



Corporate Briefing



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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.

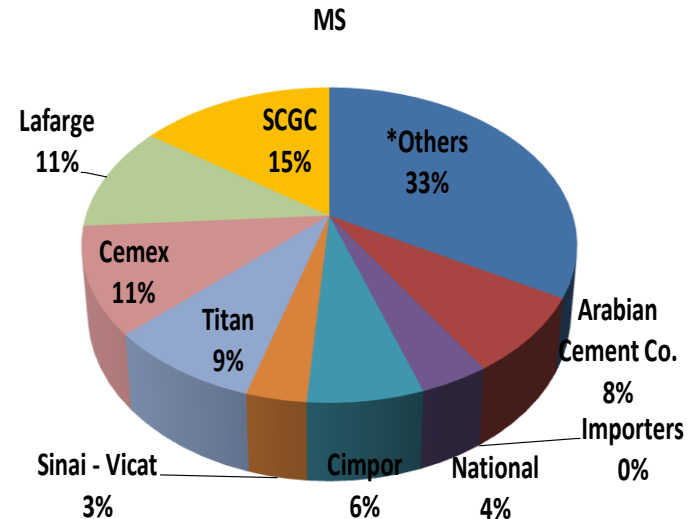
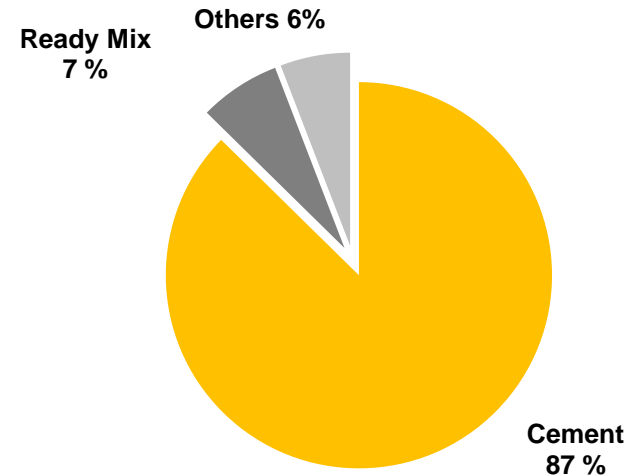


Group Overview

➤ 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 5.049 bln in 2013 and EBITDA of EGP 1.061bln

Revenue Breakdown



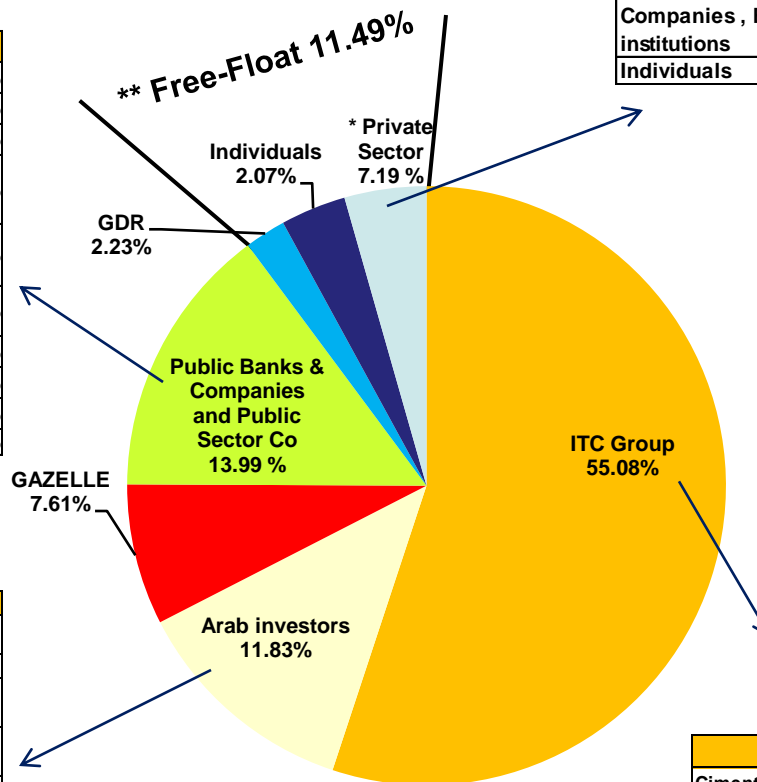
Group Overview - Stock Market

➤ SCC Ownership Structure

Name	No. of Shares	%
Misr Capital Investments, SAE	5,502,511	3.03%
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	549,443	0.30%

Name	No. of Shares	%
United Co. for Provendr	2,816,815	1.55%
Abd Elkader Elmohedeb Co.	2,185,601	1.20%
Gulf International Trading & Real Estate Co. Ltd.	297,869	0.16%
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.	939,330	0.52%
Samer ben Saleh Hossen Elkaaki	212,257	0.12%

Name	No. of Shares	%
Private Funds	2,594,087	1.43%
Private Insurance Companies, Banks and institutions	10,463,889	5.76%
Individuals	3,772,950	2.07%



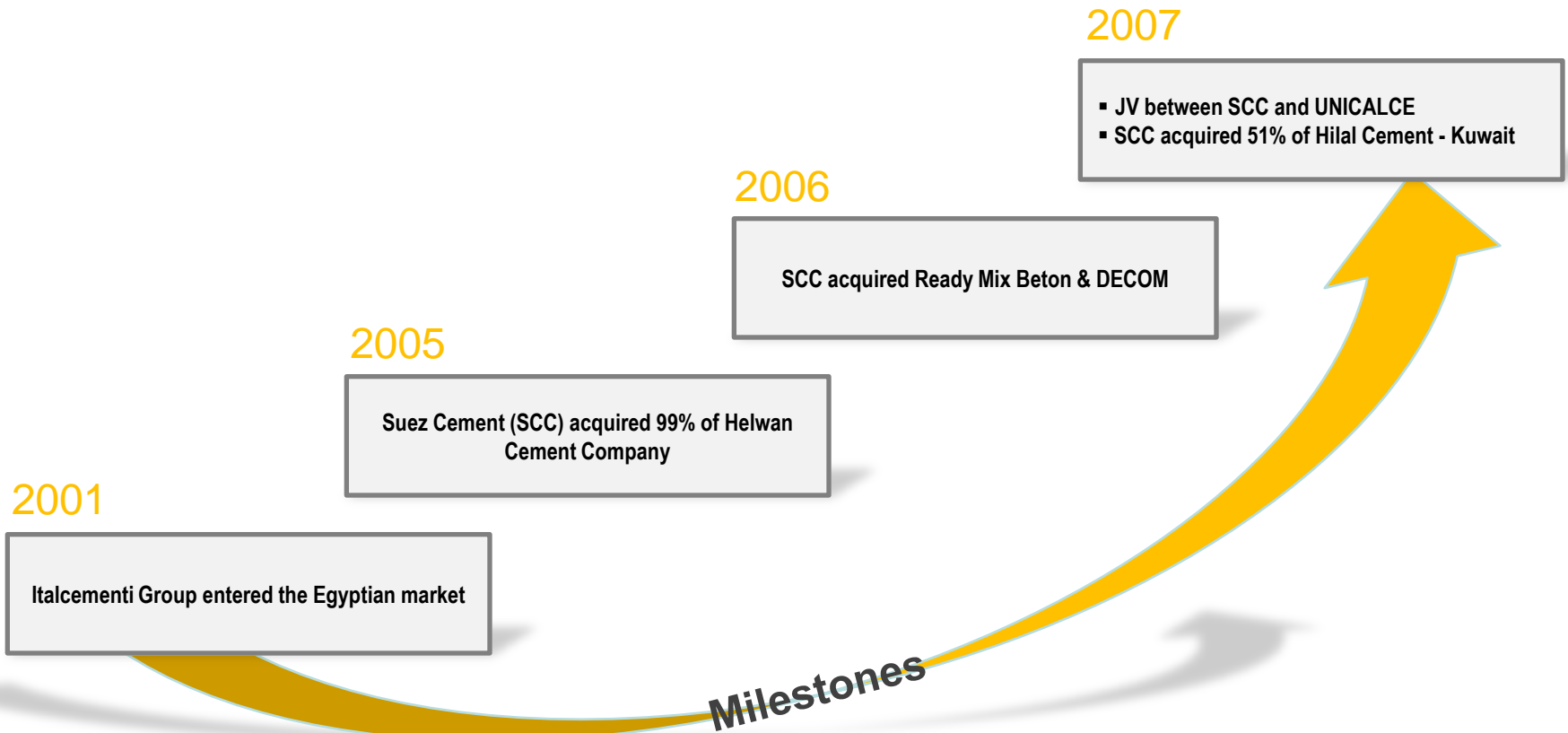
Name	No. of Share	%
Ciments Francies	22,485,545	12.36%
MENAF	47,373,830	26.05%
CIMENTS DU MAROC CIMAR	21,210,577	11.66%
TERCIM S A S	9,100,000	5.00%
Tourah Cement Company	1,132	0.00%

31 December 2013

Group Overview

➤ Key milestones

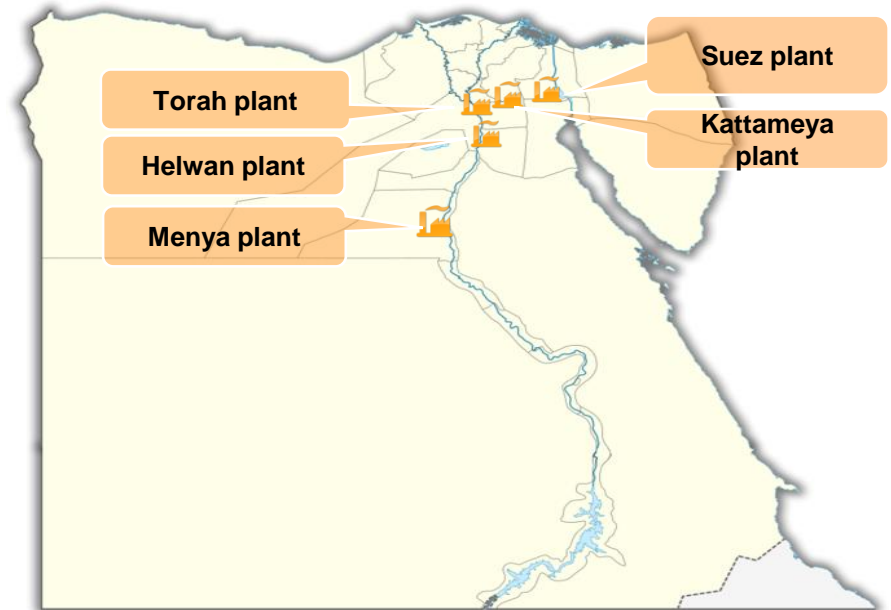
A successful expansion path...paused since Arab spring



