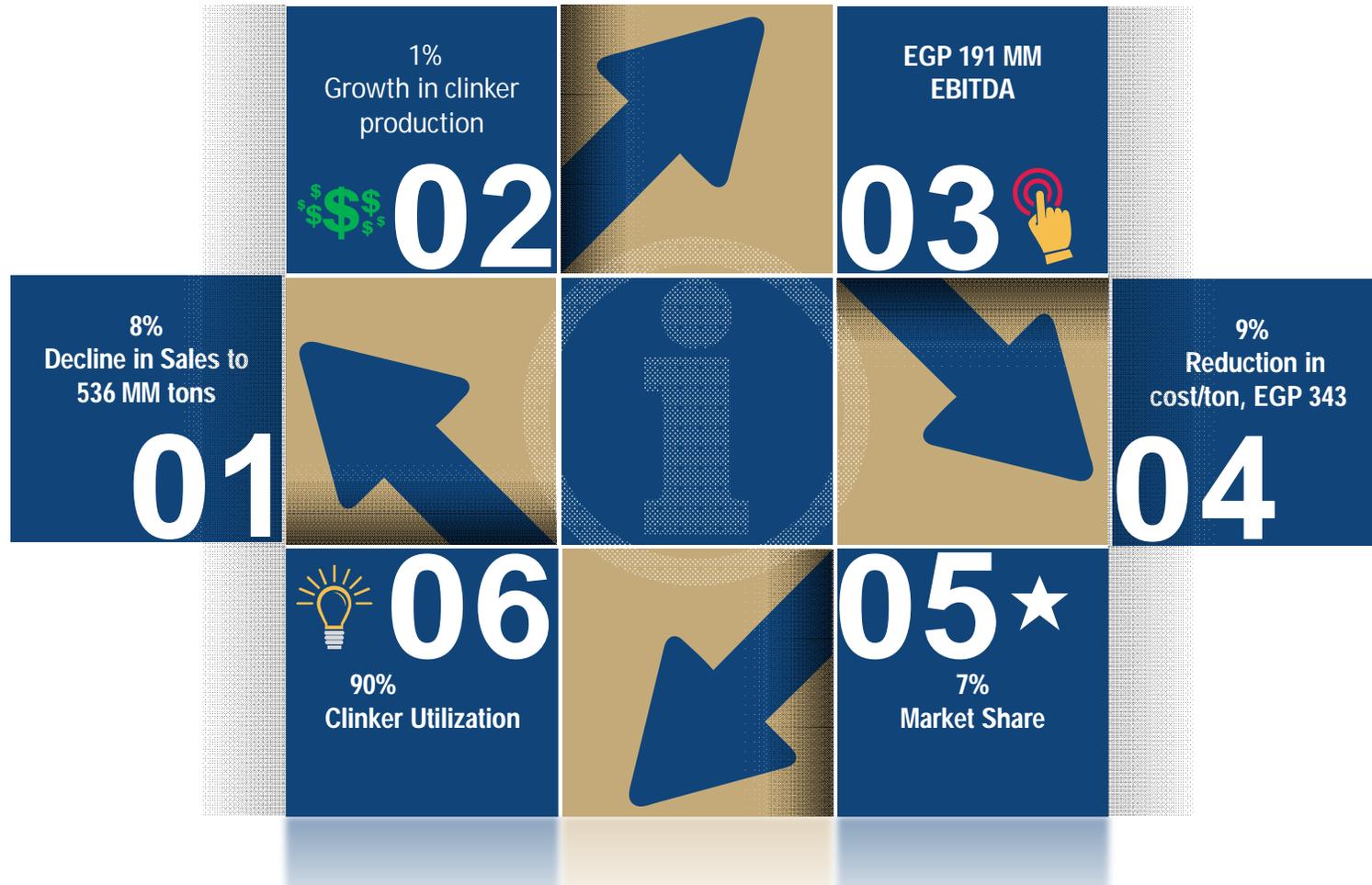




Arabian Cement Company

1Q16 Investors Presentation

Highlights



Contents

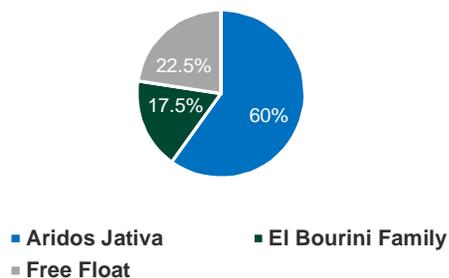
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Introduction to ACC

ACC in a Snapshot

- The company operations started in 2008 and is currently a leading cement producer. Majority owned by Cementos La Union (“CLU”), a Spanish cement player with operations in several countries such as Chile and Congo.
- ACC has two production lines with a total production capacity of 5.0 Mmpta, making it one of Egypt’s largest cement plants, with a market share of 8% as of FY15.
- ACC’s operations include the production of clinker, production and sale of high quality cement.
- The Company outsources its manufacturing through an operational management contract with NLSupervision (“NLS”); a subsidiary of FLSmidth, for clinker production and cement.
- ACC has adopted and implemented quality and safety management systems, complying with the requirements of the international standards ISO 9001:2008 and OHSAS 18001:2007.
- Through its dedicated sales and marketing teams the Company has managed to position its product amongst the market’s premium price brands.
- ACC pioneered shifting towards diversifying its sources of energy and will substitute 100% of its current energy requirements to use a mix of solid and alternative fuels..
- In 2015, ACC distributed 55% of its production through own channels, “Wassal”; delivery service.

Shareholding Structure



Investment Highlights

Strong and Dynamic Management Team

New Strategically Located Facility with an Integrated Operation

Outsourcing the Production Process while Maintaining a Highly Qualified Internal Supervision Team

