

SCGC'S Board of Directors examines the results as of 31 December 2011

CONSOLIDATED NET SALES: 4,820 Million EGP (-21, 6%)

CURRENT GROSS PROFIT: 1,087 Million EGP (-48, 7 %)

OPERATING INCOME: 875 Million EGP (-49,8 %)

NET PROFIT AFTER Non-Controlling Interest: 569 Million EGP (-54%)

Cairo, 22nd February 2012 – At a meeting on February 22nd chaired by Mr Omar Abdelaziz Mohanna, the Board of Directors of Suez Cement examined and approved the unaudited consolidated results as of 31 December, 2011

During the fourth quarter of 2011 the domestic grey cement demand initiated a significant rebound (+ 6,5 %), while the sales of Suez cement group were down by 10%, mainly due to capacity additions from new cement producers and the company efforts to reduce price rebates which reached a non sustainable trough in September. As a result of this **the consolidated net sales** of the Suez Cement group realized at 1.062 million EGP (-27,5% vs. 2010), penalized by the negative volume and price effect. **Gross profit and operating Profit** amounted to respectively 141 million EGP (-65 % vs. 2010) and 65,26 million EGP (-86,6% vs. 2010). **The total net profit “after non-controlling interest”** amounted to 51.78 million EGP (-84 % vs.2010).

Over the year 2011 the domestic grey cement demand decreased by a limited 1,6% in a context of sharp 21% increase in cement capacity. The sales of SCgC decreased by 11,2 % in volume showing some good resilience to the capacity dilution. As a combined result of lower volumes and prices **the consolidated net sales** reached to 4,820 million EGP (-21,6 % vs. 2010); **gross profit and operating profit** declined sharply mainly due to negative volume, price effects and labor cost increases(partially caused by the revolution of January 25th) and amounted respectively to **1,087 million EGP** and **875 million EGP** while the **net profit” after non-controlling interest”** amounted to **569 million EGP** (-54 % vs. the year of 2010).

The outlook is still very uncertain in the current political context and before a stable government can be established.