Group Overview

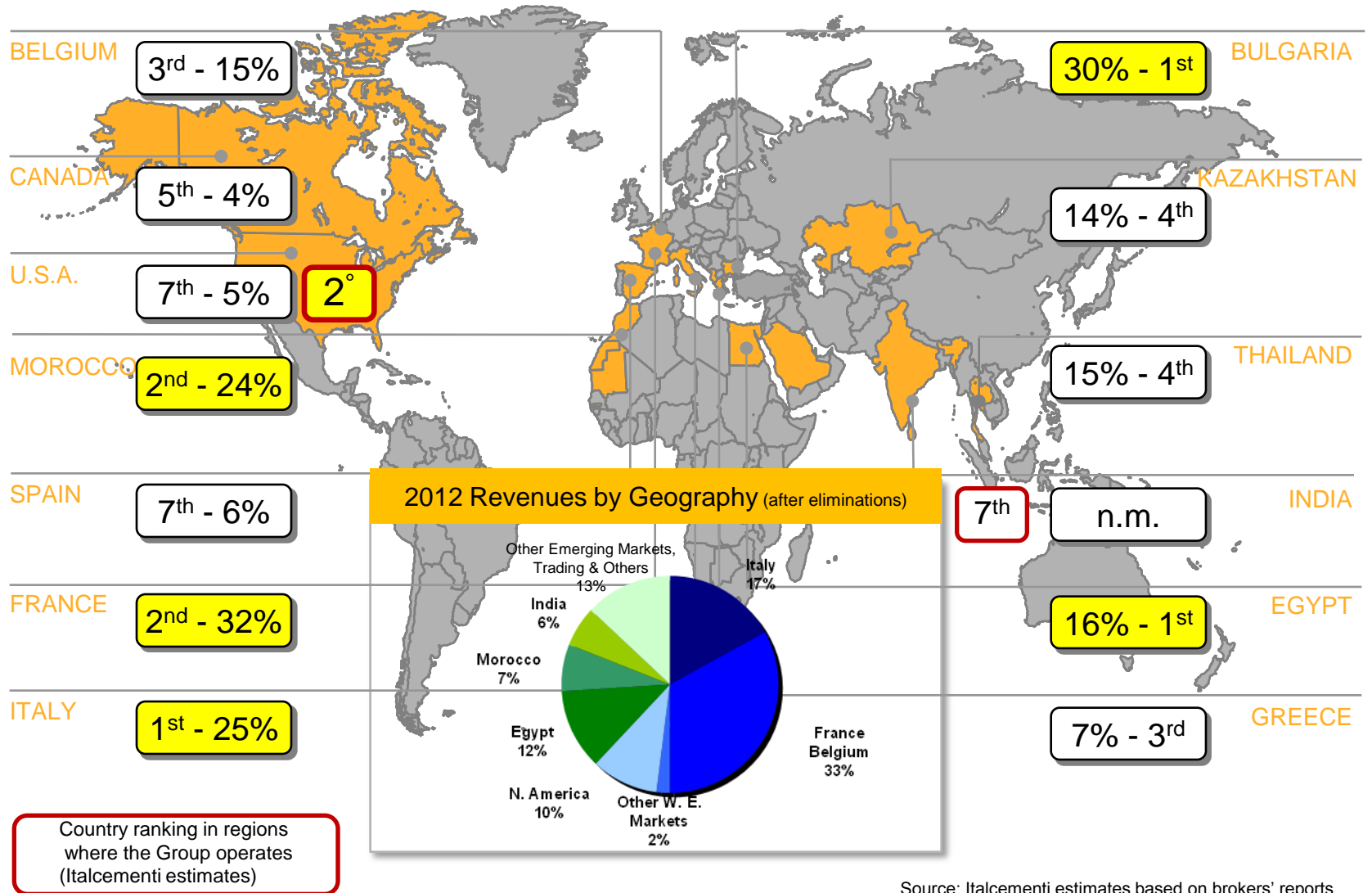
➤ SCgC Industrial network

- ✓ 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.



Group Overview

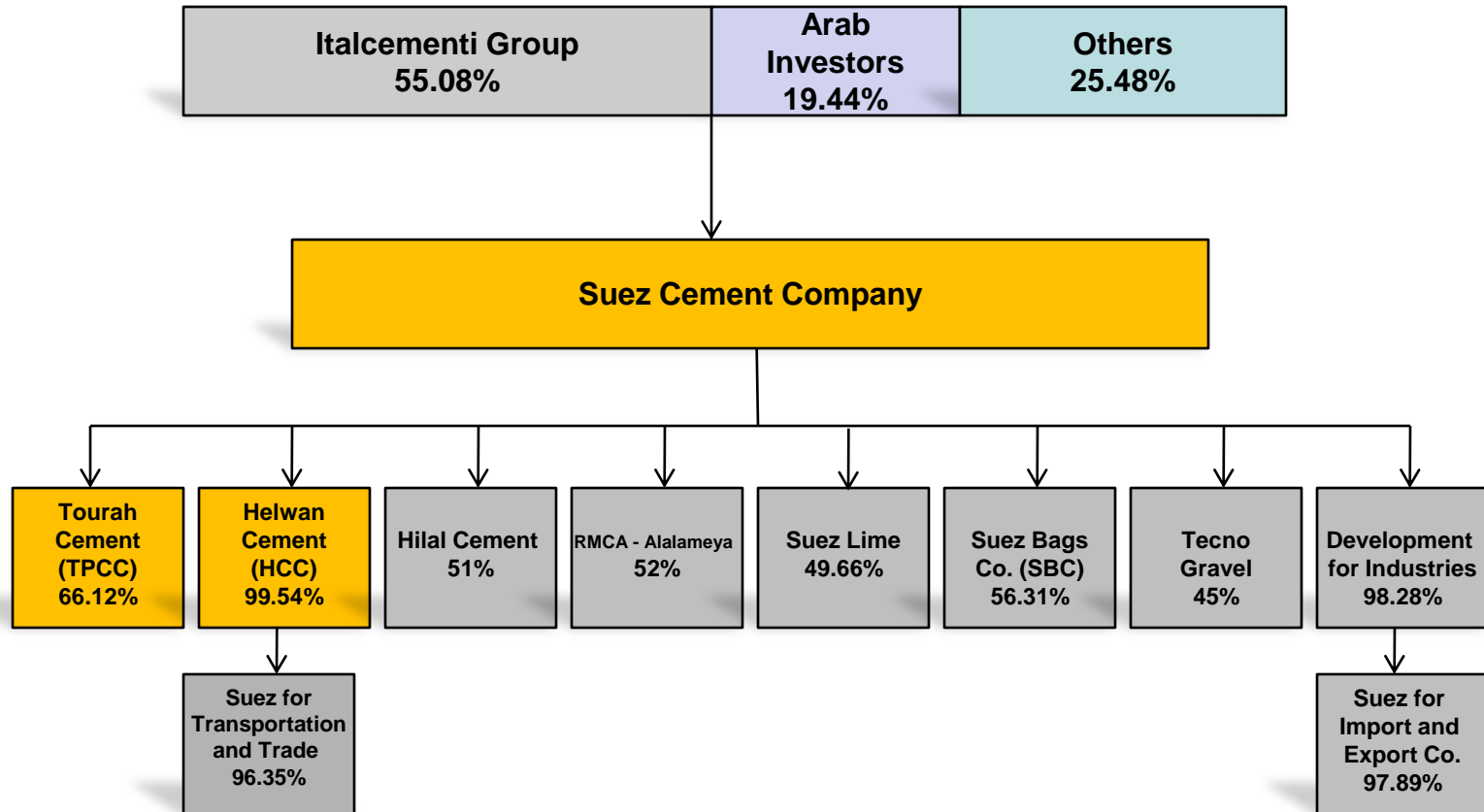
Country rankings and market shares



Source: Italcementi estimates based on brokers' reports

Group Overview

➤ SCgC Group structure

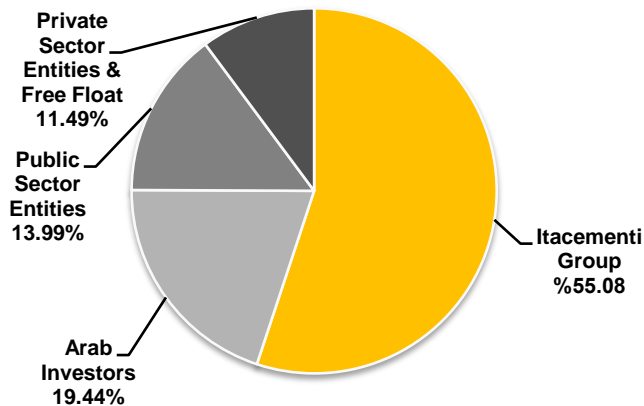


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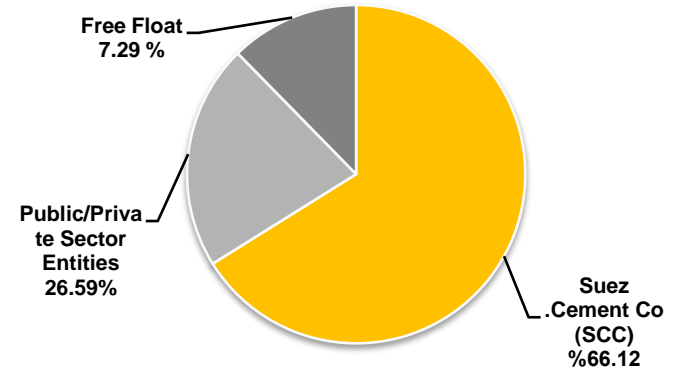
Group Overview - Stock Market

➤ 3 Companies are listed in the Egyptian Stock Market

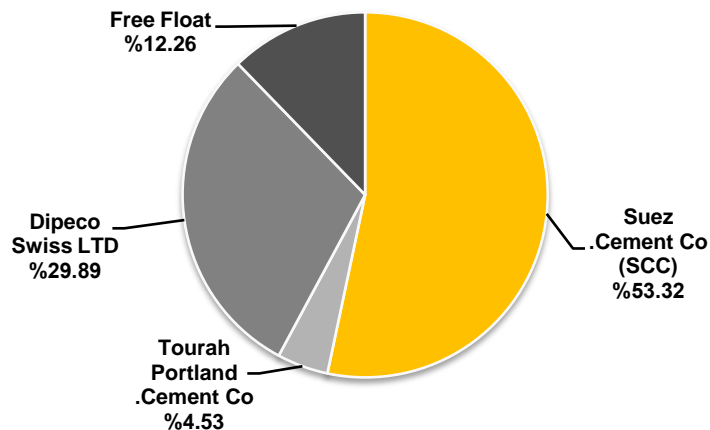
Suez Cement Company (181,856,507 shares)



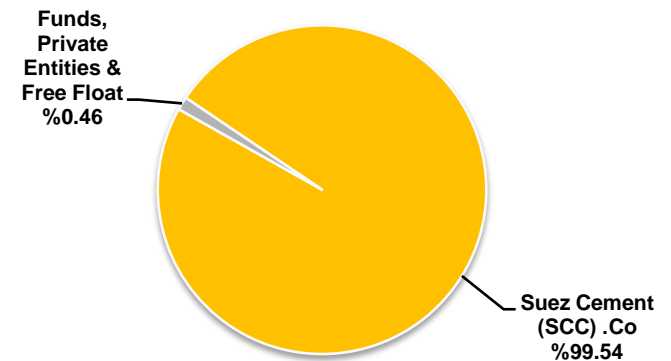
Tourah Portland Cement Company (71,524,200 shares)



Suez Bags Company (2,025,000 shares)



Helwan Cement Company (116,693,295 shares) (Not Listed)

