Press Release

SCGC reports 14% revenues increase in Q1 2014

The company was well-positioned to take advantage of 2014's robust, but modest growth so far this year in spite of chronic power and fuel shortages

SCGC's Q1 2014 results at a glance

- **CONSOLIDATED REVENUES:** 1.452 MILLION EGP (1.273 MILLION EGP in Q1 2013)
- **RECURRING EBITDA:** 316 MILLION EGP (337 MILLION EGP in Q1 2013)
- **NET PROFITS AFTER NON-CONTROLLING INTEREST:** 169 MILLION EGP (221 MILLION EGP in Q1 2013)

Results affected by the increase in the energy price

Cairo – May 14, 2014. Today Suez Cement Group of Companies' (SCGC) Board of Directors approved the firm's consolidated financial report for the first quarter of 2014 (January-March).

Despite difficult market conditions, SCGC was able to maintain its market leadership once again. The firm reported a 14% increase in revenues for the quarter versus the same period last year. Meanwhile, earnings before interest, tax and depreciation (EBITDA) fell 6% due to higher production costs as compared to Q1 2013. Net profits were also down 24%, with the drop mainly attributed to the absence of foreign exchange gains, which were prevalent during the previous year.

Looking at the market in Q1 2014, statistics show that demand for grey cement was up 2% versus Q1 2013. That being said, necessary cement price adjustments were unable to mitigate SCGC's growing production costs, which were driven by higher energy prices and an increase in import activities. The firm was forced to seek out foreign-made products since the nation's chronic electricity and fuel shortages prevented local producers from satisfying market demand.

SCGC 2014 outlook

Market demand was relatively robust for Q1 2014. The gains, however, have been moderate because almost every sector has been negatively affected by the country's difficult political transition on top of fuel and power shortages. Moving forward, SCGC believes the construction industry's ongoing recovery will attract new investments and help boost economic output. A return to political stability will also positively impact Egyptian demand for cement.

Power cuts and fuel shortages are likely to remain major issues for cement producers, particularly during the summer months. This will continue to limit overall cement production and require higher import activities than usual. SCGC remains focused on investing in energy and

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environmental efficiency. This includes developing alternative fuel strategies such as waste-derived fuels and coal, which will shift the company's energy mix and improve its production capabilities by reducing SCGC's dependence on natural gas and mazut.

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About Suez Cement Group of Companies

With an industrial network of five production facilities in Suez, Kattameya, Tourah, Helwan and El Minya, Suez Cement Group of Companies (SCGC) is one of the largest cement producers in Egypt. The company has a long-standing history in the market, but that has not stopped it from launching new brands and products to meet changing market needs.

SCGC is home to more than 3,000 employees who participate in ongoing training and advancement programs. The group has comprehensive safety and environmental policies, which ensure employees can enjoy a safe and sustainable working environment. Communities where SCGC plants operate also benefit from SCGC's CSR and environmental protection activities. The company's cement has made some of Egypt’s most famous landmarks possible. SCGC's plans for the future involve implementing best practices in terms of serving market needs and customer demands.

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