

Press release

Suez Cement acquiring 100% of Tourah Portland Cement Company's shares

Cairo, 29th of September 2020. HeidelbergCement France SAS – the mother company of Ciments Francais, HeidelbergCement France SAS – the mother company of Ciments Francais, currently owning directly and indirectly 55.08% of the shares of Suez Cement has launched a tender offer for the remainder of the shares of the company.

Since Suez owns 66.12% of the issued capital of Tourah Portland Cement Company, the Board of Directors of the company decided in its meeting held yesterday September 28th, 2020, to approve the submission of a Mandatory Trade Offer for the acquisition of up to 100% of the issued capital of the Tourah Portland Cement Company at a price of EGP 7.18 per share.

This decision comes after a careful study of all available options aiming at preserving the rights of Suez's shareholders and concluded that this is the option that has the most strategic value despite the difficult circumstances the Egyptian Cement industry have been facing during the past five years and the losses incurred by the company and other companies working in the sector as well.

The offer price, of 7.18 EGP/Share, was calculated according to the Volume Weighted Average Price (VWAP) method in accordance with the Capital Market Law and the applicable regulations. After the MTO is concluded, the company's shares will be voluntary delisted from the stock exchange.

The estimation is that the demand on cement in Egypt will fall to 43 million tons by the end of 2020, versus production capacity exceeding 85 million tons, which indicates an estimated surplus in production of 42 million tons. Most of this increased production capacity has been added during the last four years.

Furthermore, the demand for cement has decreased from the beginning of this year until the end of August 2020 by 6.7% compared to last year, while new production capacities are still entering the market.

SUEZ CEMENT ON THE INTERNET: www.suezcement.com.eg

About Suez Cement Group of Companies

Suez Cement Group of Companies is the largest cement producers in Egypt. With an industrial network of four production facilities in Suez, Kattameya, Tourah and Helwan.

The company has a long-standing history in the market yet is innovative in launching new brands and products to meet on-market needs. Suez Cement is home to 1,400 employees who participate in continuous training and advancement.

The group has an active safety and environmental policy, which is imperative for building a sustainable environment for employees and the communities in which it operates. The group has proudly built some of Egypt's most well-known landmarks and is building its future around serving the market and growing customer demands. Suez Cement is majority owned by the Heidelberg Cement Group, making it part of a family of organizations that represents one of the world's largest building materials companies.