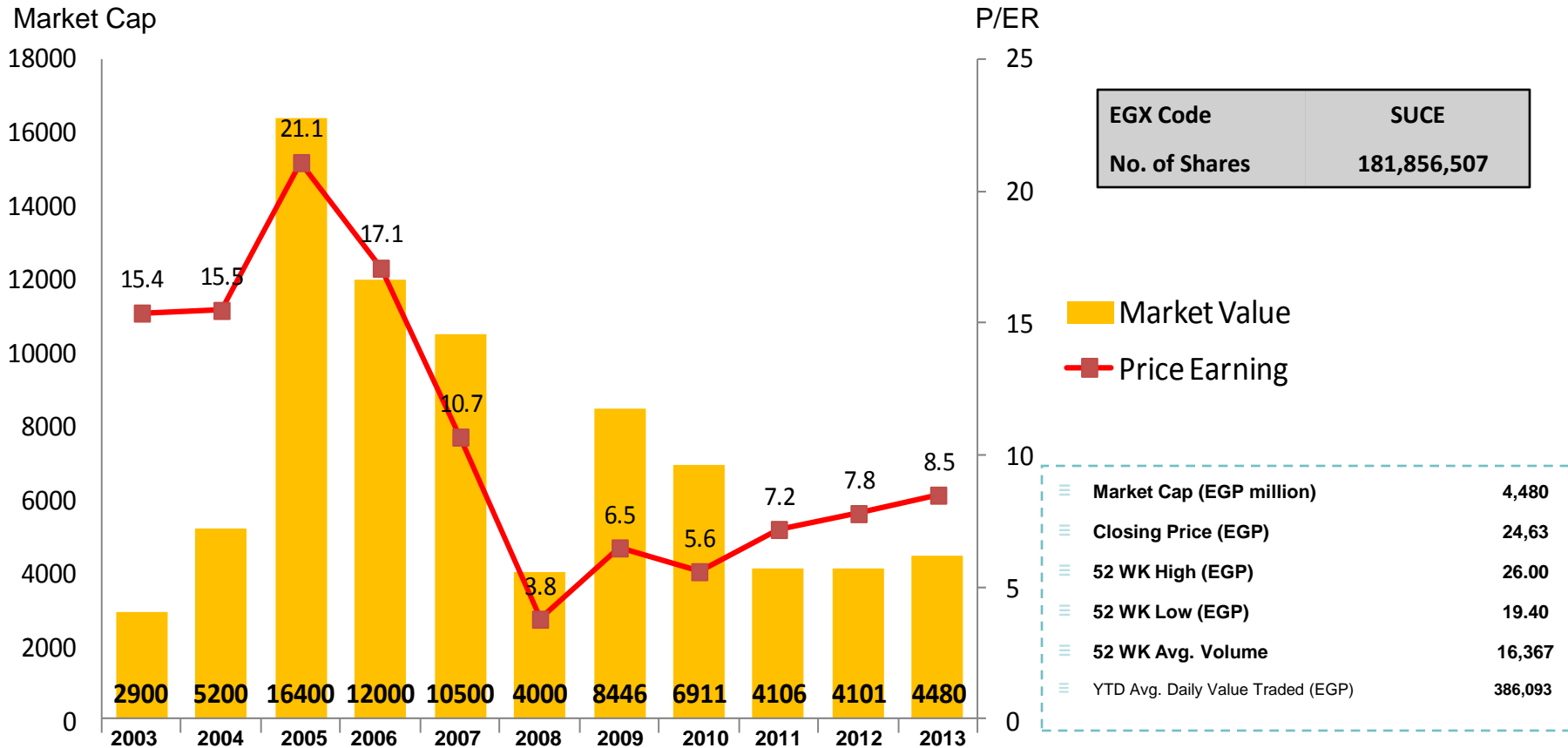


31 December 2013

Group Overview - Stock Market

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

Suez Cement (In M EGP)



31 December 2013



Market Overview

Market Overview

➤ Egypt Macroeconomic Outlook

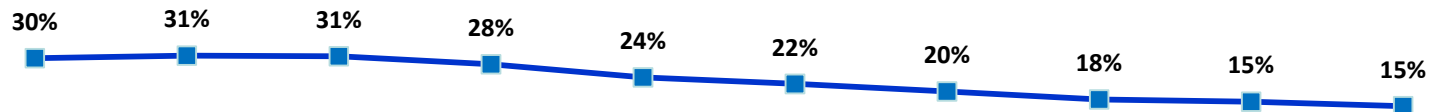
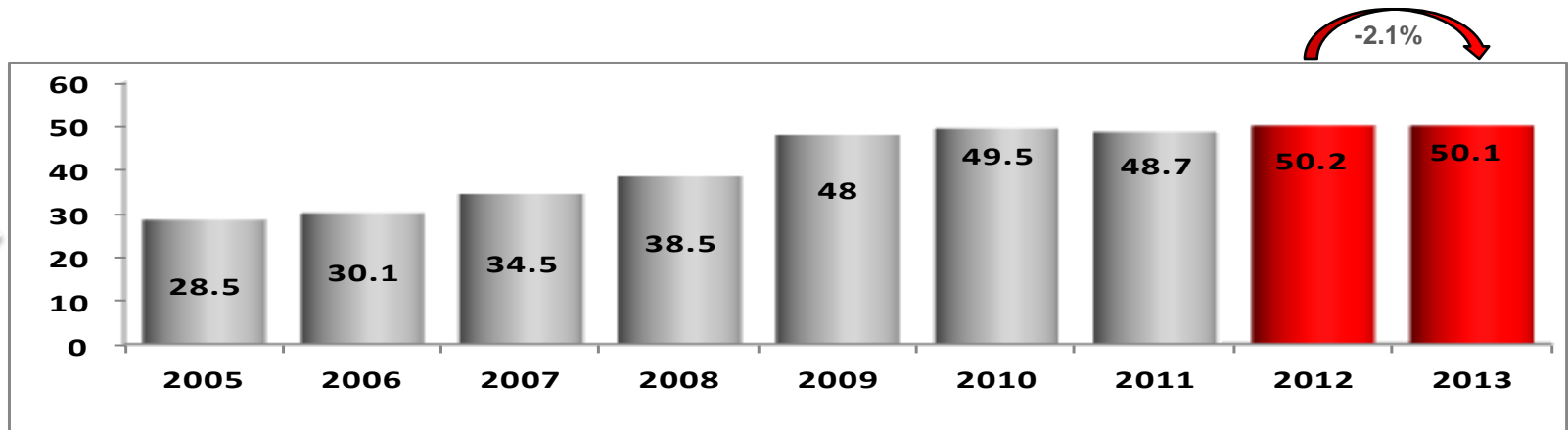
	2012e	2013f	2014f	2015f	2016f	2017f
	actual	actual	actual	actual	actual	actual
Population growth	80.7	82.2	83.4	84.7	86.0	87.3
Gross Domestic Product (% yoy)*	6.0	4.0	4.5	4.5	4.5	4.5
Gross Fixed Capital Formation (% yoy)	32.8	-3.7	10.9	16.1	16.6	17.3
Inflation rate %	7.2	9.5	10.1	10.1	10.0	9.5
Exchange rate (loc.Cur/€)	7.7	9.4	8.9	8.4	7.9	7.8
Exchange rate (loc.Cur/\$)	6.1	7.1	7.0	6.8	6.6	6.5
lending rate (% annual av.)	10.2	10.8	11.1	10.5	10.0	10
OPEC basket Price, US\$/bbl, ave	109.5	103.0	101.0	100.0	99.0	97.0
Construction industry, real growth, % y-o-y	15.7	11.4	13.2	3.7	3.3	5.0

5 years compounded annual growth rate

Market Overview

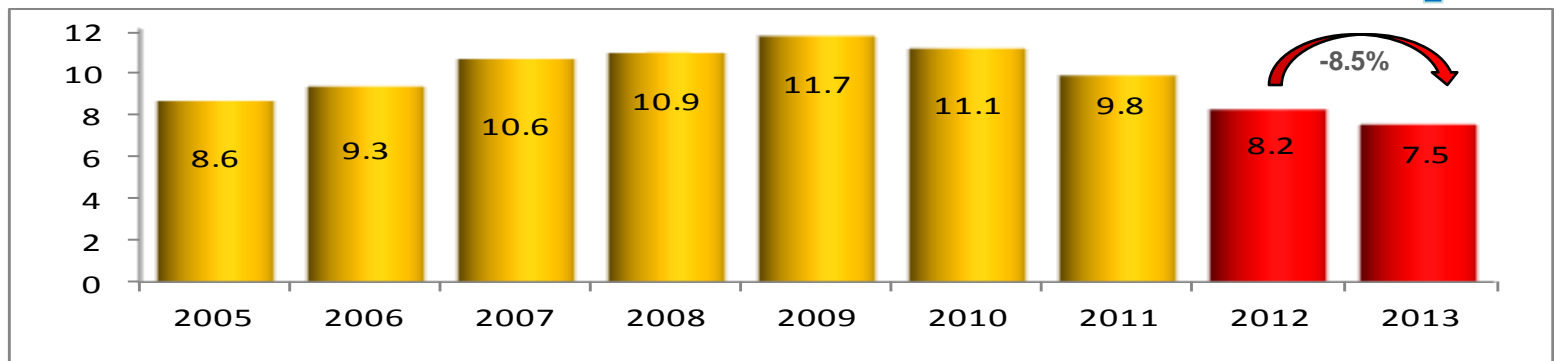
- **Egypt Macroeconomic Outlook** . After spectacular growth, through 2009, market remained flat while production capacities increased 50% to 67MT resulting in share dilution

Market Volumes*
M tons



SCGC MS %

SCGC Volumes
M tons



*Source: Ministry of Investment

Market Overview

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

☐ **Residential**

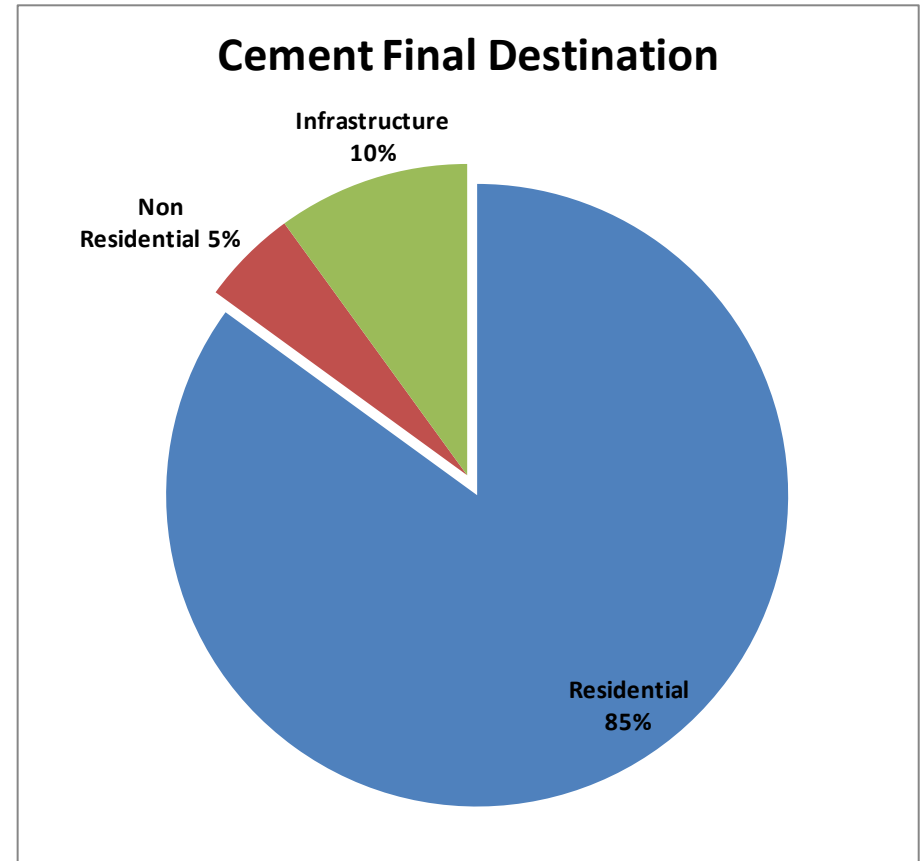
- ✓ Although the tough situation this segment still have Good perspectives in the short and medium term projects.

☐ **Non-residential**

- ✓ Investors confidence is slowly resuming and should favor segment growth

☐ **Infrastructure**

- ✓ After strong drop post 2011 Revolution, this segment is expected to rebound from strong stimulus package .