Better Positioned for Diversifying Energy Sources

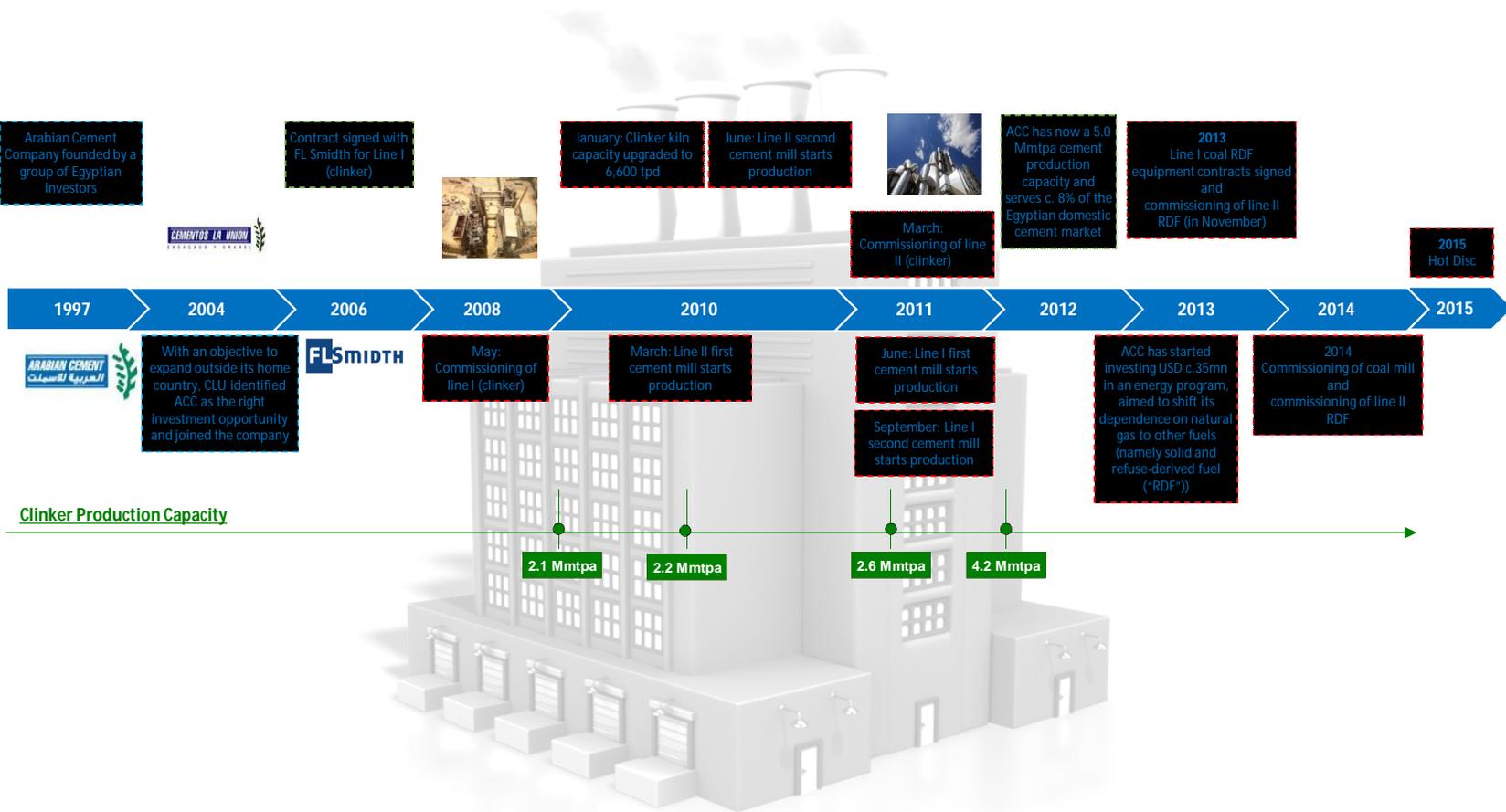
An Excellent Sales & Marketing Team

In-House Distribution Platform

Low Customer Concentration

Introduction to ACC

Corporate Evolution



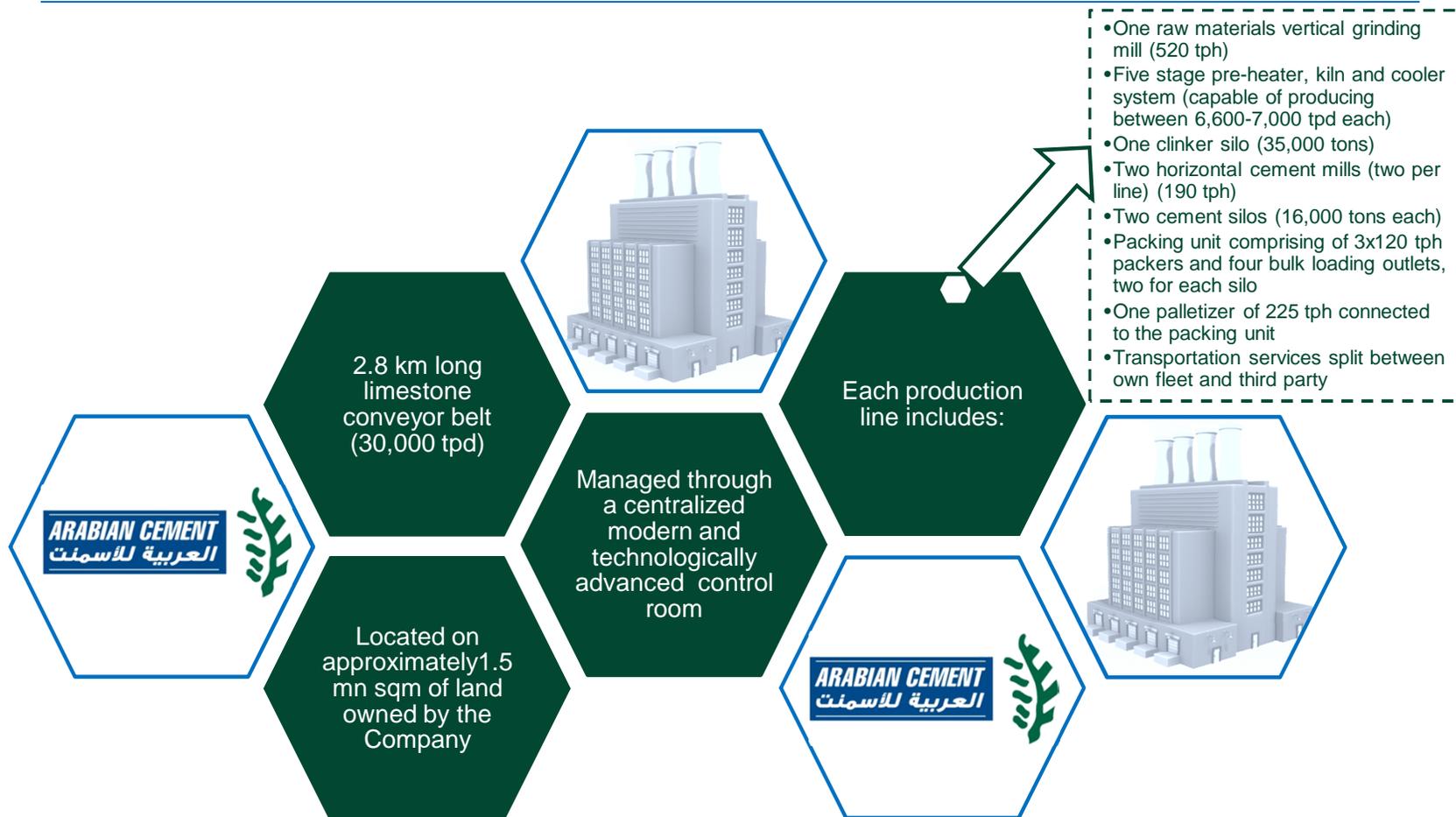
Capacity Changes

Corporate Changes

Others

Introduction to ACC

Plant Information



Introduction to ACC

Executive Management Team



Jose María Magriña

Chief Executive Officer



Mr. Magriña's 20 years of professional experience stretches across several industries. He served as a management consultant at PWC, Deloitte and Accenture covering the gas, oil and construction industries for 9 years where he advised on strategy and operations for companies in various developed and developing countries. Joined ACC in 2005.



Hasan Gabry

Chief Commercial Officer

Mr. Gabry is a graduate of the Faculty of Commerce - Ain Shams University - Cairo Egypt, year 1991, with 24 years of Commercial Experience, 11 of which are in the Cement Industry as a Senior Commercial Director. The Cement journey started with Lafarge Sudan, moving to ASEC Algeria, GFH Bahrain, Khalij Holding Qatar, and since 2009 with Arabian Cement Company in Egypt



Allan Hestbech

Chief Financial Officer

Mr. Hestbech has 14 years of experience in the Egyptian cement industry. He joined ACC in 2014. Before joining ACC, Mr. Hestbech assumed the role of Financial Director of Sinai White Cement. He has experience in financial management of cement companies, including cost optimization, reduction of financial costs and working capital as well as the financial management of plant erection projects.



