing the emissions, while maintaining the same quality and improving performance.
- ❑ Using alternative fuels can achieve a saving of 1 – 4% on the cost of fuel.



Suez Cement Mid Term Plan

➤ Improving Market conditions

- ✓ Market recovery from 48 to 60 Million Tons (25%)
- ✓ Limited capacity addition anticipated (5 to 6%)
=> **Capacity utilization should increase from mid 70s to mid 90s**

➤ Implementing fuel flexibility strategy

- ✓ Coal and Petcoke to release gas & fuel oil as main fuels .
- ✓ Waste companies processing development.
- ✓ Wind farm project to supply 30 to 40% of power needs.
=> **existing capacity could be mobilized at an energy cost close to current levels (investments underway)**

Suez Cement Mid Term Plan

➤ Efficiency gains

- ✓ Energy consumption optimization (wet kilns decommissioned, waste heat recovery...)
- ✓ Headcount progressive alignment to industry benchmark (850 employees to retire through 2020)

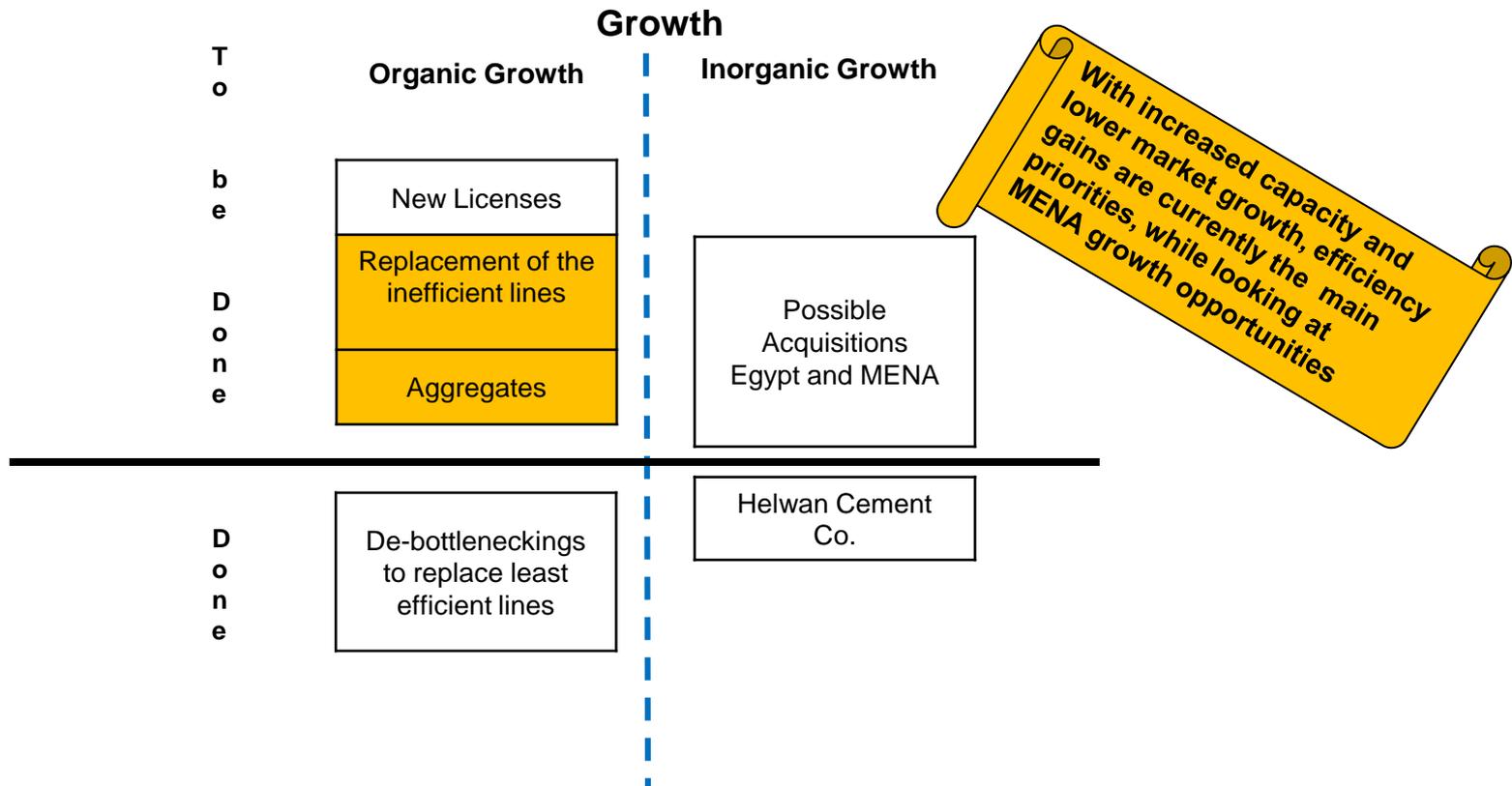
➤ Sustainability

- ✓ Energy strategy to mitigate CO2 emissions from coal usage.
- ✓ Development of new products in cement and ready mix
- ✓ Continued corporate social responsibility programs focused on education and health