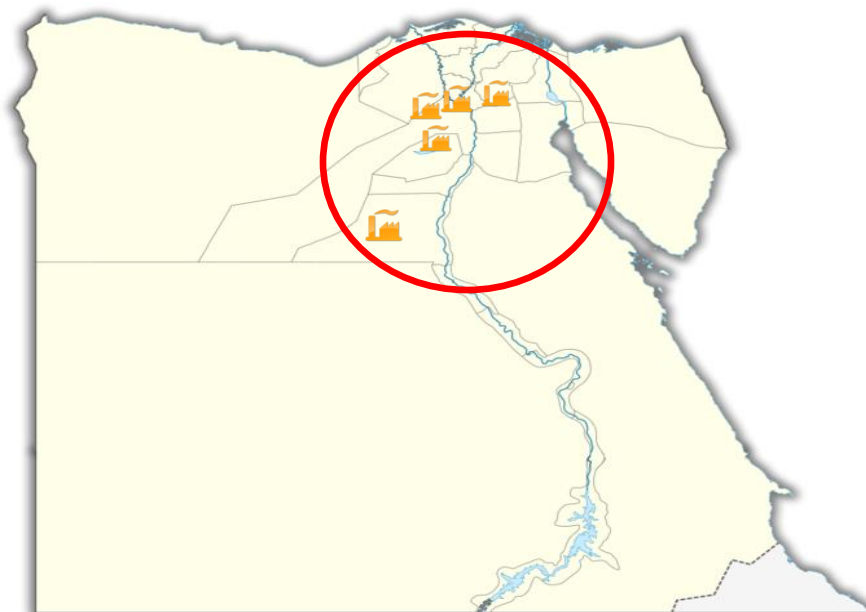
Market Overview

- More than 60% of total domestic cement consumption is concentrated in Greater Cairo & Delta

- ✓ Cement dispatch/ region

	Market % of Total	SCGC MS%
Greater Cairo	32%	52%
Delta	25%	26%
Upper Egypt	11%	3%
Others	32%	9%

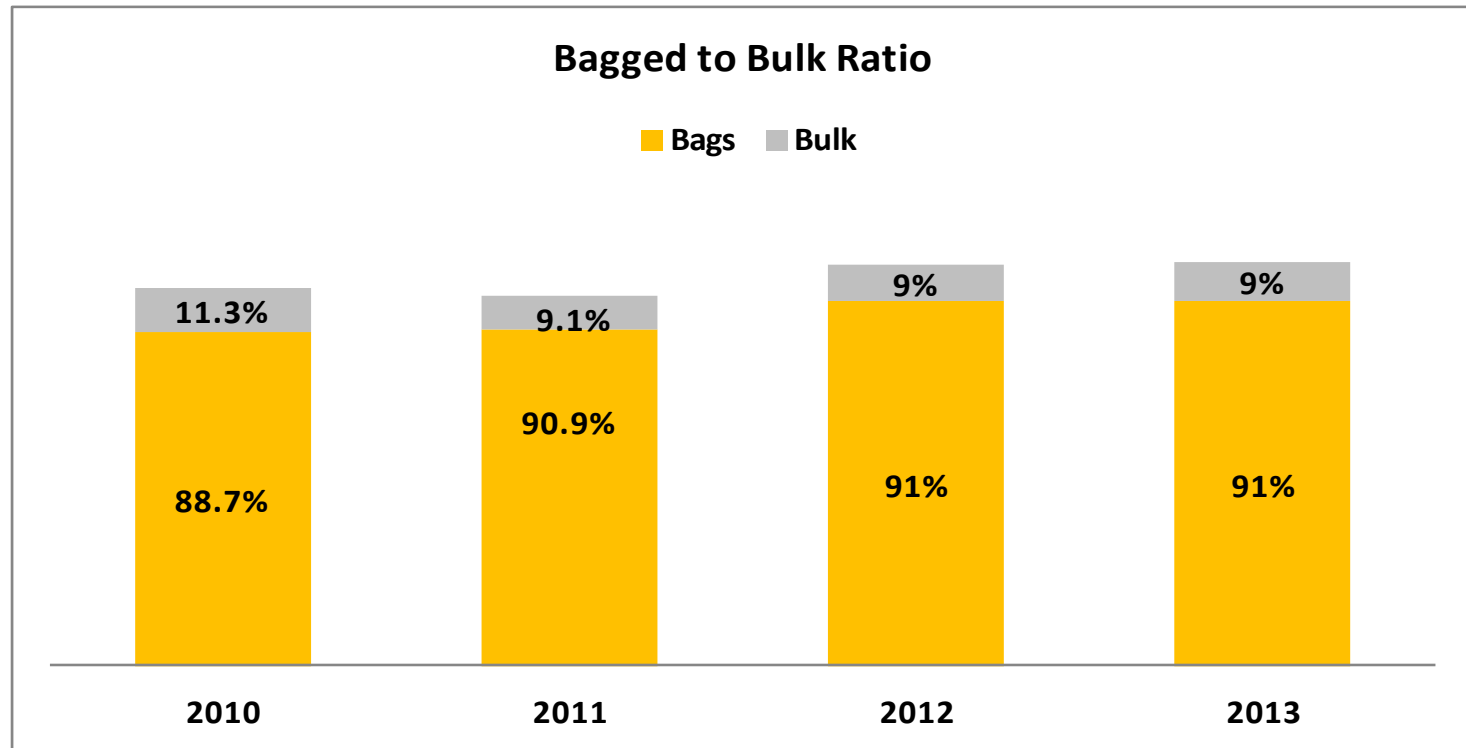
- Population 2011*: 82.1 million
- Growth rate (2011-2013)*: 1.9%
- Age profile (CAPMAS** – May2008):
 - ✓ 0 – 4 10.6%
 - ✓ 5 – 14 21.1%
 - ✓ 15 – 44 49.8%
 - ✓ 45 – 60 12.4%
 - ✓ +60 6.1%



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

Market Overview

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



Source: internal market intelligence



Investment Highlights

Investment Highlights

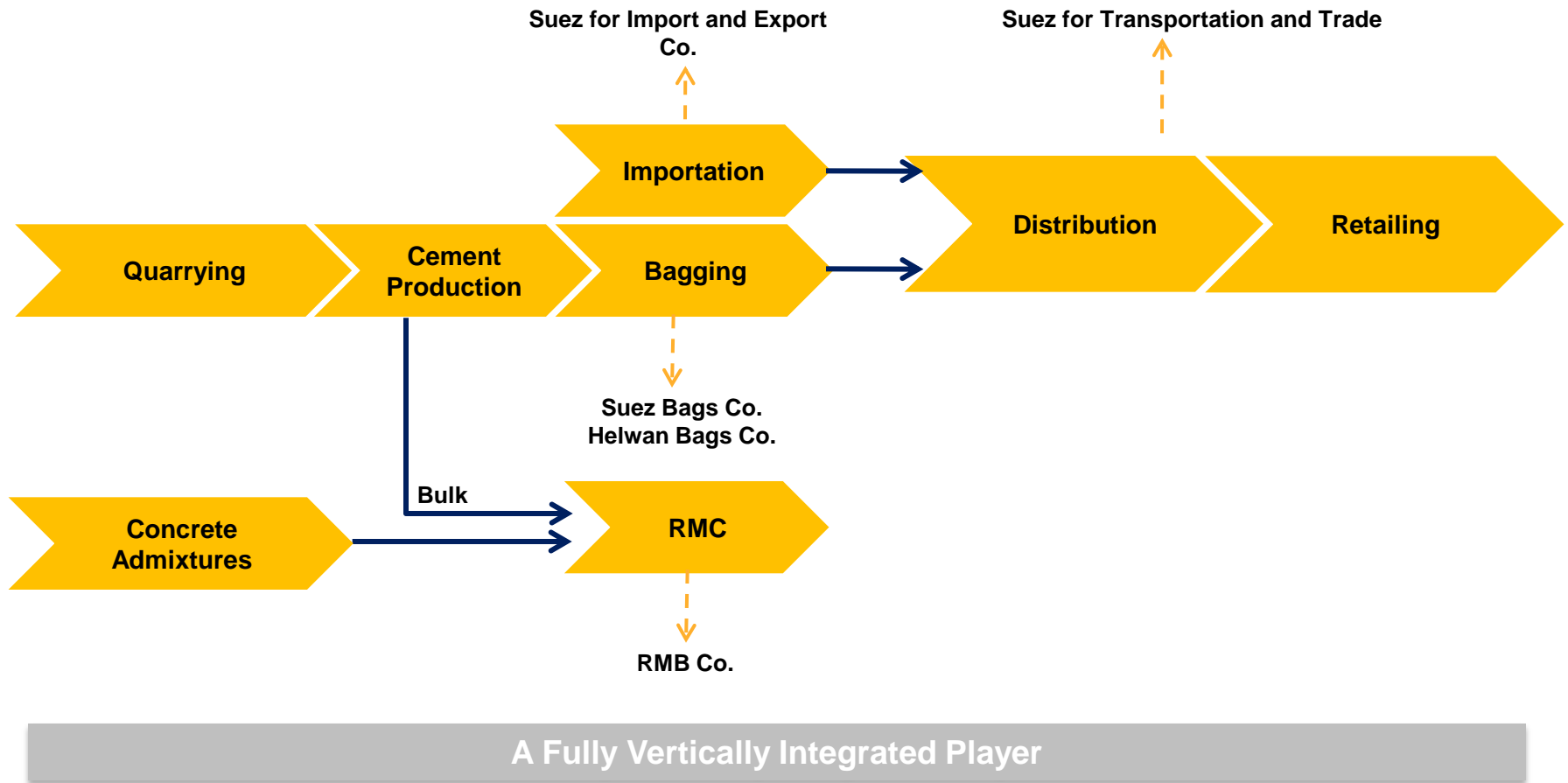
- **Being part of a global player, SCgC has an immediate access to worldwide best practices**



Italcementi Group

Investment Highlights

➤ Attractive Business Model



Investment Highlights

➤ Operational Efficiencies in the pipeline

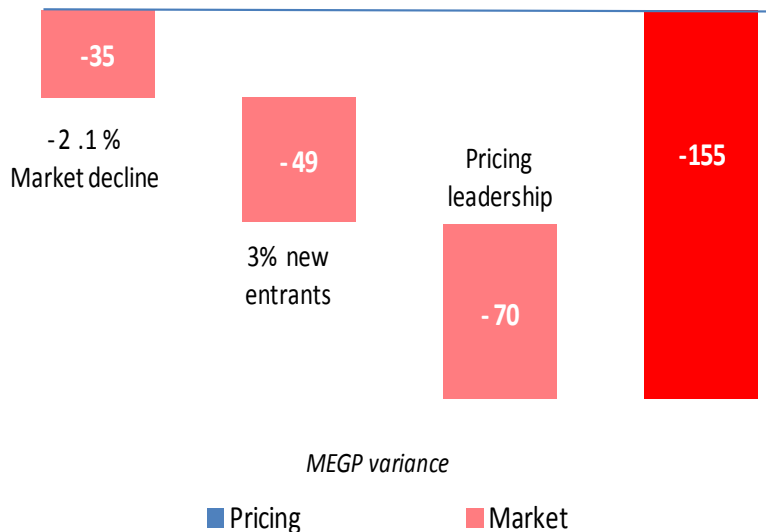
- ❑ Installing state-of-the-art kiln and mill production lines replacing the less efficient ones
- ❑ Starting to use Coal instead of Gas.
- ❑ Decreasing the clinker ratio in cement production through the use of alternative raw materials can result in saving energy and reducing the emissions, while maintaining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



2013 YTD FY GOP Variance

- Adverse Market and Energy supply conditions were fully mitigated by strong actions plan

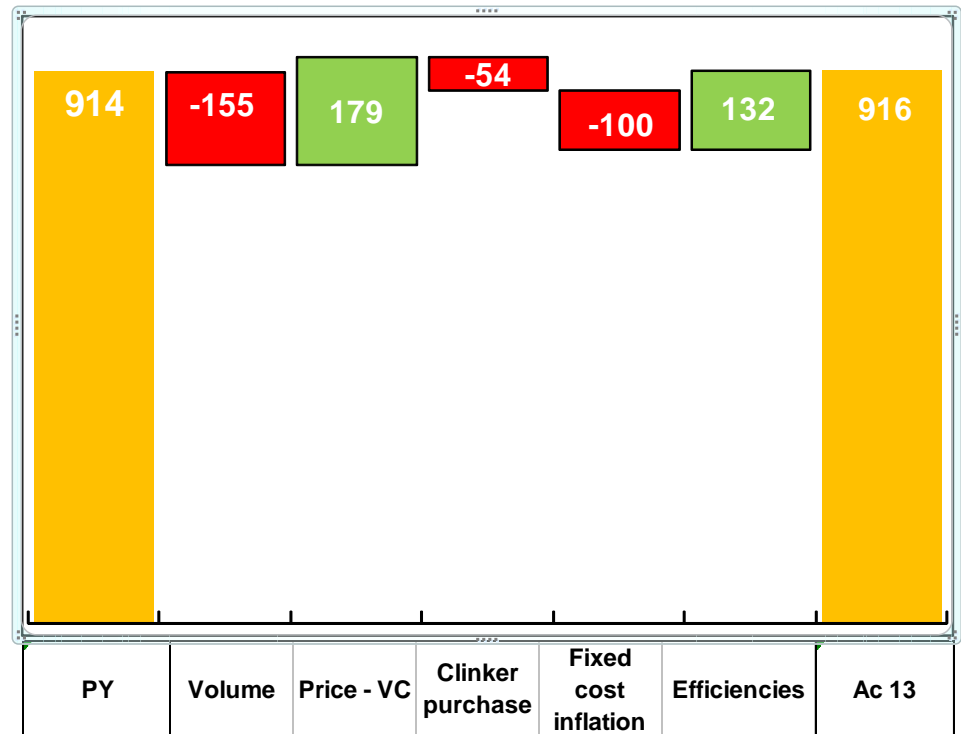
Margin loss from lower volumes (155 MEGP) driven by market decline, last new entrants and energy shortage