Sergio Alcantarilla

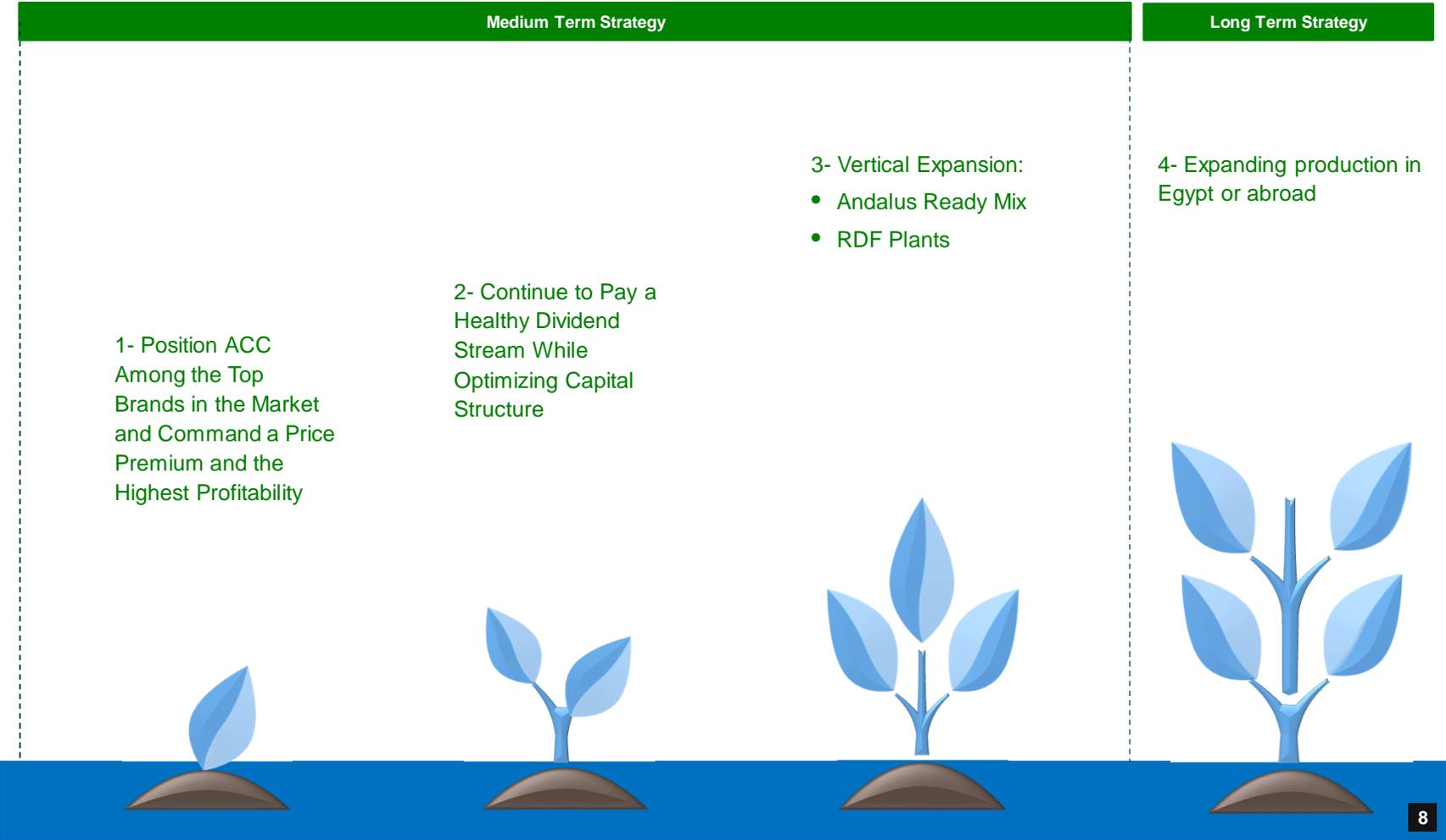
Chief Operations Officer

Mr. Alcantarilla has 12 years of experience in the cement industry where he participated in all the fields of the business' technical side such as projects of new cement plants, civil works, mechanical and electrical erection, commissioning, production, maint., quality, process and cost optimization and improvement plans. He Joined ACC in 2009.

Introduction to ACC



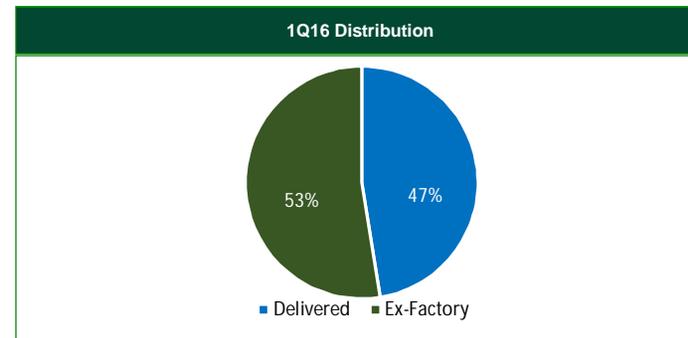
Our Strategy



Introduction to ACC

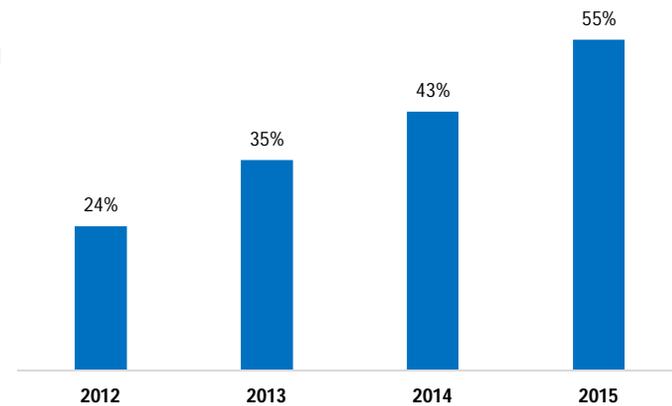
Distribution Network Overview

- In 1Q16 Arabian Cement distributed through direct Ex-Factory sales , Express wassal and Delivery.



Express Wassal

- Express Wassal is a full transportation service for bulk and/or bagged products provided by the company's fleet of 25 trucks as well as by 3rd party business partners. Express Wassal was launched in 2011
- Express Wassal offers ACC a number of benefits such as;
 - Reducing ACC's dependency on external transport providers which is fragmented and can be unreliable
 - Controlling products flow to strategic markets
 - Ensuring price positioning in these markets
 - Penetrating high demand scattered markets
 - The Company's own fleet also provides it with insight with regards to the operational costs associated with transportation, allowing it to better gauge 3rd party transportation rates
- Now ACC operates its Express Wassal's hotline for 24 hours per day, 7 days a week.
- The additional availability is expected to further increase customer satisfaction as it allows them fast access to the Company's products at any time



Period Highlights

Main Highlights



Economy

- The devaluation of the EGP which took place in march 2016 against the USD to 8.88 resulted in a FX loss for the company.
- Due to the fall in oil prices, the government was able to supply cement producers with sufficient quantities of fuel; HFO, Coal and petcoke.