	2012	2013	2014
Volumes (MT)	8.3	7.5	8.4
EBITDA/ton (EGP)	110	120	138

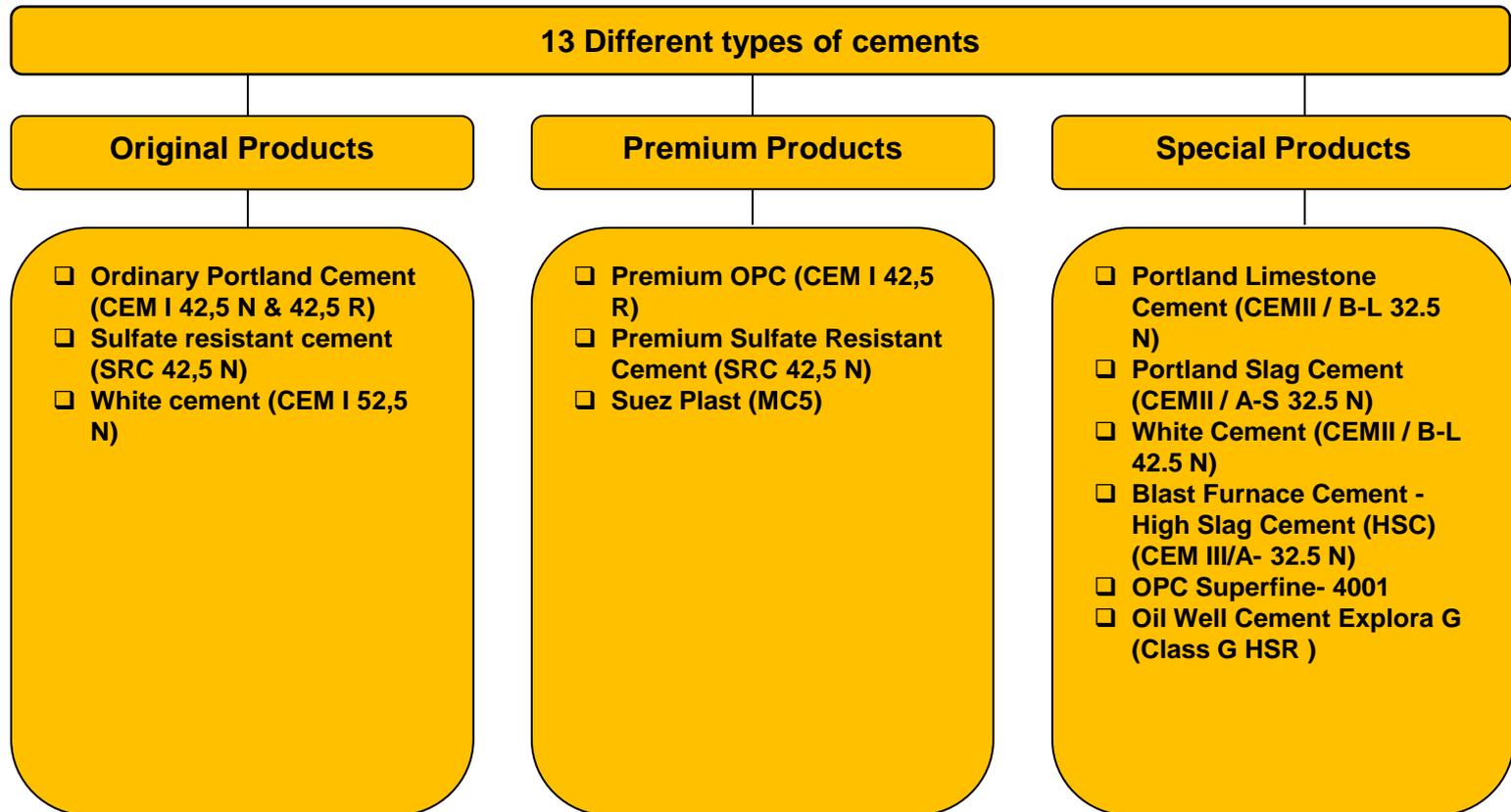
Investment Highlights

- SCC considers both organic and inorganic growth to increase the production capacity



Investment Highlights

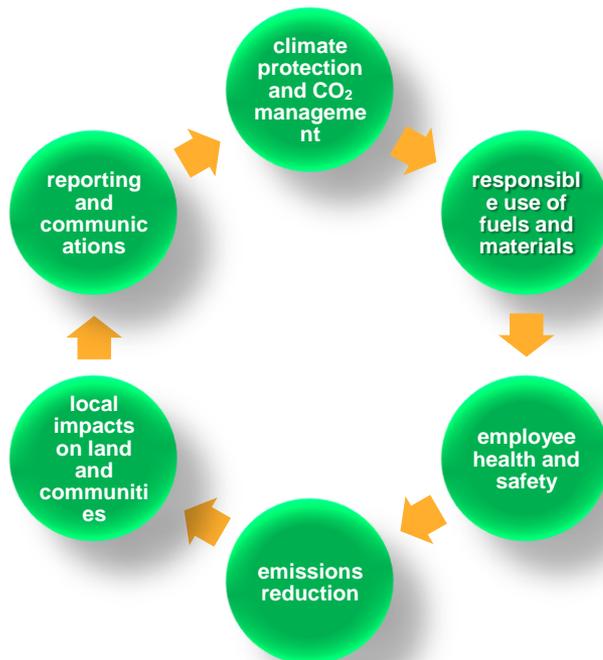
- As a Business-Level strategy, SCgC implements a differentiation strategy in its marketing approach that provides value to customers and is worth a premium price



Investment Highlights - Sustainable Development

➤ Vision

- ✓ SCgC is aware of the importance of its social role and promotes a socially responsible behavior among all of its employees.
- ✓ The Company believes that Sustainable Development, as a combination of economic prosperity, environmental protection and social responsibility, is the basis of its own future.
- ✓ Six key areas have been identified because of their significant contribution to the realization of a sustainable future:



Investment Highlights - Sustainable Development

➤ Commitment to Environment Protection

➤ We are committed to:

- ✓ Constantly monitor each of our sites to reduce and prevent any possible effect on the environment.
- ✓ Optimize the use of non-renewable resources in our production processes
- ✓ Enforce the best environmental standards, with a new wave of investment to reduce dust emissions (2012-2014).
- ✓ Promote friendly and professional environmental practices to all our staff

Plant	Yearly Avg Dust Emission
Helwan (2013-2014)	150 – 200 to decrease to 10-20
Tourah(2012-2014)	150 – 200 to decrease to 10-20
Kattamiyah(2014)	60 – 100 to decrease below 50
Suez(2014)	80 – 100 to decrease below 50
Minya(2014)	100 – 150 to decrease to 50-100

Investment Highlights - Sustainable Development

➤ Our quality and environmental key achievements

Environmental

- Establishing new Coal mills in Kattameya and Suez.
- Utilizing agricultural wastes, sewage sludge's
- Recycling of bypass dust
- concealment of historical bypass dust
- Pollution abatement and emission control
- Upgrading existing environmental management system.
- EPAP Implementation
- All plants are ISO 14001/2004 certified

Quality

- The ISO 14001 approach is based on three steps:
- compliance with all applicable standards;
- prevention of potential environmental impacts;
- continuous improvement of performance.