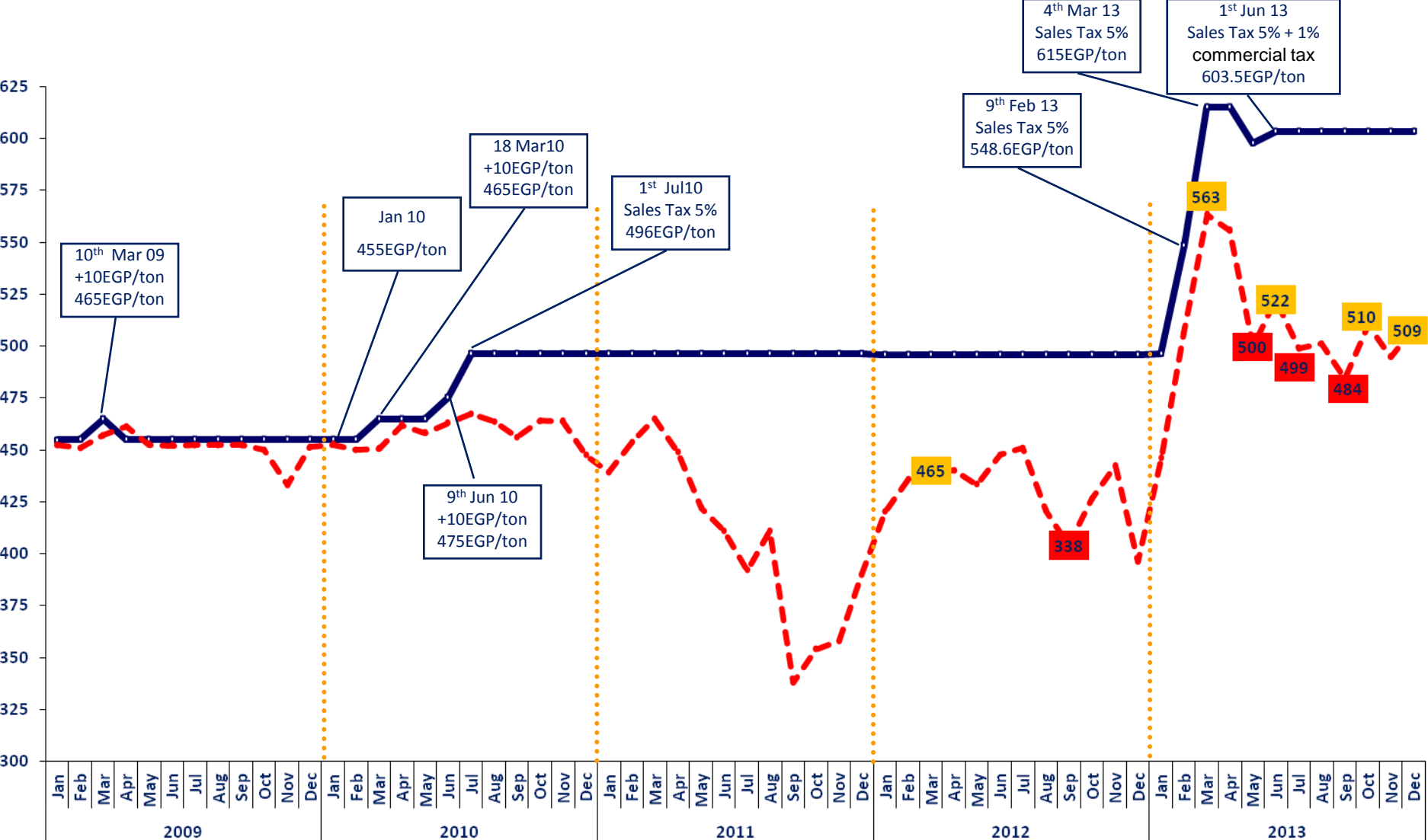
Pricing and internal efficiencies gains allowed to offset impact from lower volumes, clinker imported and inflation

In Millions of local currency

Cement

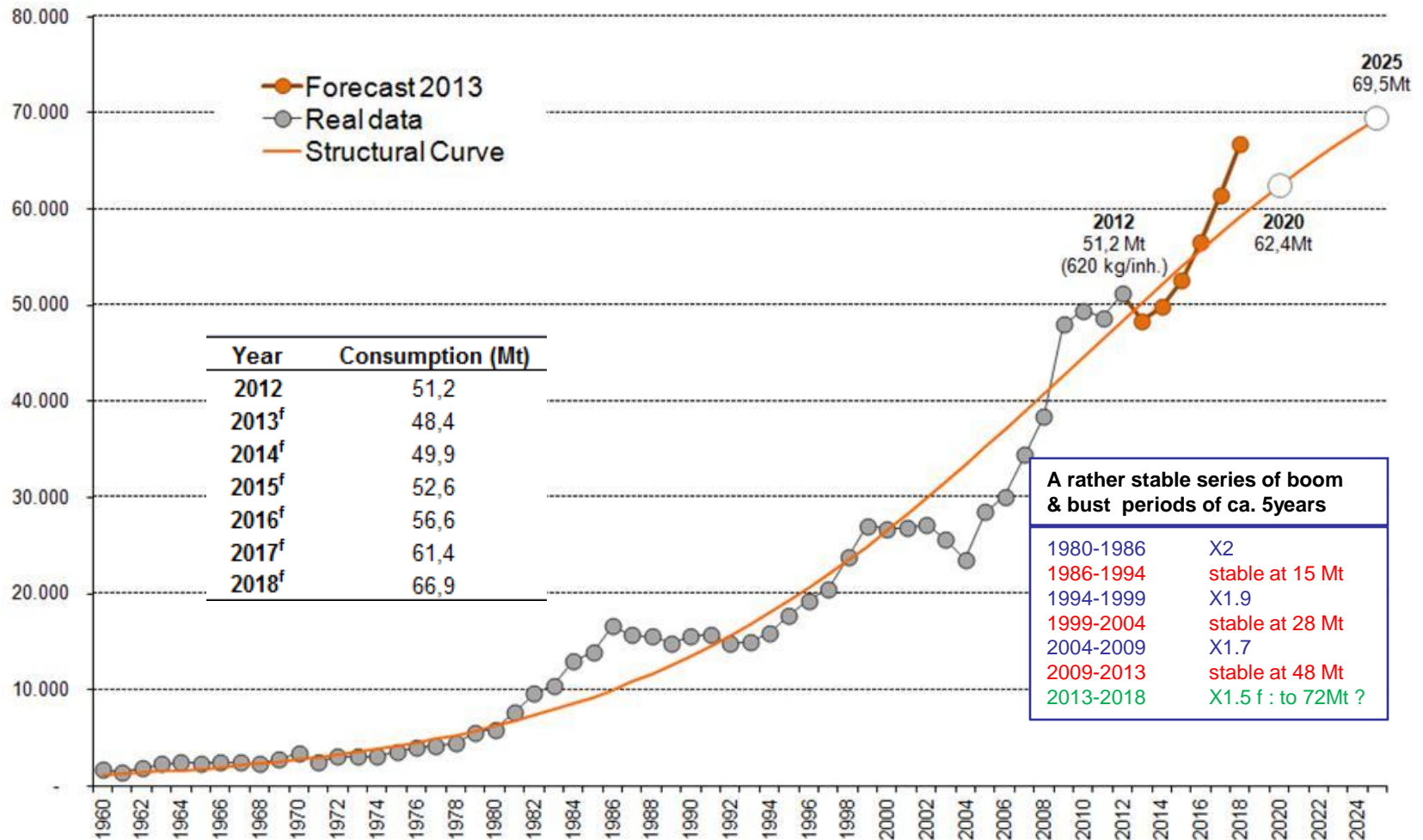


Evolution of SCGC OPC Bags Ex-works price (EGP/t)



OPC: Ordinary Portland Cement

EGYPT – Domestic cement consumption



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)

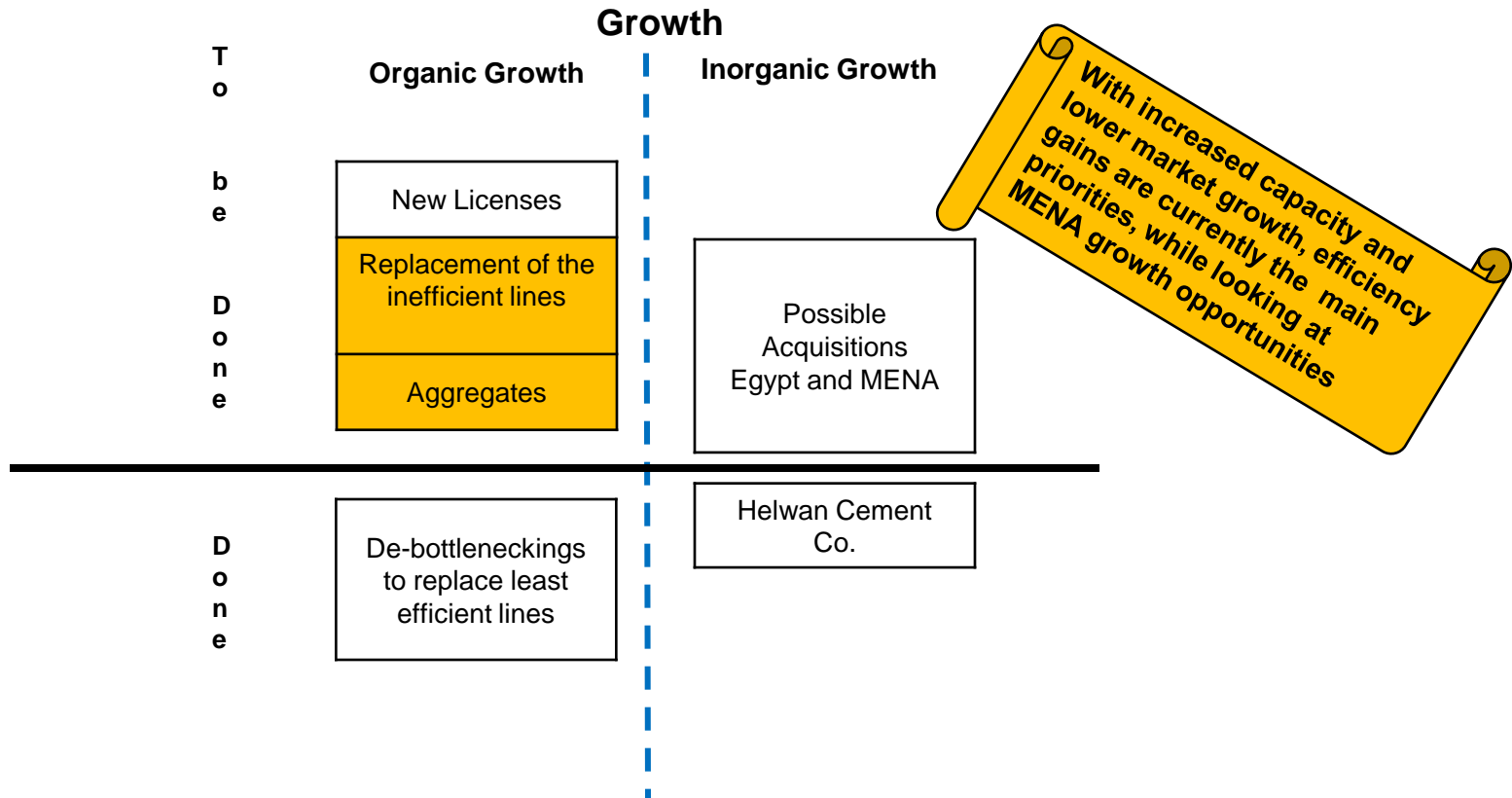
➤ Sustainability

- ✓ 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	Mid Term
Volumes (MT)	8.3	7.5	10.0
EBITDA/ton (EGP)	110	120	160