Production

- ACC produced 0.93 MM MT of clinker in 1Q16 compared to 0.95 MM MT at the same period the previous year.
- ACC operated at 81% cement utilization in 1Q16 compared to 86% in the same period last year.



Energy

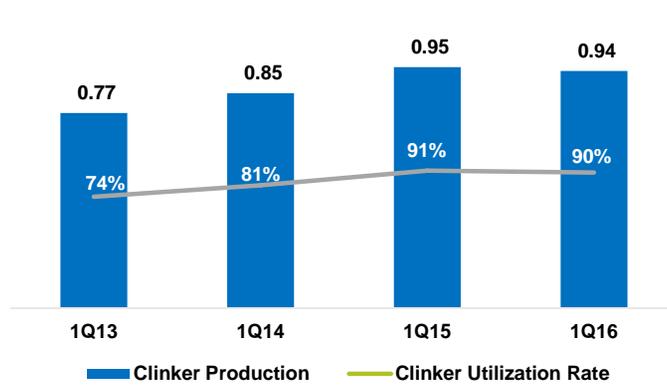
- ACC was able to run its maximum coal capacity for both lines. on the back of the availability of diesel and AF as a complimentary source of fuel.
- The company was successful in installing the hot disc for the burning of alternative fuels. With the hot disc, ACC aims to substitute up to 30% of its energy needs.
- With the current installations in place, ACC expects to operate at the maximum clinker utilization rate in 2016.

Period Highlights (continued)

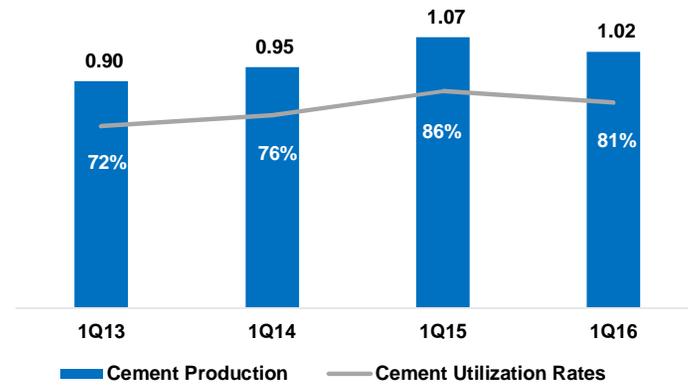


Main KPIs

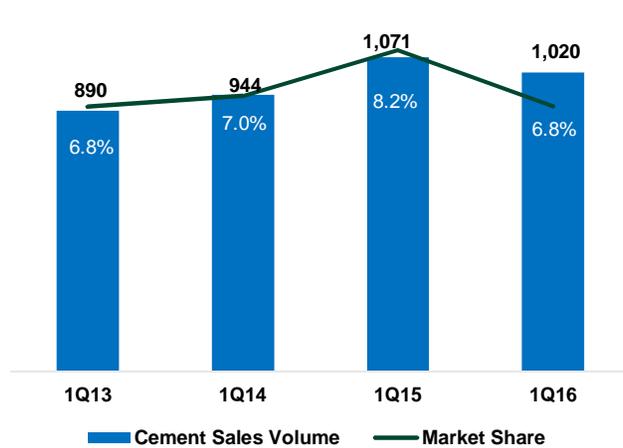
Clinker Production (MN MT) and Utilization Rates



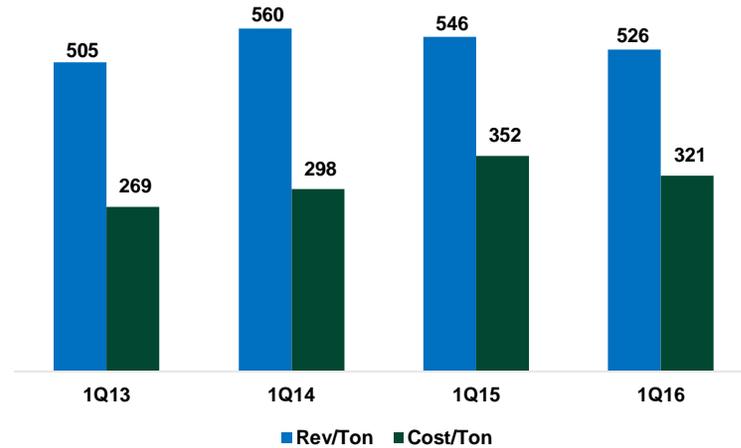
Cement Production and Utilization Rates



Sales and Market Share (MN MT)



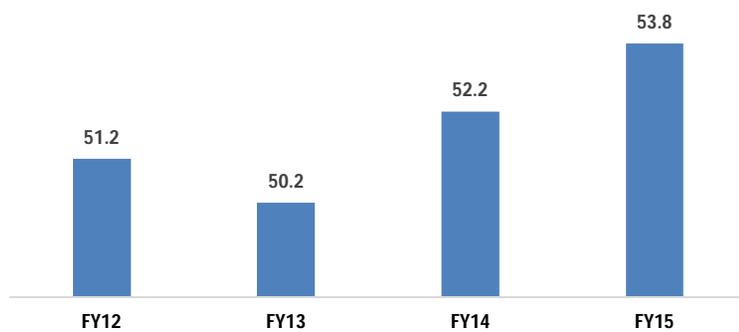
Revenues, COGS and EBITDA (EGP/ton)



Egyptian Cement Market

Demand and Supply Synopsis

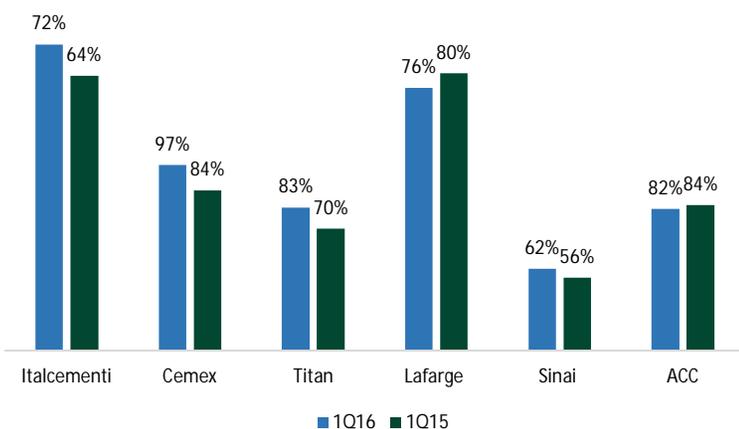
Domestic Consumption (MMT)



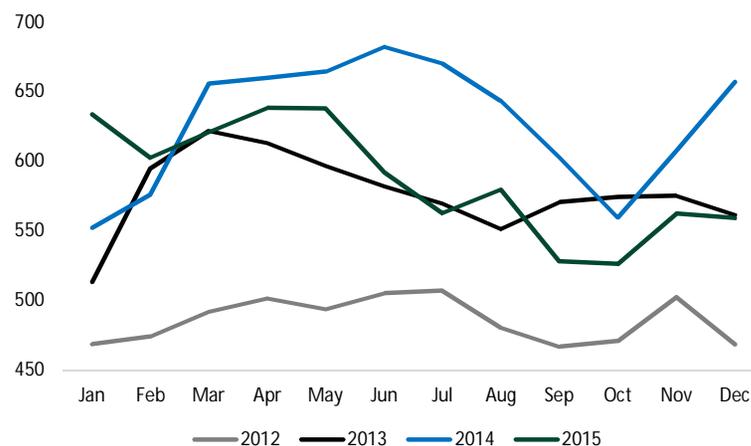
Egyptian Market Overview

- The market is primarily driven by local consumption, which has been relatively stable over the past few years despite political and economic unrest.
- Residential housing demand is expected to continue to be driven by its growing population and marriage rates, ensuring a consistent demand.
- Egypt suffers from low levels of spending on infrastructure and the quality of the infrastructure is relatively low and requires constant maintenance and repair.
- The government is now focusing on stimulating the housing and infrastructure spending as they are one of the major pillars of the economic development.
- 2016 has started on solid footing, with increasing demand. Prices have also recovered at the end of March. Our strategy during 2016 will be to maintain our premium price position, favoring profitability over volumes.