Investment Highlights - Sustainable Development

➤ Social initiatives

- Our efforts have been focused on:
 - ✓ Safety in the workplace and industrial hygiene;
 - ✓ Direct and indirect local employment according to the requirements of its activity;
 - ✓ Responsible restructuring;
 - ✓ Assessment of employee satisfaction;
 - ✓ Training and skills development;
 - ✓ Interaction with local communities;
 - ✓ Co-operation with clients and suppliers.



Social Initiatives for 2015 – Q2

- On the occasion of the World Day for Safety and Health at Work, the celebration was organized across the five plants on April 28th 2015. 2015's theme has been the risk hunting for unsafe conditions. Employees were invited to participate and were given a game poster representing a work topic covering all group activities which included a defined number of risks to be detected. Safety Department received 1652 answer papers and 83 participants were awarded. It is worth mentioning that a good percentage of the people who participated were non technical employees (HR, training, financial and office boys. In addition to the risk hunting game, SCGC top Management required safety inspections by the Plant Managers and their Deputies in each plant. Reports were sent to Managing Director who reviewed and sent them back for corrective actions.
- As part of its comprehensive Corporate Social Responsibility (CSR) Program Suez Cement committed LE 30 million over three years to the Long Live Egypt Fund. In March Suez Cement Chairman and Suez Cement CEO, handed over the cheque to the Prime Minister, H.E. Ibrahim Mehleb, amid a function at Prime Minister's office.
- Under the auspices of the Ministry of Trade and Industry, Suez Cement has sponsored with 300.000 LE the Egyptian Pavilion at the Italian Expo Milano.
- Similarly, the Company sponsored with 20,000 LE the Italian National Day and with 5,000LE the French National Day.

Social Initiatives for 2015 – Q2

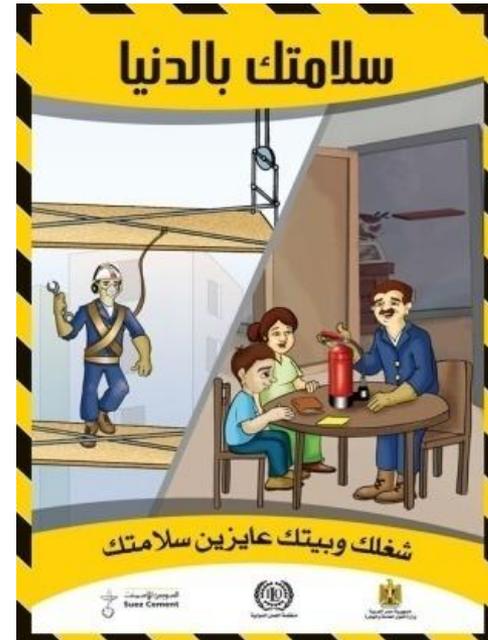
- The Company during the holy month of Ramadan supported Charity activities. 4,000 Ramadan bags which include the basic food needs for the fasting month were distributed, as well as totally 9,000 meals in the Charity Tents organized in Tourah and Helwan districts (300 people daily for 30 days). The 13,000 beneficiaries are poor families listed in Maasara, Kafr El Elw and Minya areas.
- Cement donations



Investment Highlights - Sustainable Development

➤ Commitment to Safety

- Adopting the “**Zero Accident**” brings together all the necessary programmers required to establish a consistent Safety management system.



Evolution of Frequency of Accidents ¹ (2009 – 2013)							
	2010	2011	2012	2013	2014	Q2 2014	Q2 2015
Employees	2.5	4.1	2.4	1.2	2.66	1.4	1.4
Contractors	2.2	2.1	1.8	3.3	1.05	1.6	0

Investment Highlights - Sustainable Development

➤ Corporate Governance

- ✓ Committed to efficiency, transparency and appropriate management
- ✓ Standing for business ethics and creation of value
- ✓ A well defined decision making structure
- ✓ Adopting consistent system of policies and procedures which comply with local legislations and best practices.
- ✓ In 2007, we introduced our Charter of Values, setting out the fundamental principles of the Suez Cement's engagements in Corporate Governance and the goals of the Group's Sustainable Development strategy




 المجموعة السعوية
 Suez Cement
 Italcementi Group


 المجموعة التومانية
 Tosmani Cement
 Italcementi Group


 المجموعة الإيطالية
 Italcementi Group


 المجموعة السعوية
 Suez Cement
 Italcementi Group

charter of values

This Charter of Values for Italcementi Group states the basic principles underlying the Group's governance model. It is the point where the personal ethics of each employee and those of the company come together in placing the individual as the basis of corporate development.

The Charter of Values does not replace or overlap the Codes of Governance which have already been approved by Italcementi and which are now fully in effect. Indeed, it summarizes and strengthens the general principles contained in these Codes. It is the framework document outlining the commitments made by the company and by the women and men belonging to the Group.

This document containing Italcementi Group's general principles of ethics is designed to guide staff in their behavior with clients, institutions and public administrations, competitors, shareholders, suppliers, markets and non-governmental organizations representing the many interests generated by the Group's business.

The Charter of Values states our commitment in respect of the following principles:

- ① **honesty, fairness, integrity, transparency and mutual respect** in managing the company and in its relations with stakeholders and markets;
- ② **dialogue and listening to community needs** in order to create value and widespread opportunities;
- ③ **protecting the individual** by valuing diversity and cultural identity, professional growth and safety at work;
- ④ **safeguarding of the environment** by pursuing the harmonious integration of each industrial plant with its landscape and developing innovative technologies to save natural resources and use renewable energy sources;
- ⑤ promoting innovation aimed at **industrial growth and sustainable development**.

The Charter of Values is distributed to all Group employees and is shared by the entire organization that will play an active role in its implementation, integration or revision.