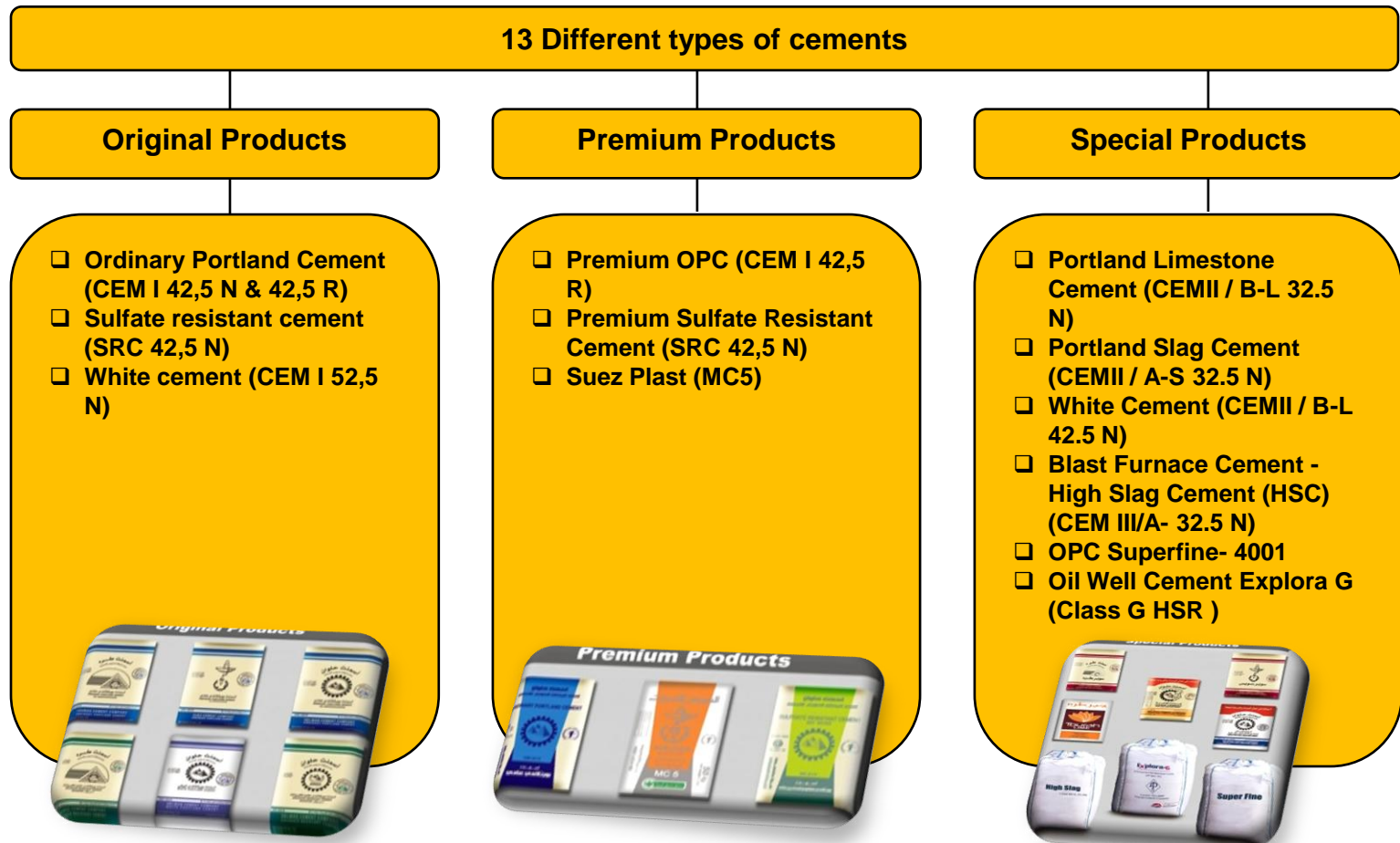
Investment Highlights

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



Investment Highlights

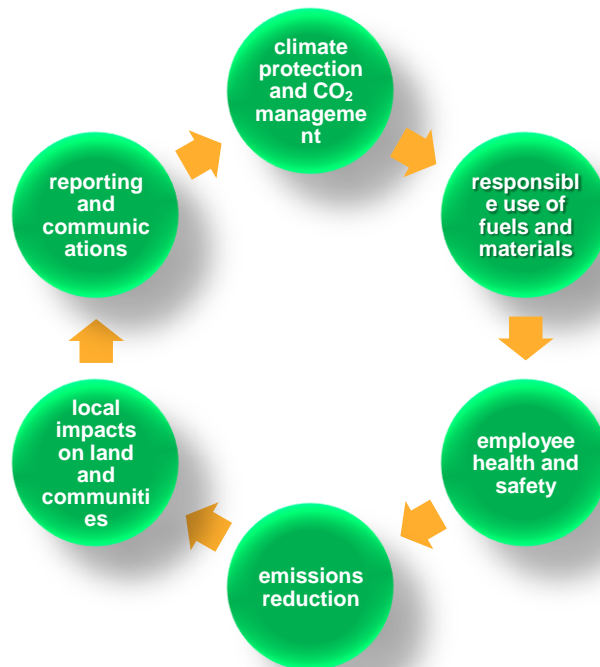
- As a Business-Level strategy, SCgC implements a differentiation strategy in its marketing approach that provides value to customers and is worth a premium price



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 2013

Stakeholder engagement

- As part of our corporate social responsibility, Suez Cement Group of Companies (SCGC) signed an agreement in November 2013 (500,000 LE) to sponsor the **ENACTUS Annual National Competition**. ENACTUS is an international non-profit organization that brings together students, academic and business leaders who are committed to using the power of entrepreneurial action to improve the quality of life and standard of living for people in need. The student leaders of Enactus create and implement **community empowerment projects** around the world.

-With the aim of sharing and improving the quality of different Enactus projects, the Egyptian students will present their projects in July 2014 and will be evaluated by Egyptian business leaders serving as judges who will rank them on how successful they were at using business concepts to improve the quality of life and standard of living for those in need and the most impact creating economic opportunities for others. The winners of the national competition will be then invited to compete at the prestigious **Enactus World Cup** that will take place next year in Beijing and will involve students from 39 other countries.

-In this context, Suez Cement will be providing the Helwan, Tourah and Suez Enactus team with technical support to help them reach a high rank in the annual national competition. Volunteers from the company will work as mentors to the students throughout the next seven months.

-In the framework of ENACTUS' activities, Suez Cement has also promoted the "**Special Competition on marketing Italcementi Group innovative products in the Egyptian market**". In particular, students from 40 Egyptian universities are asked to prepare a marketing and communication plan to market our innovative products in the Egyptian market.

- Therefore, the first orientation session took place on December, 16 in **Tourah Cement plant**. 80 students representing 40 universities were briefed by the SCGC Marketing and Sales Department on our innovative products. Sanad Morad, Tourah Cement's plant manager, welcomed the young leaders and provided them with an insight into SCGC's CSR activities.

Social Initiatives for 2013

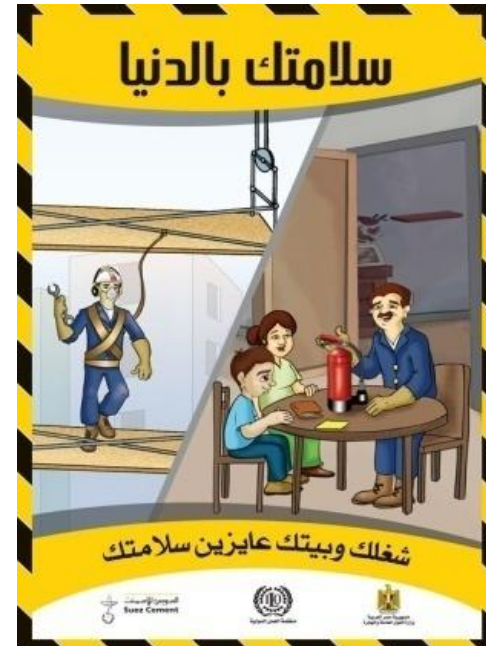
Support to community

- Helwan and Tourah Cement Companies are partnering with the Misr El Kheir Foundation to revitalize the Helwan Public Hospital. On December, 4th we signed a cooperation protocol agreement outlining the project at a special event held at Tourah Cement plant that boasted numerous honored guests, including representatives from the Ministry of Health, Dr. Ali Gomaa, Misr El Kheir's Chairman, Cairo Governor. The 3 million LE upgrade will tackle Helwan Public Hospital's crumbling infrastructure as well as address the need for better medical equipment and maintenance over the next year. The project will also look at hospital employee morale, due partially to the facility's chronic problem of being understaffed. The Misr El Kheir Foundation is a non-profit organization involved in several sectors, including health, social solidarity, scientific research and education. The foundation supports projects in each field through financial support and consulting work as well as offers direct help to limited income families.
- The first installment amounts of 1,012,000 LE.
- In addition to that initiative, in December 2013 the Company has also renewed the agreement (50,000 Euro) with the Don Bosco Technical Institute.
- With regards to the cement donations, the Company donated 1248 tons of cement (approximately 78,000 Euro) to the National Roads Project implemented by the Egyptian army.

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 (2008 – 2013)						
	2008	2009	2010	2011	2012	2013
Employees	1.9	2.7	2.5	4.1	2.4	1.2
Contractors	2.0	3.1	2.2	2.1	1.8	3.3

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



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.


Roberto Colaninno
Managing Director

Cairo, January 2007

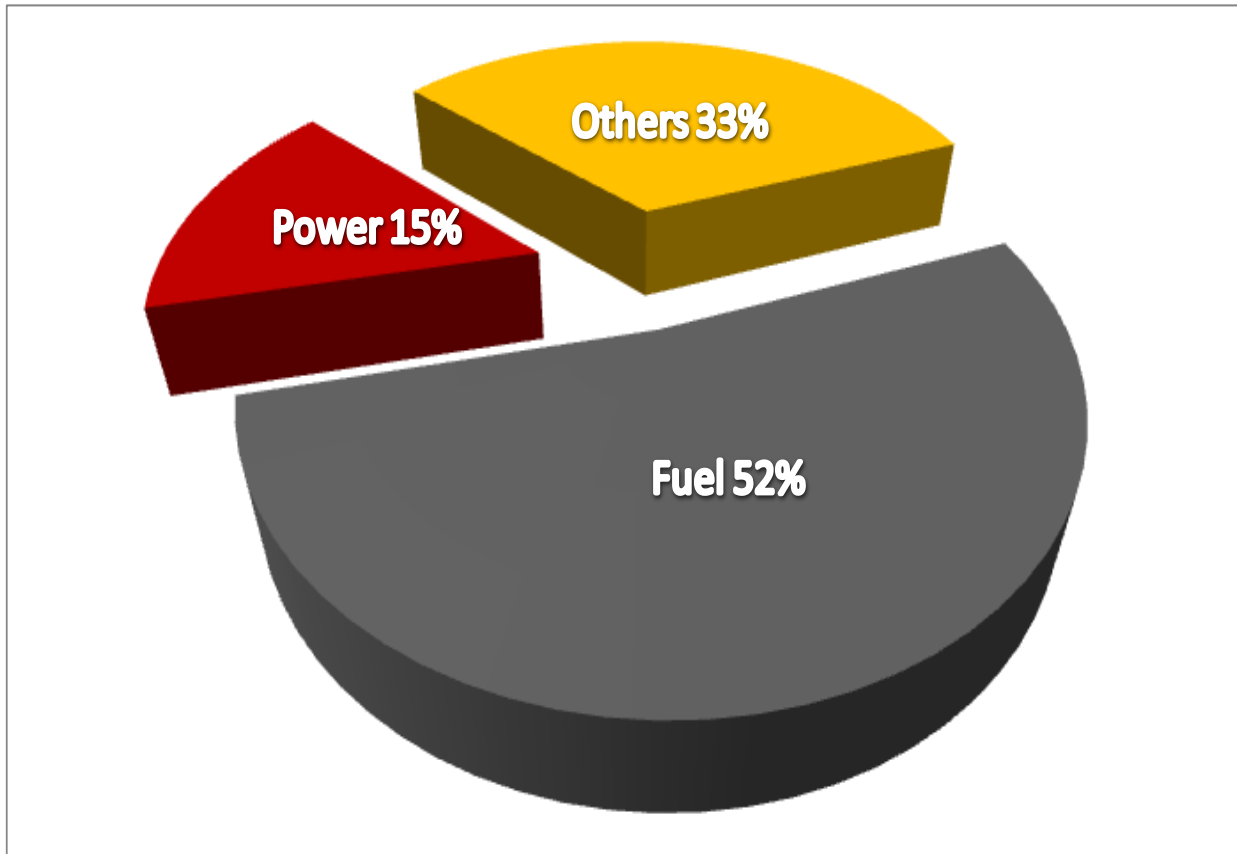
Italcementi Group's Charter of Values is inspired by fundamental international reference standards such as the United Nations' Universal Declaration of Human Rights, the International Labour Organization standards and the UN Global Compact. Italcementi Group's Charter of Values is based on the main governance codes 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 Dialog.



