



SUEZ CEMENT GROUP (SCGC)

BOARD OF DIRECTORS' REPORT

ON THE BUSINESS RESULTS AS AT

30st September 2012

The Board of Directors is pleased to present to the Board Members the quarterly Report for financial period ended 30 Sep. 2012.

On behalf of the Board of Directors, the Chairman is proud to present to the shareholders the Board of Directors' report on the Company's achievements and success for the financial for the period ended 30 Sep. 2012

Cement Sales During Jan. – Sep. 2012

(Thousand Tons)

Description	Domestic cement sales		Export cement sales		Total	
	2012	2011	2012	2011	2012	2011
Suez Cement Company	2,488	2,882	1	-	2,489	2,882
Tourah cement Company	2,042	2,351	15	1	2,057	2,352
Helwan cement company(gray)	1,919	2,245	377	151	2,296	2,396
Total Cement	6,449	7,478	393	152	6,842	7,630
Elimination (SCGC)	(122)	(27)	-	-	(122)	(27)

SCGC Production

Egypt grey produced 39.7 million tons of cement during the period ended Sep. 2012, comparing with 35.3 million ton in YTD Sep. 2011. The following comparative table shows the level of cement production of the Suez Cement group companies for the period ended 30 Sep. 2012 compared with the period of 30 Sep. 2011.



Cement & Clinker Production During the period ended 30 Sep. 2012
(Thousand Tons)

Description	Grey Cement		Clinker	
	2012	2011	2012	2011
Suez Cement Company	2,464	2,818	2,147	2,528
Tourah cement Company	1,975	2,337	1,761	2,043
Helwan cement company(gray)	2,008	2,121	2,151	1,957
Total Gray	6,447	7,276	6,059	6,528
Helwan cement company(white)	239	253	189	216



FINANCIAL POSITION AND BUSINESS RESULTS ON 30/09/2012

First: The Financial Position on 30/09/2012

The total net amount of the balance sheet items at the end of Sep. 2012 reached LE 9364 Million compared to LE 9661 Million in the previous year 2011. The following table shows the progress of the financial position of the Group compared with the previous year.

M EGP

<u>Description</u>	<u>30/09/2012</u>	<u>31/12/2011</u>
Net assets	9364	9661
Net fixed assets and under construction projects	3868	3931
Issued capital	909	909
Total equity	6950	7136
Non- controlling interest	656	635
Total provisions	751	755

Second: Business Results of the Group during the period ended Sep. 2012

The Group realized a gross profit of 660 M EGP compared with 30 Sep. 2011 to 946 M EGP.

M EGP

<u>Description</u>	<u>2012</u>	<u>2011</u>
Sales (activity revenues)	2409	3758
Current Gross Profit	660	946
Operating Income	592	810
Net Profit After Non-Controlling Interest	398	517



Third: Reserves

The total reserves at end of 30 Sep. 2012 amounted to 2665.3 M EGP, distributed as follows:

- 454,6 M EGP (legal reserve)
- 2199,8 M EGP (general reserve)
- 10,9 M EGP (capital reserve)

Fourth: Provisions

Total provisions amounted to LE 751 million in 30 Sep. 2012, as follows:

	<u>MEGP</u>	
	<u>30-09-2012</u>	<u>30-09-2011</u>
taxes disputes	158	179
Site restoration	43	47
Judicial disputes	63	67
training subsidies fund	130	123
Earl retirement	3	9
Gas claims for Tourah Plant	51	51
Production Stop claim	10	-
<u>Sub Total</u>	<u>458</u>	<u>476</u>
Plus: provisions deducted directly from the related assets		
Inventories provision	216	206
Doubtful débats	77	73
<u>Sub Total</u>	<u>293</u>	<u>279</u>
Total Provisions	<u>751</u>	<u>755</u>



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Suez Cement