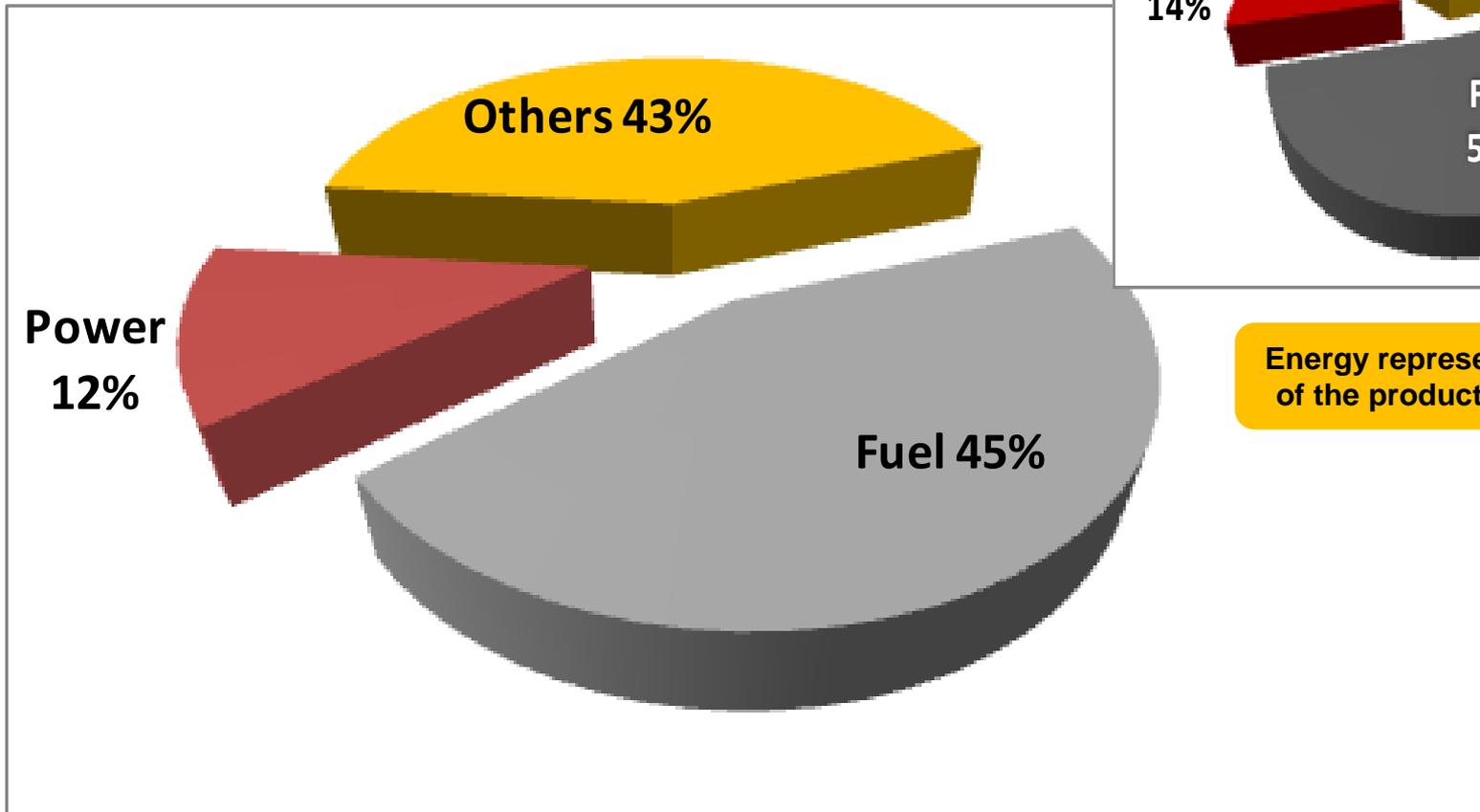
Bruno Carré
 Managing Director


Suez Cement group of Companies' Charter of Values is inspired by fundamental international reference standards such as the United Nations' Universal Declaration of Human Rights, the International Labor Organization codes standards and the SA 8000 standard. Suez Cement group of Companies' Charter of Values is based on the main government and regulations drawn up by the Group over the last few years, in particular the Code of Conduct, the Code of Ethics and the Code of Conduct (Internal Dialogue).

Financial Highlights

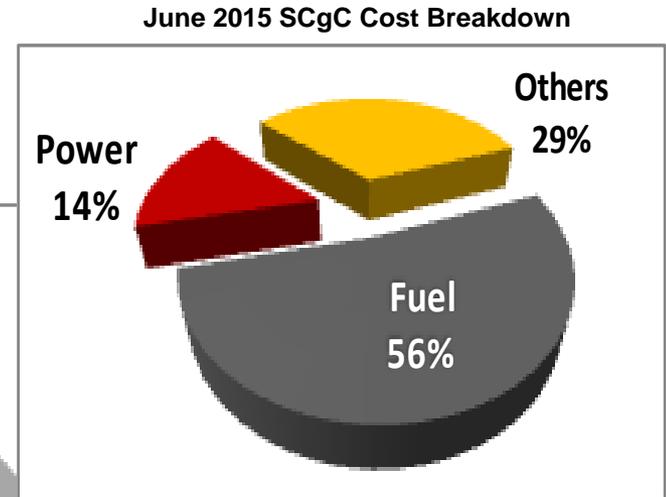
Financial Highlights

➤ An increasingly energy intensive industry...