Financial Highlights

Financial Highlights

- An increasingly energy intensive industry...



**Energy represents 67 %
of the production cost**

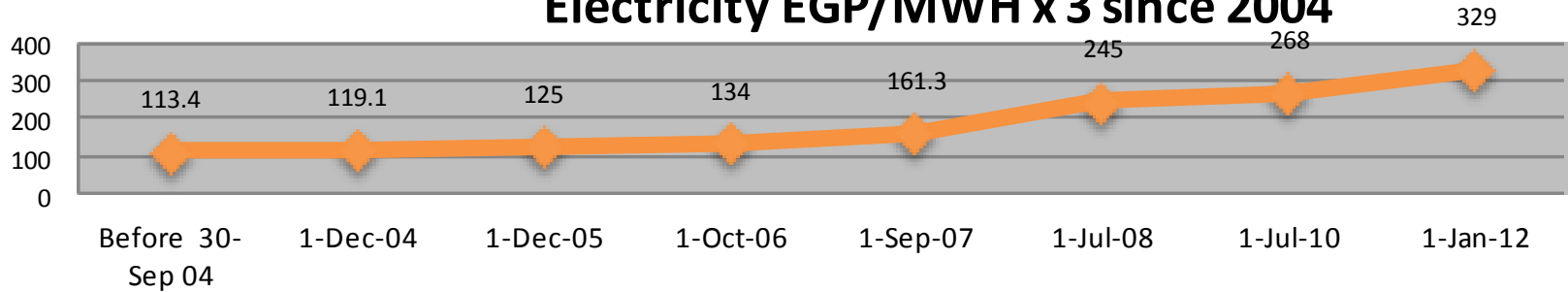
December 2013 SCgC Cost Breakdown

31 December 2013

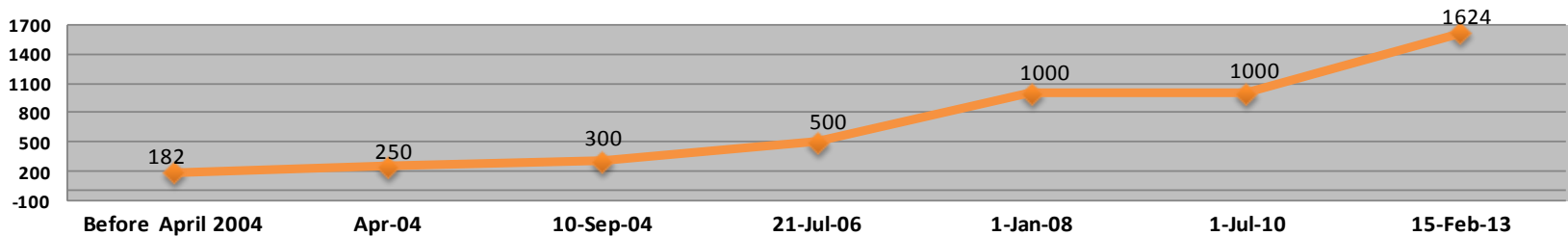
Financial Highlights

➤ Fuel prices increased by more than 50% as of Feb 2013

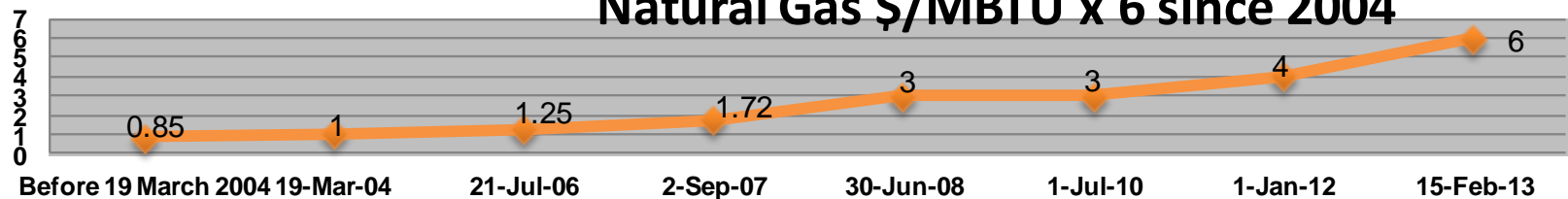
Electricity EGP/MWH x 3 since 2004



Fuel Oil EGP/t x 6 since 2004



Natural Gas \$/MBTU x 6 since 2004



31 December 2013

YTD December 2013 key results (Consolidated)

	Q 4 2013	Q 4 2012	Var. 2013-2012		Ytd. Dec. 2013	Ytd. Dec. 2012	Var. 2013-2012	
			Var.	% Var.			Var.	% Var.
<i>Kt</i>								
Volume sold (Cement + Clinker)	2,157	2,482	-325	-13.1%	7,939	9,632	-1,693	-17.6%
Domestic	2,073	2,352	-278	-11.8%	7,690	9,103	-1,413	-15.5%
Export	84	130	-46	-35.4%	249	529	-280	-52.9%
<i>EGPm</i>								
Revenue	1,501 [↓]	1,188	313	26.4%	5,049 [↓]	4,597	452	9.8%
EBITDA - recurring	269	242	27	11.1%	1,061	1,051	10	1.0%
% of revenue	17.9%	20.4%	(2.5) p.p.		21.0%	22.9%	(1.8) p.p.	
EBIT	163	153	10	6.3%	681	702	-21	-2.9%
% of revenue	10.8%	12.9%	(2.0) p.p.		13.5%	15.3%	(1.8) p.p.	
Net Profit	125	137	-11	-8.4%	592	592	1	0.1%
Cash Flow from operations	232	226	6	2.5%	972	940	31	3.4%
					31.12.13	31.12.12	Var.	% Var.
Net Financial Position - NFP					1,704	1,528	176	11.5%
Operating Working Capital - OWC					328	386	-58	-15.0%

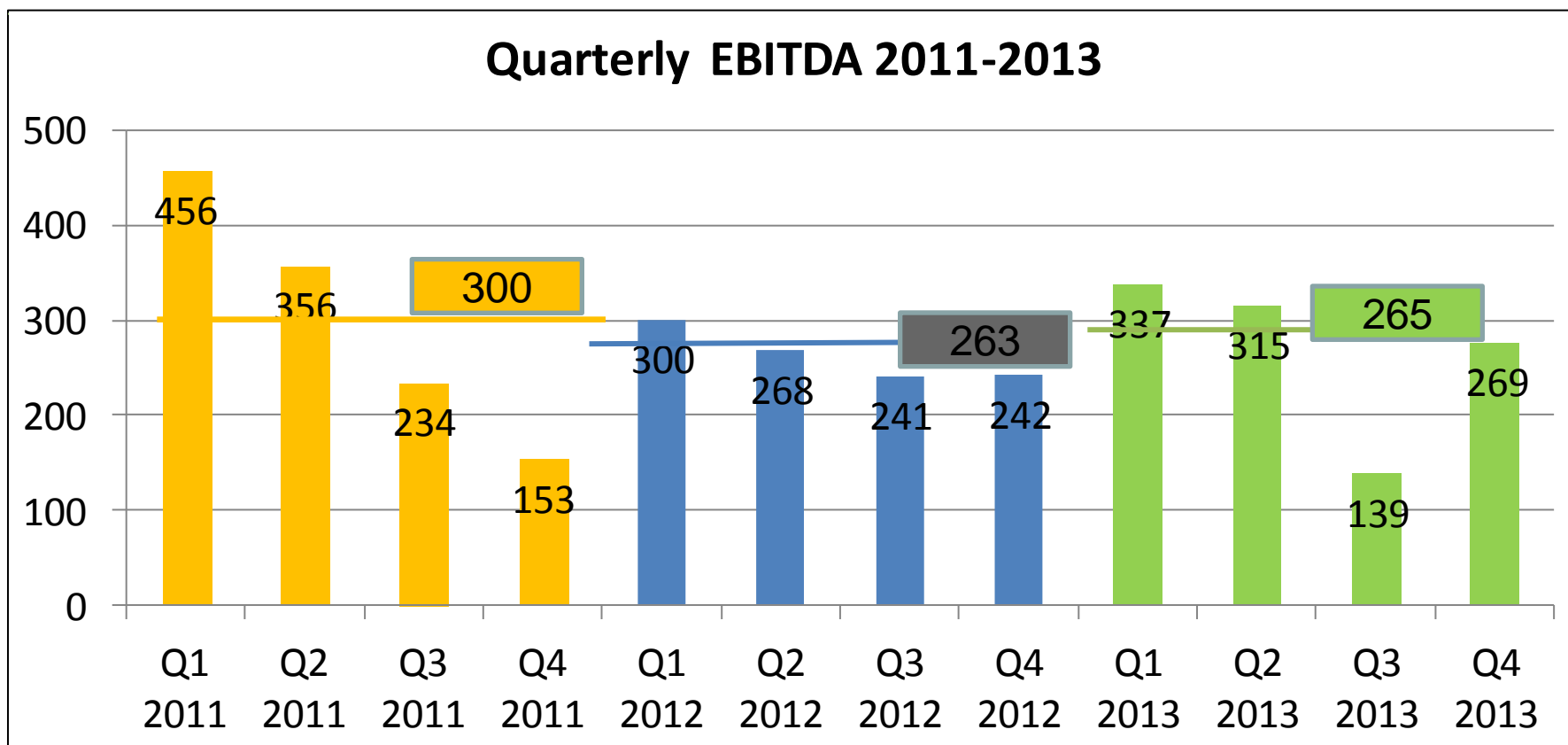
* Effect of subsidiaries of Hilal = 230 MEGP

31 December 2013

GOP Evolution (Consolidated)

While yearly average remain stable vs. 2012, the data shows a higher GOP in Q4 2013 vs. Q4 2012 average (11.16%).