Domestic Capacity Utilization



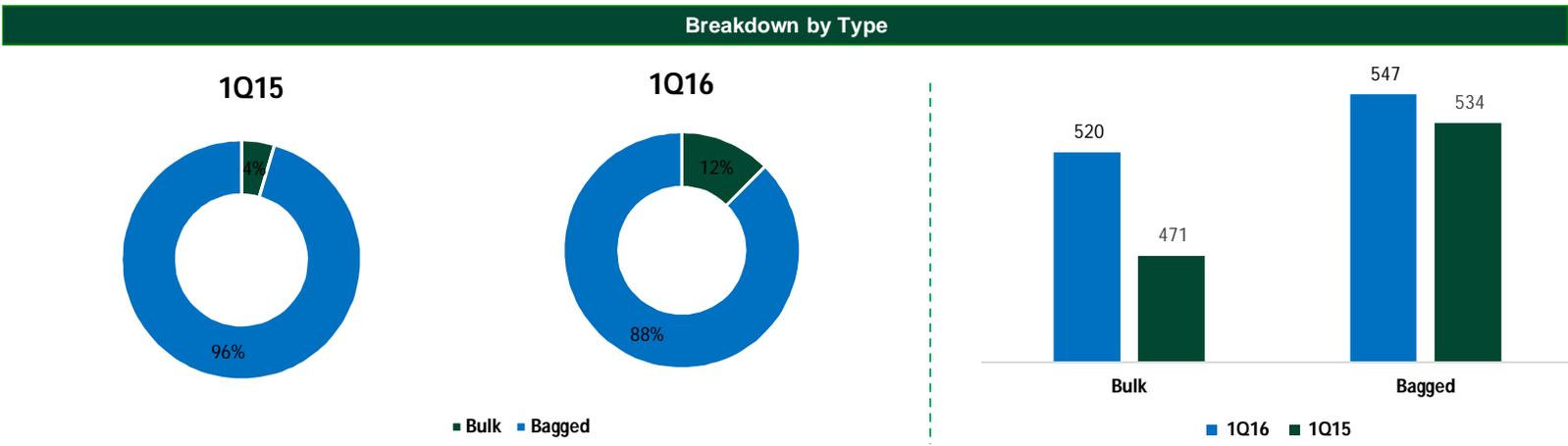
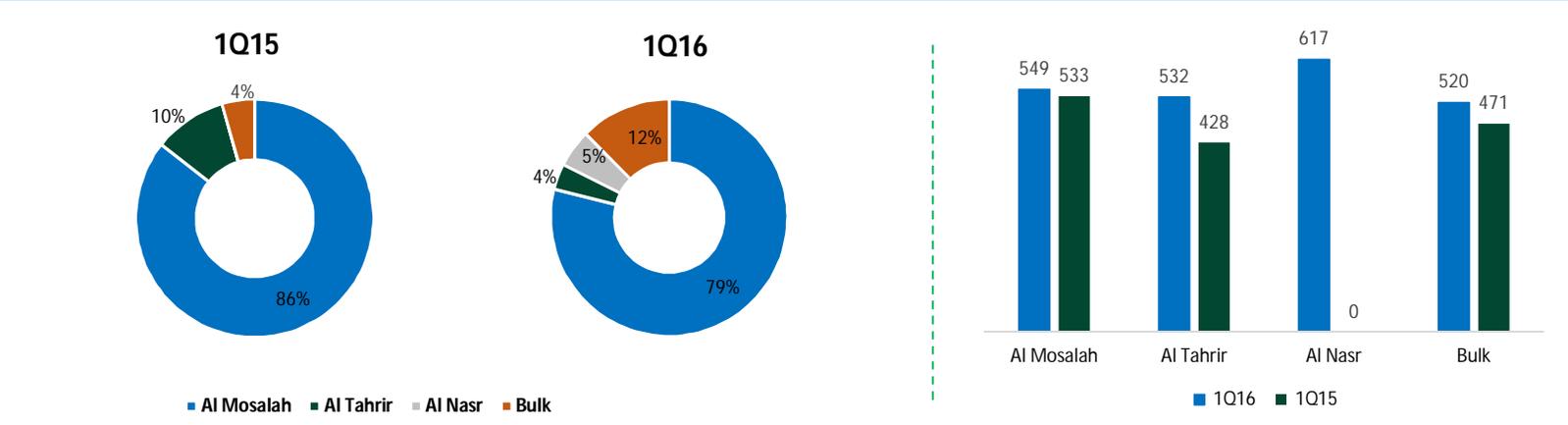
Average Market Retail Prices (EGP/ton)



Sales Overview

Quantities Breakdown

Quantities Breakdown	Prices (EGP/ton)
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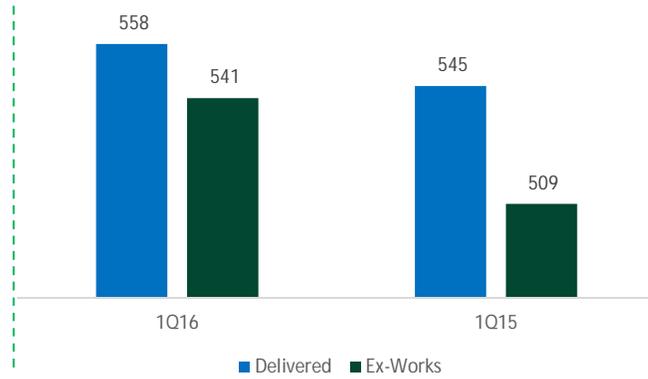
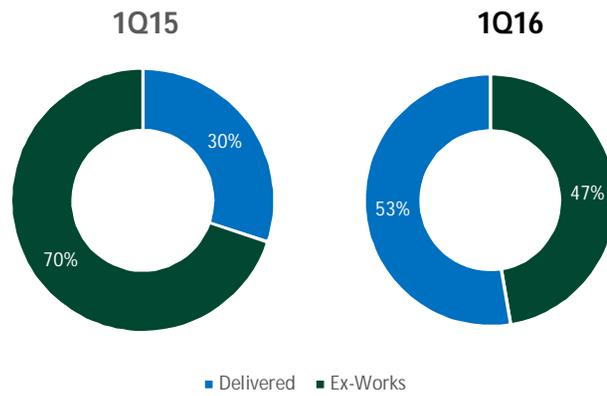


