

SUEZ CEMENT GROUP

- **CONSOLIDATED REVENUE: 2,401 MILLION EGP (2,756 MILLION EGP).**
- **CURRENT GROSS PROFIT: 526.1 MILLION EGP (750.4 MILLION EGP).**
- **OPERATING INCOME: 422.8 MILLION EGP (654.6 MILLION EGP).**
- **NET PROFIT AFTER Non-Controlling Interest: 266.4 MILLION EGP (412.4 MILLION EGP).**

Cairo, August 9, 2012 – At a meeting today, the Board of Directors of Suez Cement S.A.E examined and approved the consolidated half-year financial report at June 30, 2012, which closed with a net profit of 266.4 million EGP (vs. 412.4 million EGP in the first half of 2011).

The growth in the domestic grey cement demand continued with the YTD market growth reaching +8.8%. In this context, Suez Cement Group succeeded in reducing price incentives which had been offered to cement traders since the spring of 2011, but could not match the volume demand as the Group's plants continued to suffer from various strikes, energy shortages and new capacities in the market. Although the development of export volumes continued, it could not entirely offset the loss of the domestic sales.

In the first half of 2012 **the net sales** of the Suez Cement group reached 2,401 million EGP (- 13% vs. PY), penalized by the volume (new capacities in the domestic market) and prices. **Gross profit and operating profit** reached 526 million EGP (- 29.9% vs. PY) and 423 million EGP (- 35.4% vs. PY) respectively mainly due to increased energy prices, negative volume and price effect. **The total net profit “after non-controlling interest”** amounted to 266.4 million EGP (- 35.5% vs. PY).

Q2 2012

In the second quarter of 2012, **the net sales** of the Suez Cement group reached 1,175 million EGP (-12% vs. PY). **Gross profit and operating profit** reached 257 million EGP (- 25.5% vs. PY) and 203 million EGP – (25.6% vs. PY) respectively. **The total net profit “after non-controlling interest”** amounted to 125.2 million EGP (- 7.3 % vs. PY).

Outlook

The improvements from last quarter of 2011 are ongoing and the return of the political and social stability are expected to encourage the return of the construction investors.