EGPm



31 December 2013

Financial Highlights

MEGP	2009	2010	2011	2012	2013
Revenues	6,380	6,152	4,820	4,597	5,049
EBITDA - recurring	2,155	2,120	1,199	1,051	1,061
<i>% on revenues</i>	33.7%	34.4%	24.9%	22.9%	21.0%
EBIT	1,838	1,705	837	702	681
<i>% on revenues</i>	28.8%	27.7%	17.4%	15.3%	13.5%
Net Profit (Group Share)	1,301	1,236	568	524	538
<i>% on revenues</i>	20.4%	20.1%	11.7%	11.4%	10.7%

31 December 2013

Financial Highlights

➤ Strong equity structure with growing accumulation of cash

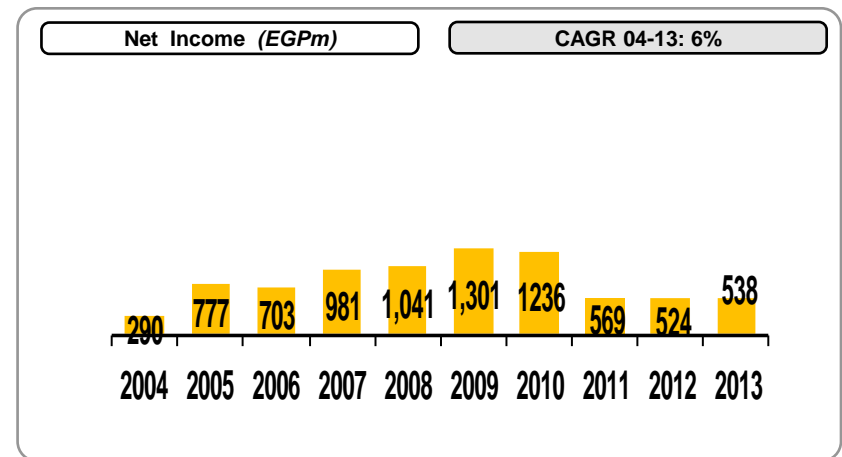
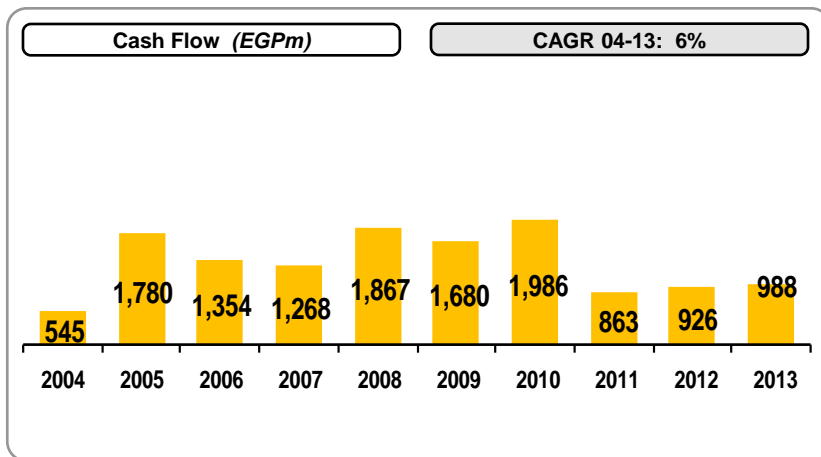
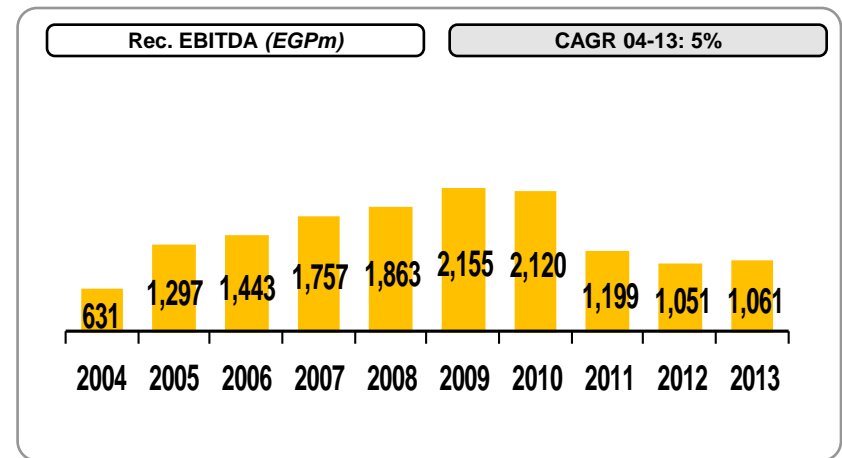
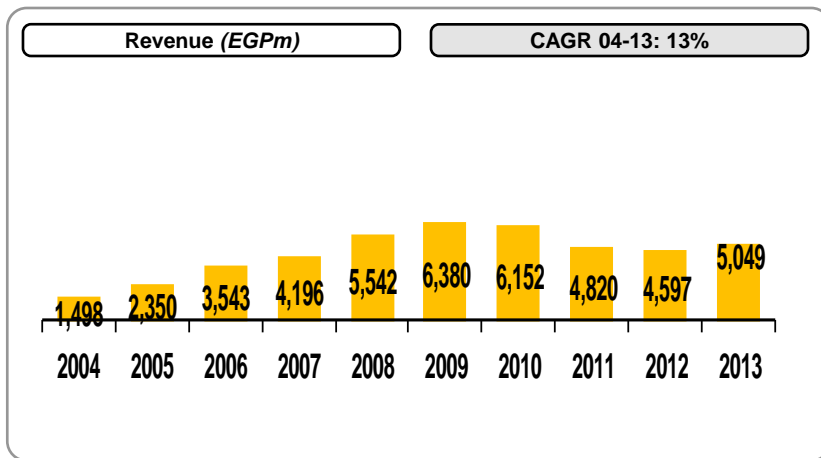
MEGP	2009	2010	2011	2012	2013
Total L-T Assets	6723	6742	6703	6654	6,842
Inventory	863	952	998	804	844
Account Receivables	199	243	247	268	204
Cash and Cash Equivalents	1486	1758	1448	1622	1817
Total Current Assets	2899	3299	2957	3029	3129
Total Assets	9622	10041	9661	9683	9971
S-T Debt	22	13	0	-	3
Cp of L-T Loan	230	8	24	37	52
Cp of L-T liabilities	12	12	4	-	-
Total Current Liabilities	1807	1805	1609	1684	1747
L-T Loan	8	34	81	57	58
Total Equity	7624	8039	7771	7756	7930
Total Liabilities & Equity	9622	10041	9661	9683	9971
Net Debt(Cash) Position	(1214)	(1670)	(1338)	(1528)	(1704)
Net Debt(Cash) / EBITDA	NS	NS	NS	NS	NS
Net Debt(Cash) / Equity	NS	NS	NS	NS	NS
FCF**	1365	1326	490	777	656

** FCF Defined as CFO-capex

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Financial Highlights

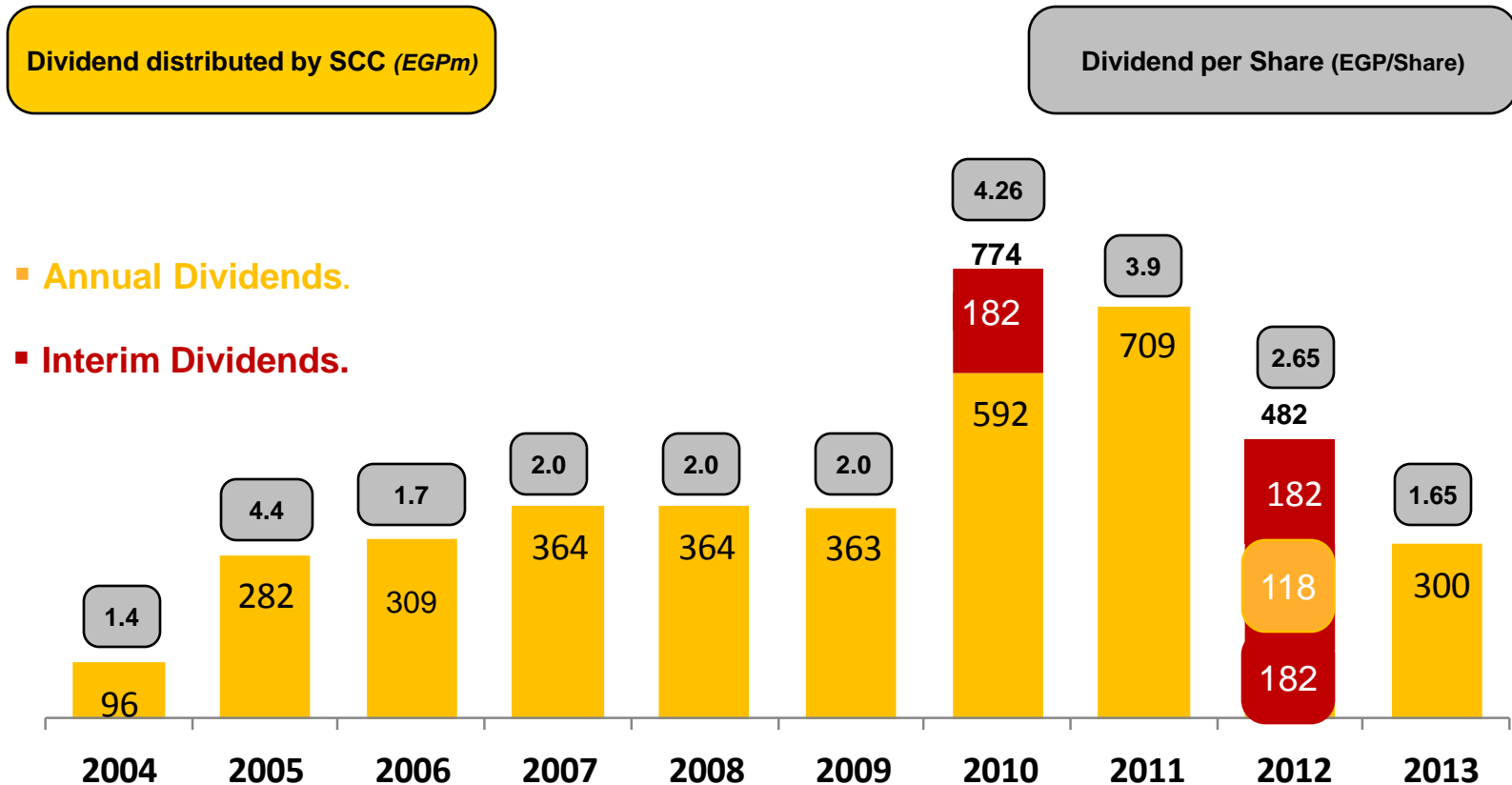
Key Historical Financials : current environment heavily impacting results but cash flow generation has been somehow resilient.



31 December 2013

Financial Highlights

➤ More than EGP 4 BN dividend pay out since 2004



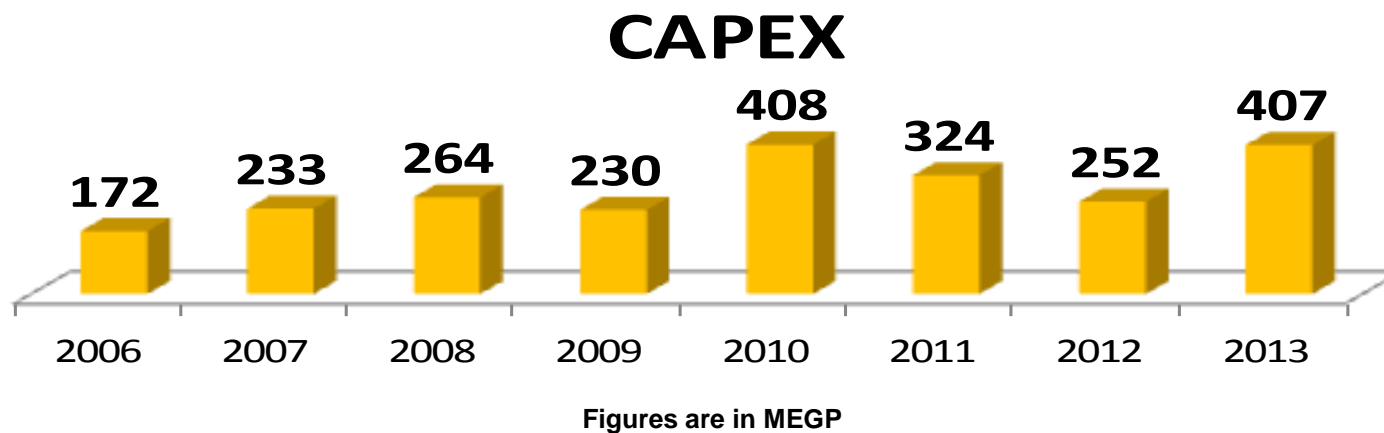
* Starting from 2006 the number of Capital Shares has been increased from (64M) up to (181M)

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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



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