Sales Overview

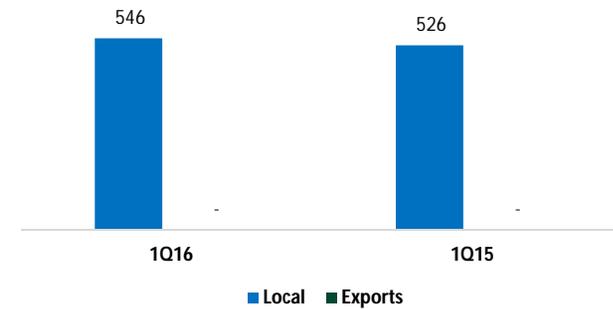
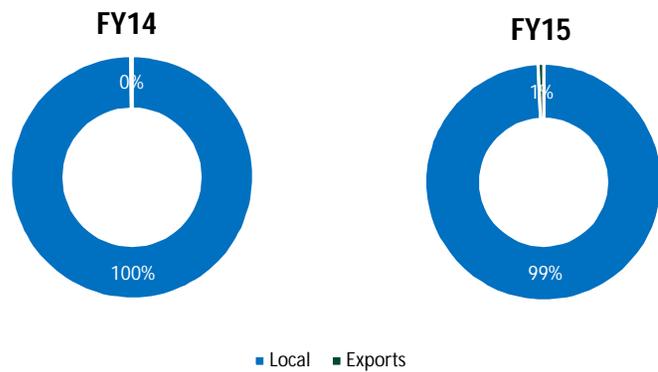
Quantities Breakdown

Quantities Breakdown	Prices (EGP/ton)
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Breakdown by Point of Sale



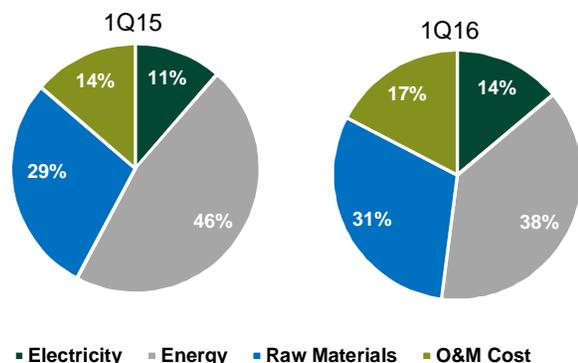
Breakdown by Market



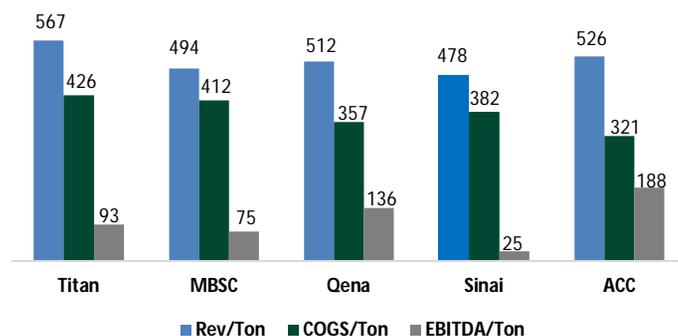
COGS Overview

COGS and ACC Cost Advantages

COGS Breakdown



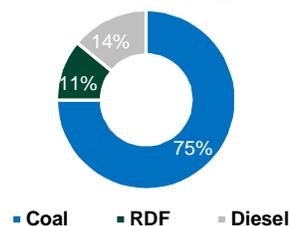
ACC & Competition (EGP/ton)



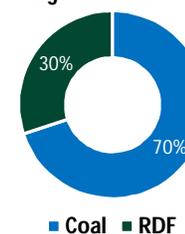
ACC Cost Advantages

- ACC moved ahead of other industry players with embarking on alternative energy investments with aims to offer the ability to substitute up to 100% of its energy needs.
- RDF:**
 - The Company started using RDF in November 2013.
 - During 1H15, the company used RDF to generate between 7-10% of its energy requirements. Starting June 2015 the company started commissioning the hot disc operations to enable using alternative fuels of up to 30% of the total energy needs.
 - Other than ACC, Italcementi, Cemex and Lafarge are currently using RDF to generate part of their energy needs.
- Coal:**
 - The company now has the technical capability to substitute 70% of energy needs through coal and 30% through RDF.
 - Coal is imported from Dekhiela port in Alexandria, Sokhna port has not been permitted to import coal yet. Imports are coming through Adabeya port as well.