Energy represents 57% of the production cost

December 2014 SCgC Cost Breakdown

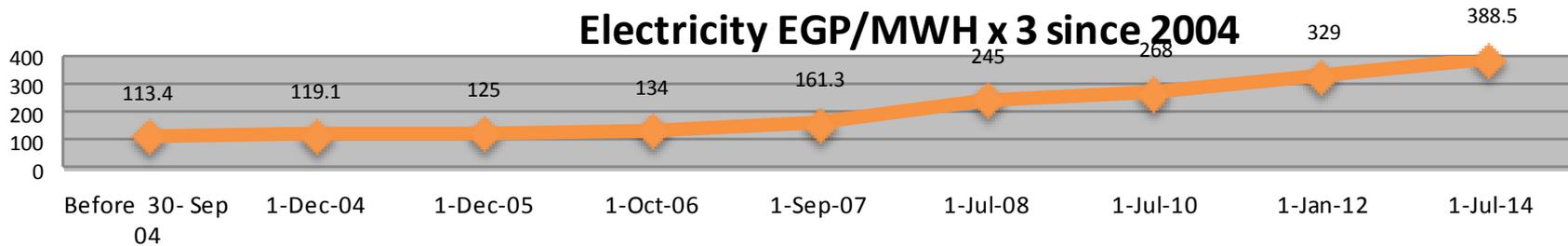


Energy represents 70 % of the production cost

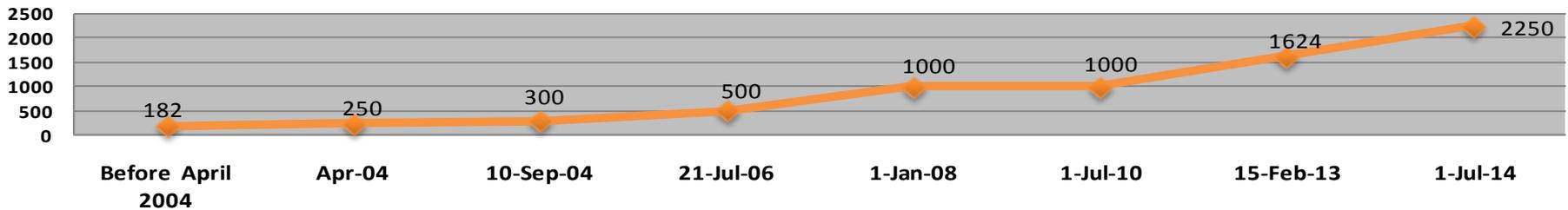
Financial Highlights

➤ Fuel prices increased by more than 50% since Feb 2013

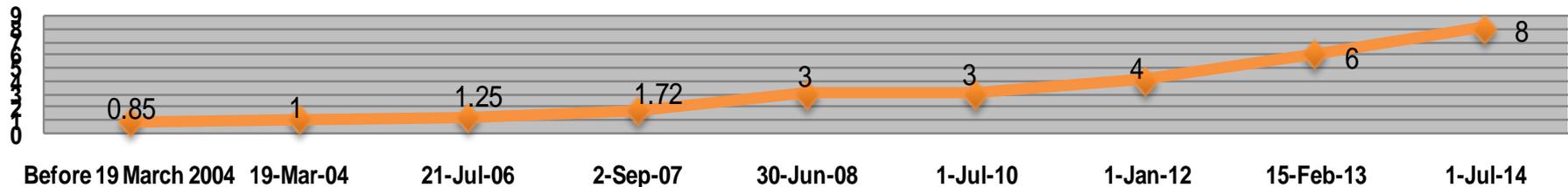
Electricity EGP/MWH x 3 since 2004



Fuel Oil EGP/t x 9 since 2004



Natural Gas \$/MBTU x 8 since 2004



YTD June 2015 key results (Consolidated)

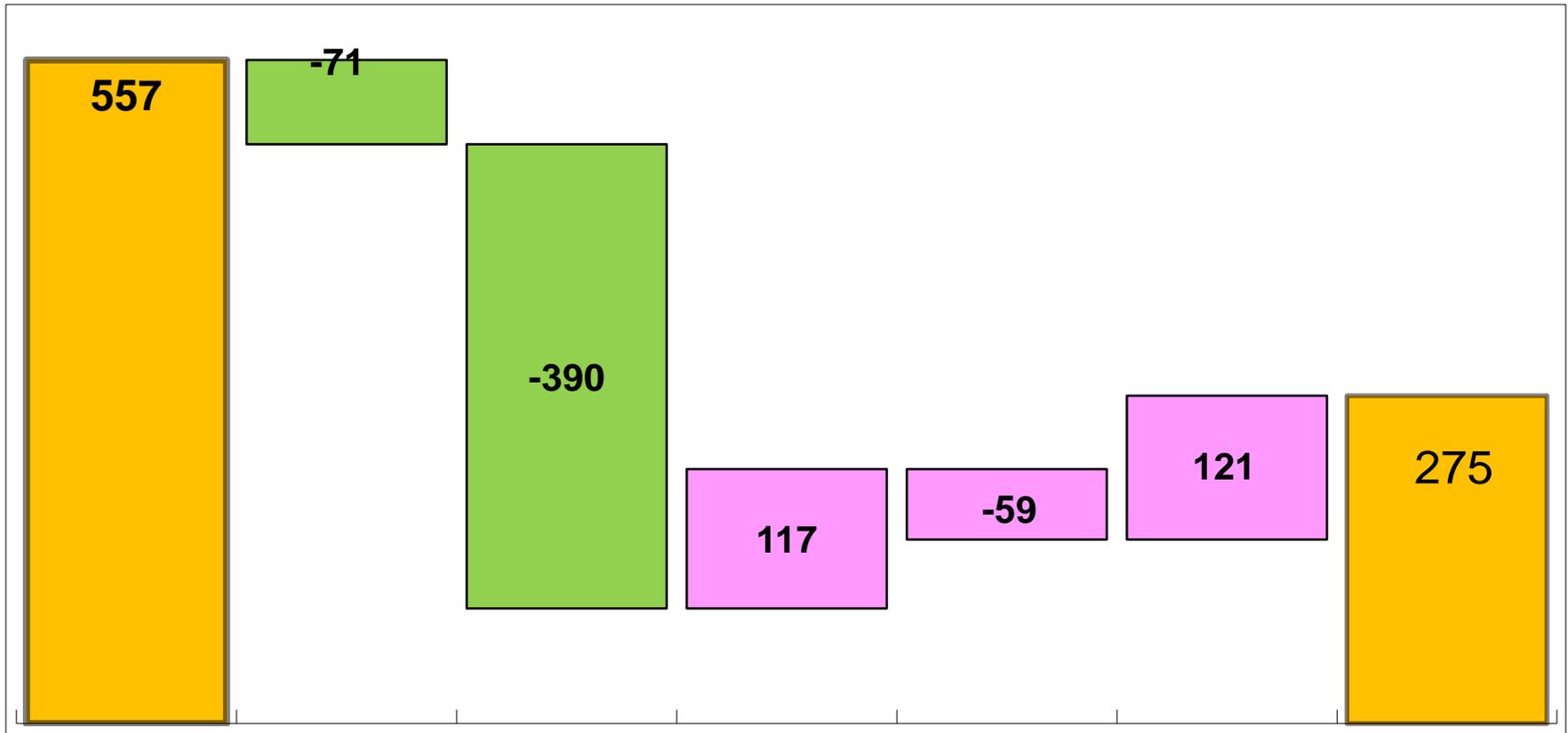
With domestic volumes stable, exports drop and an 8% grey cement price erosion, revenues fell 14.9% as compared to Q2 2014. The energy increase (July 2014) and inflation were offset by efficiency gains and cost reduction measures. EBITDA lost 163 MEGP (44%) for Q2 and 319 MEGP YTD (46%). Net Profit was down 210 MEGP.