Current Fuel Mix

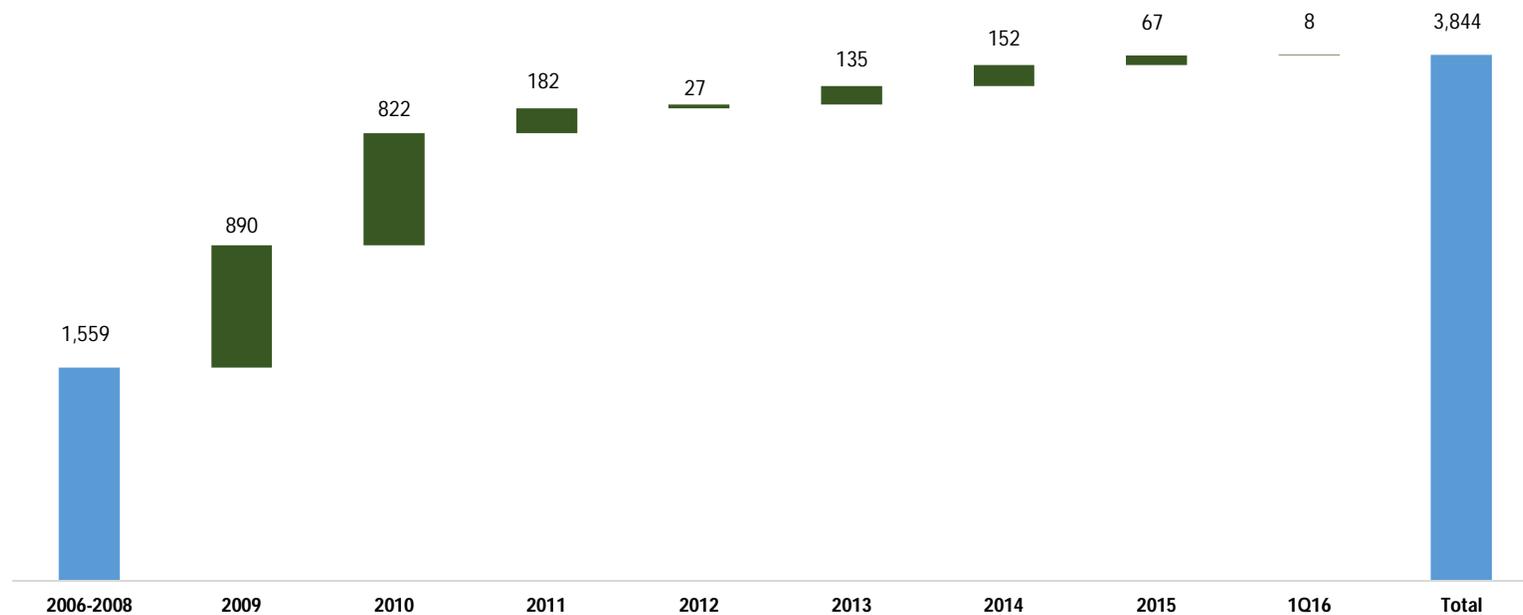


Target Fuel Mix



CAPEX Overview

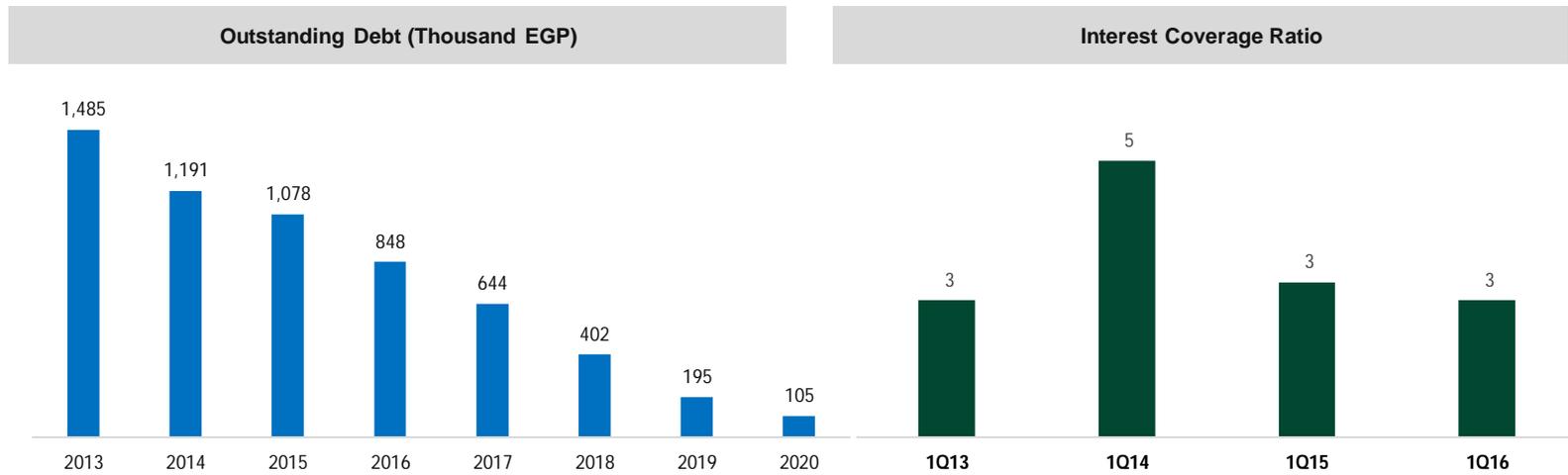
CAPEX (MN EGP)



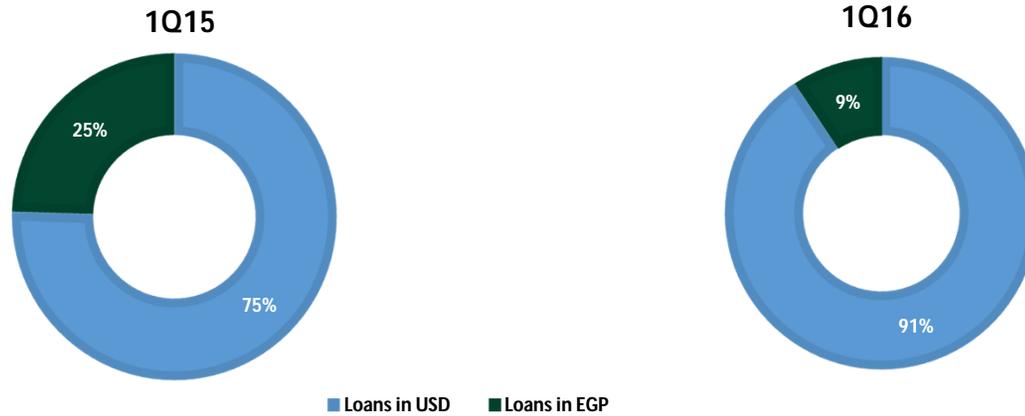
- The company paid EGP8 mn during 1Q16 for HOT DISC completion and maintenance CAPEX.
- Total CAPEX for 2016 is around the same as 2015. the amount will be spent on cost saving projects for the By-pass dust dosing in cement mills and replacing line 1 air lifts with bucket elevator project.
- Another EGP18mn for environmental requirements of air monitors. And EGP20mn for strategic spare parts.

Debt

Outstanding Debt & Debt Structure



Loans Structure (EGP vs. USD)



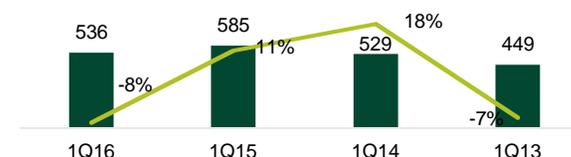
FY15 Financials Review

Income Statement

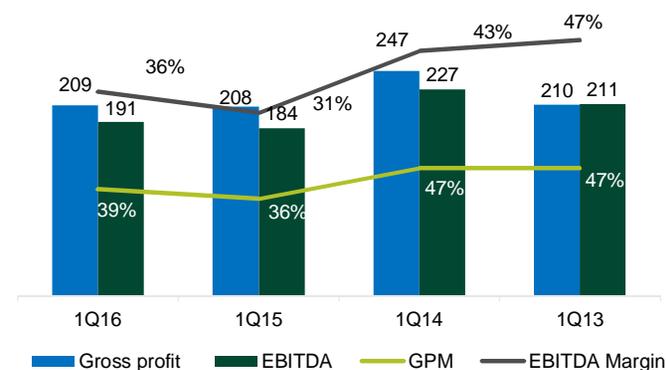
- Revenues declined 8% in 1Q16 compared 1Q15.
- Cost/ton declined by 9% to EGP321 in 2015 due to utilization of the solid fuels mill, successful installation of equipment for the AF, cost optimizations in operations and logistics and lower consumption of imported clinker.
- SG&A margin stood at 4% similar to 1Q15.
- FX losses incurred on the back of the CBE's decision to devalue the EGP against the USD to reach EGP8.83.

MN EGP	1Q16	1Q15	1Q14	1Q13
Revenue	536	585	529	449
Cost of goods sold	327	377	282	240
Gross profit	209	208	247	210
GPM	39%	36%	47%	47%
SG&A Expenses	19	24	20	12
Other income	1	1		13
EBITDA	191	184	227	211
EBITDA Margin	36%	31%	43%	47%
Depreciation & Amortization	49	48	47	47
EBIT	142	136	180	164
EBIT Margin	26%	23%	34%	36%
Foreign exchange	76	31	2	49
Loan interest expense	6	5	8	17
Operating license interest expense	11	11	11	11
Electricity agreement interest expense	3	3	3	3
Long-term notes payables	0.3	0	0.6	0
Interest income	0	0	0	0.4
Finance cost, net	20	19	23	31
Net profit before tax	46	86	155	84
PBT Margin	9%	15%	29%	19%
Deferred tax	2	6	3	5
Income tax expense	11	24	36	0
Net profit	33	56	116	79
NPM	6%	10%	22%	18%

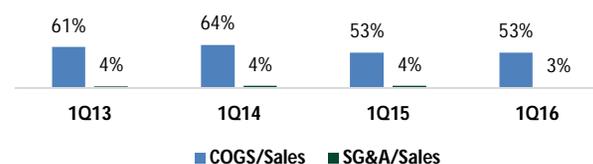
Revenues (Thousand EGP)



GP and EBITDA (Thousand EGP)



Efficiency Ratios

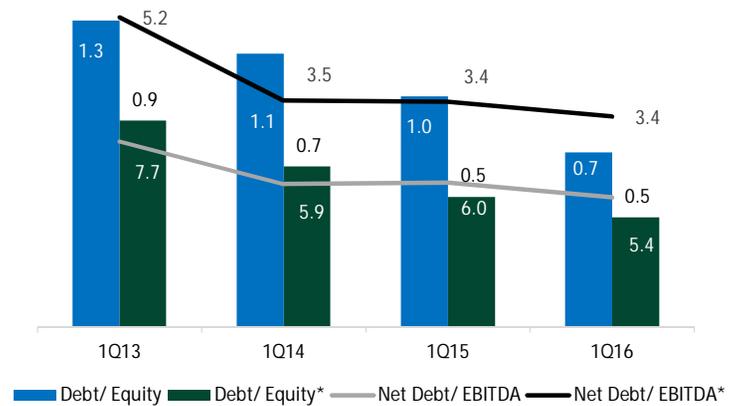


FY15 Financials Review

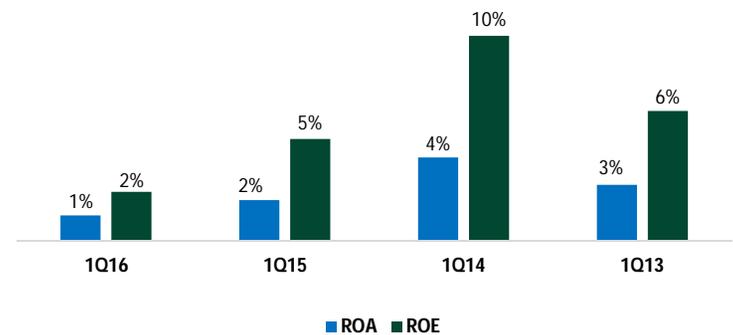
Balance Sheet

MN EGP	1Q16	1Q15	1Q14	1Q13
Assets				
Non-current Assets				
Property plant and equipment, net	2,494	2,639	2,657	2,299
Projects under construction	128	97	103	5
Intangible assets	104	126	149	637
Investment in subsidiaries	21	9	9	9
Payments under long-term investment				
Total Non-current Assets	2,747	2,872	2,918	2,950
Current Assets				
Inventory	178	293	143	81
Debtors and other debit balances	81	94	73	346
Due from related parties	7	17	16	11
Cash and bank balances	338	196	119	189
Total Current Assets	604	600	350	628
Current Liabilities				
Provisions	16	9	7	1
Current tax liabilities	82	159	37	
Trade payables and other credit balances	388	622	284	228
Due to related parties	7	3	1	
Borrowings - short term portions	126	353	321	327
Short-term liabilities	82	69	69	127
Total Current Liabilities	702	1,215	720	682
Net (Deficit) Surplus in Working Capital	-98	-615	-370	-54
Total Invested Funds	2,649	2,257	2,549	2,896
Represented in:				
Equity				
Paid up capital	757	757	757	757
Legal reserve	156	156	119	77
Retained earnings	501	235	306	439
Total Equity	1,415	1,148	1,183	1,273
Non-current Liabilities				
Borrowings - long term portions	520	269	470	767
Deferred income tax liability	331	357	340	322
Long-term liabilities	383	482	556	534
Total Non-current Liabilities	1,234	1,108	1,366	1,623
Total Equity and Non-current Liabilities	2,649	2,257	2,549	2,896

Gearing



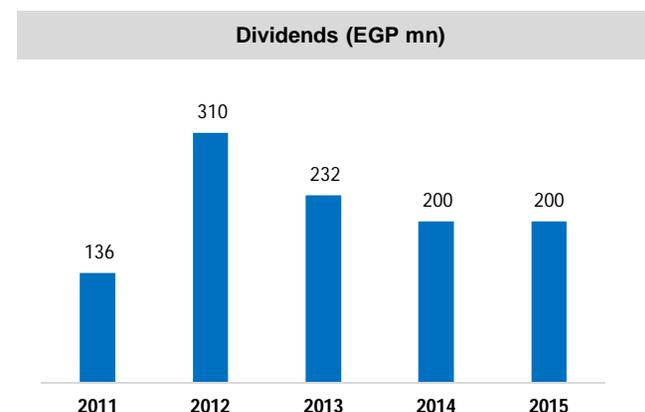
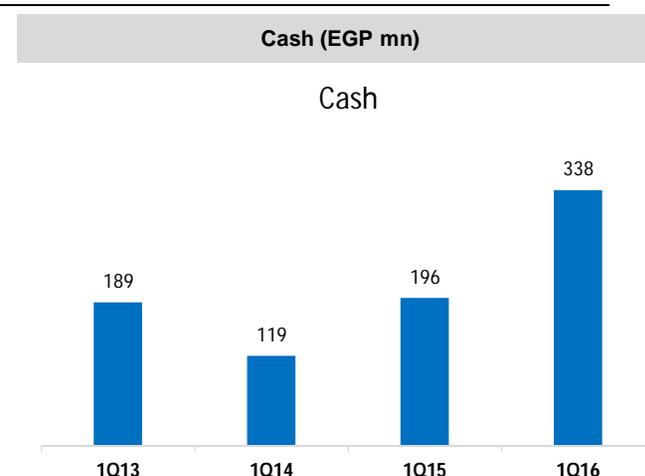
Return Ratios



FY15 Financials Review

Cash Flow Statement

MNEGP	1Q16	1Q15	1Q14	1Q13
Cash flows from operating activities				
Net profit before tax	46	86	155	84
Interest income	-1	19	23	31
Interest expense	20	-0.2	-0.1	-0.4
Depreciation expense	44	43	41	34
Amortization of intangible assets	6	6	6	12
Gain from sale of property plant and equipment	0	0	0	0
Dividends from joint venture	0	0	0	0
Provision	0	0	0	0
Changes in working capital	115	154	225	161
Debtors and other debit balances	-22	-48	-26	-11
Inventory, net	18	-92	-47	-13
Trade payables and other credit balances	-118	96	-43	-13
Due from related parties	8	0.4	2	-0.5
Tax paid		0		
Due to related parties	1	-3	-0.4	-2
Net cash from operating activities	2	107	111	121
Cash flows from investing activities				
Proceeds from dividends from joint venture				
Proceeds from sale of assets				
Interest income	1	0.1	0.1	0.4
Purchase of property, plant and equipment	0	-4	-3	-2.5
Additions in projects under construction	-4	-10	-14	-3
Payments under long-term investments	-4	0	0	0
Net cash flows used in investing activities	-6	-14	-17	-5
Cash flows from financing activities				
Payments of license liability	-22	-21	-20	-16
Payments of borrowings	-7	-13	-68	-41
Interest paid	-17	-20	-23	-32
Dividends paid	23	0	-23	0
Proceeds from bank overdraft				
Net cash flows from financing activities	-22	-54	-134	-89
Net increase (decrease) in cash and cash equivalents	-26	39	-40	27
Cash and cash equivalents at beginning of the year	365	156	158	161
Cash and cash equivalents at end of the period	338	195	118	188





For more Information Please Contact:

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www.arabiancementcompany.com