	Q2 2015	Q2 2014	Var. 2015-2014		Ytd. Jun. 2015	Ytd. Jun. 2014	Var. 2015-2014	
			Var.	%Var.			Var.	%Var.
<i>Kt</i>								
Volume sold (Cement + Clinker)	2,073	2,150	-76	-3.5%	4,108	4,343	-235	-5.4%
Domestic	2,048	2,034	14	0.7%	4,066	4,102	-36	-0.9%
Export	26	116	-90	-77.9%	42	240	-199	-82.7%
<i>EGPm</i>								
Revenue	1,463	1,719	-257	-14.9%	2,866	3,171	-305	-9.6%
EBITDA - recurring	210	373	-163	-43.6%	370	689	-319	-46.3%
% of revenue	14.4%	21.7%	(7.3) p.p.		12.9%	21.7%	(8.8) p.p.	
EBIT	92	264	-171	-65.0%	140	476	-336	-70.5%
% of revenue	6.3%	15.3%	(9.0) p.p.		4.9%	15.0%	(10.1) p.p.	
Net Profit	50	149	-99	-66.3%	113	323	-209.86	-65.0%
Cash Flow from operations	168	258	-90	-34.9%	342	536	-194	-36.1%
					30.06.15	31.12.14	Var.	% Var.
Net Financial Position - NFP					951	1,413	-461	-32.7%
Operating Working Capital - OWC					435	230	205	89.4%

YTD June 2015 GOP Bridge

Cement

In Millions of local currency

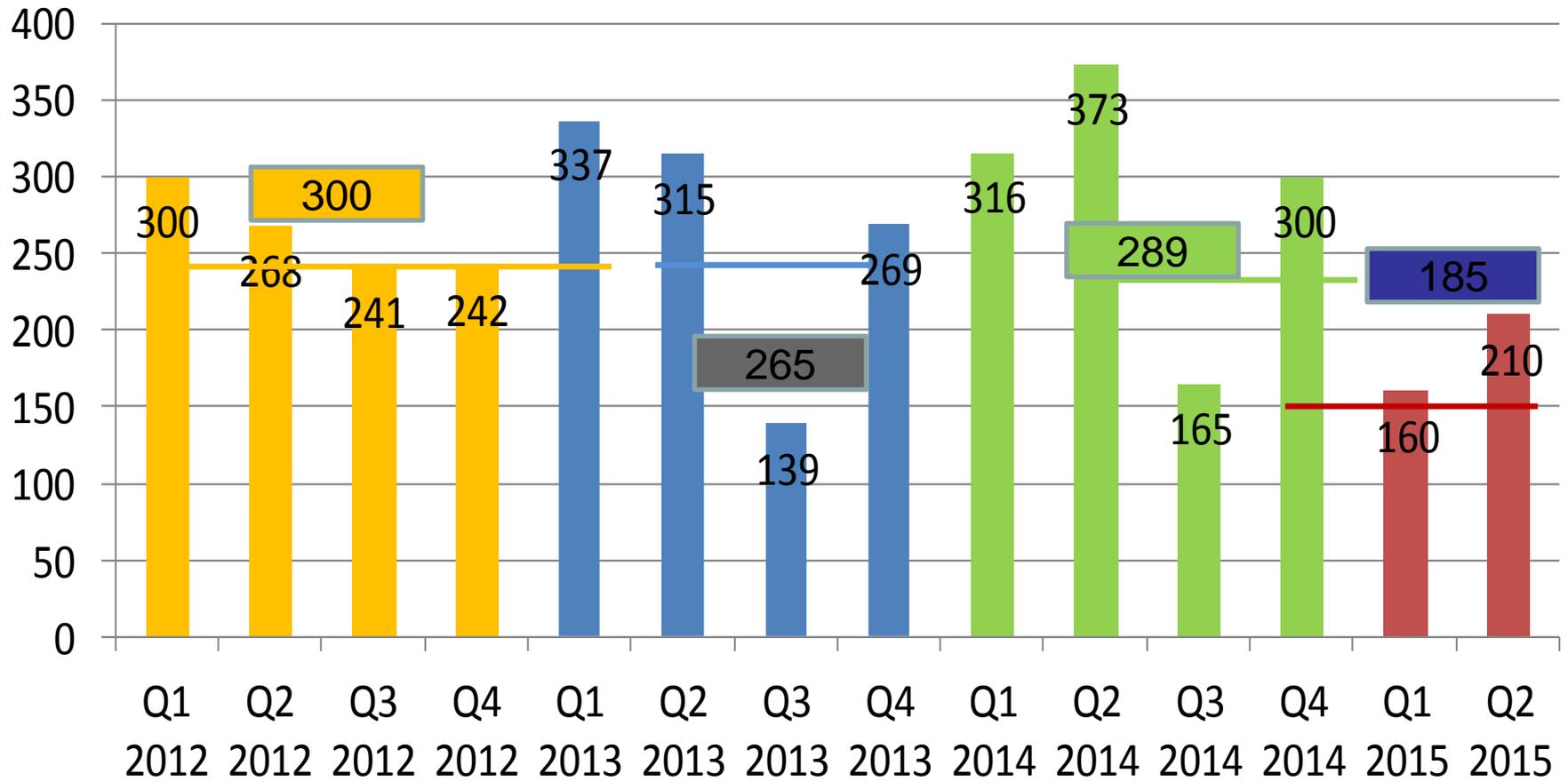


PY	Volume	Price - VC	Clinker purchase	Fixed cost inflation	Efficiencies	Ac 15
557	-71	-390	117	-59	121	275

Financial Highlights

EGPm

Quarterly EBITDA 2012-2015



Financial Highlights

MEGP	2011	2012	2013	2014	June 2014	June 2015
Revenues	4,820	4,597	5,049	6,152	3,171	2,866
EBITDA - recurring	1,199	1,051	1,061	1,154	689	370
<i>% on revenues</i>	<i>24.9%</i>	<i>22.9%</i>	<i>21.0%</i>	<i>18.8%</i>	<i>21.7%</i>	<i>12.9%</i>
EBIT	837	702	681	705	476	140
<i>% on revenues</i>	<i>17.4%</i>	<i>15.3%</i>	<i>13.5%</i>	<i>11.5%</i>	<i>15 %</i>	<i>4.9%</i>
Net Profit (Group Share)	568	524	538	493	312	119
<i>% on revenues</i>	<i>11.7%</i>	<i>11.4%</i>	<i>10.7%</i>	<i>8.0%</i>	<i>9.84%</i>	<i>4.15%</i>

Financial Highlights

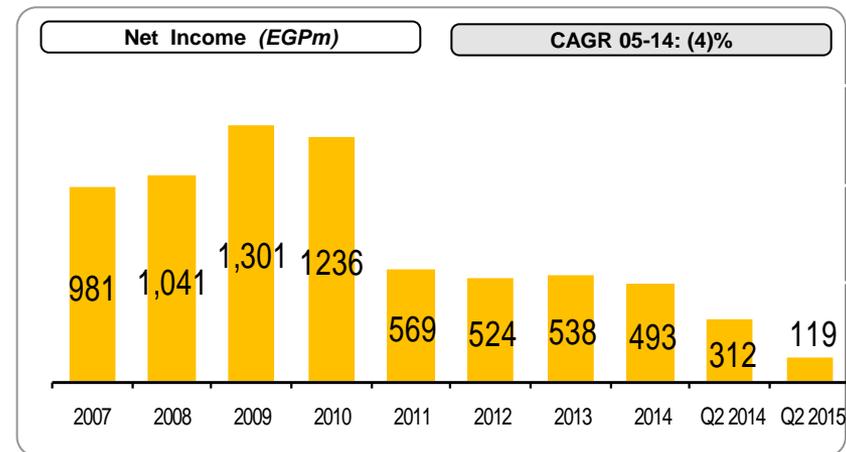
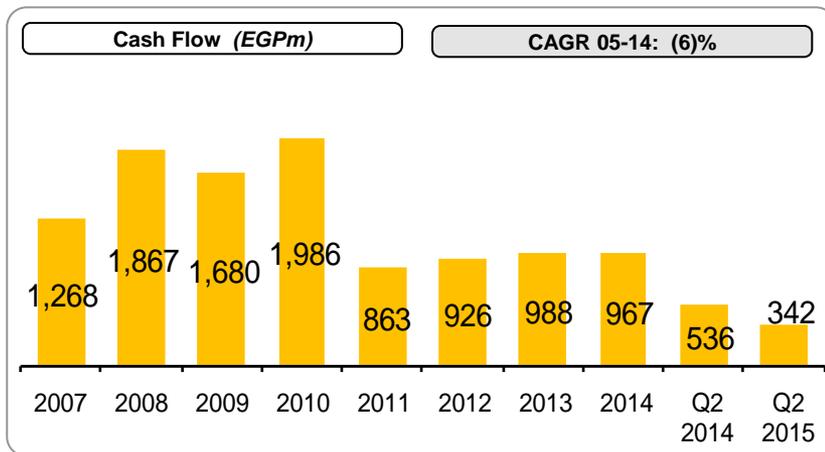
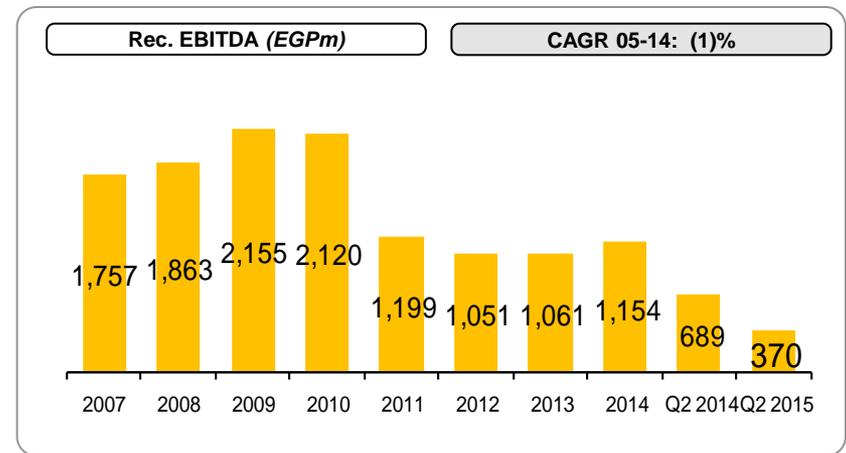
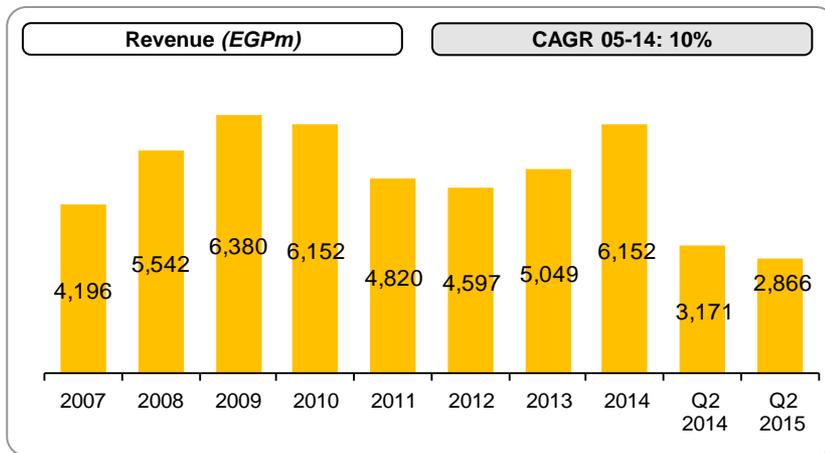
➤ Strong equity structure with growing accumulation of cash

MEGP	2011	2012	2013	2014	June 2014	June 2015
Total L-T Assets	6703	6654	6,842	7,277	7132	7,119
Inventory	998	804	844	1,194	942	1,392
Account Receivables	247	268	204	220	231	196
Cash and Cash Equivalents	1448	1622	1814	1,626	1942	1,374
Total Current Assets	2957	3029	3127	3488	3668	3,403
Total Assets	9661	9683	9969	10765	10800	10522
S-T Debt	0	-	3	67	10	274
Cp of L-T Loan	24	37	52	-	53	5
Cp of L-T liabilities	4	-	-	-	-	-
Total Current Liabilities	1609	1684	1747	2,439	2629	2631
L-T Loan	81	57	58	147	245	144
Total Equity	7771	7756	7928	7,865	7636	7429
Total Liabilities & Equity	9661	9683	9969	10765	10800	10522
Net Debt(Cash) Position	(1338)	(1528)	(1704)	(1413)	(1634)	(951)
Net Debt(Cash) / EBITDA	NS	NS	NS	NS	NS	NS
Net Debt(Cash) / Equity	NS	NS	NS	NS	NS	NS
FCF**	490	777	656	504	500	-240

** FCF Defined as CFO-capex

Financial Highlights

Key Historical Financials : current environment heavily impacting results but cash flow generation has been somehow resilient.



Financial Highlights

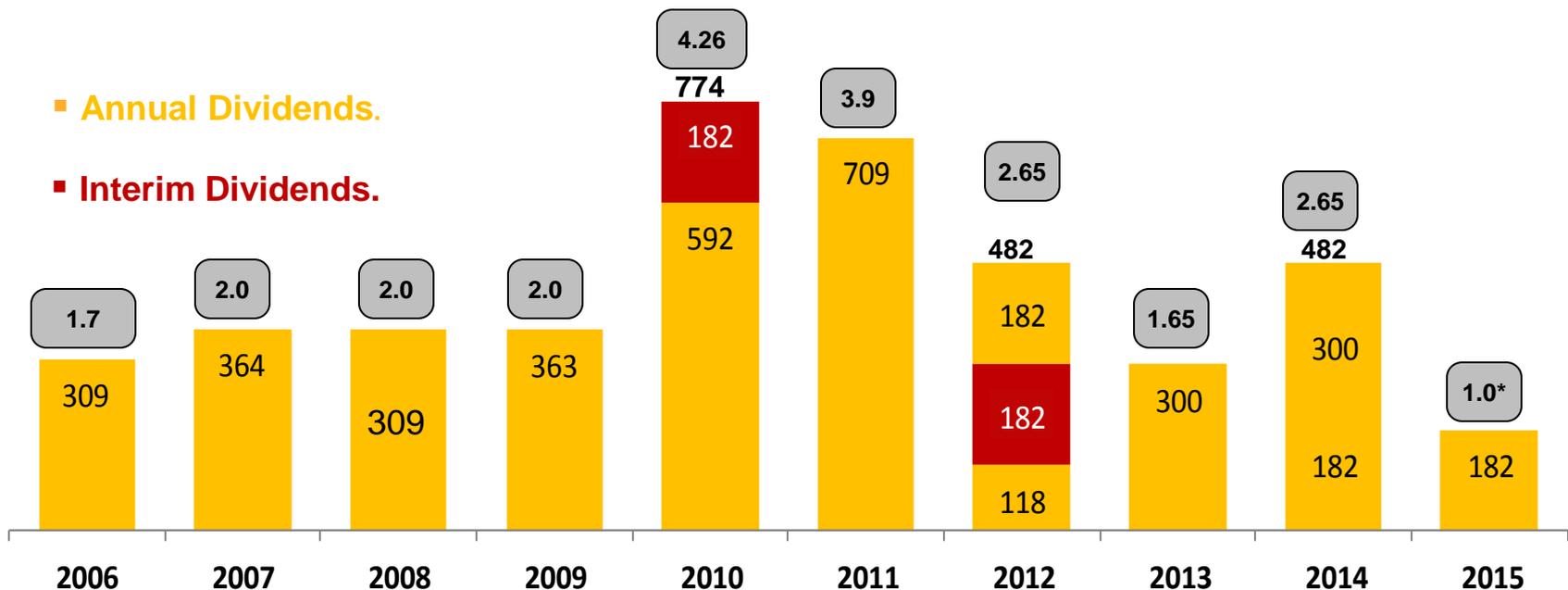
➤ More than EGP 4 BN dividend pay out since 2006

Dividend distributed by SCC (EGPm)

Dividend per Share (EGP/Share)

▪ Annual Dividends.

▪ Interim Dividends.



• Starting from 2006 the number of Capital Shares has been increased from (64M) up to (181M)

• * 2014 Dividends first tranche paid in April 2015 (1 EGP/share) – Second tranche will be paid in September 2015 (1.65 EGP/share)

Financial Highlights

➤ Main Historical Acquisitions and Capex

Year	Company	Share	Value
2005	Helwan Cement Co.	98.7%	EGP 3.4bn
10/2006	RMB + RMBE	52%	EGP 81M
8/2007	Hilal Cement (Kuwait)	51%	EGP 262M

Figures are in MEGP

