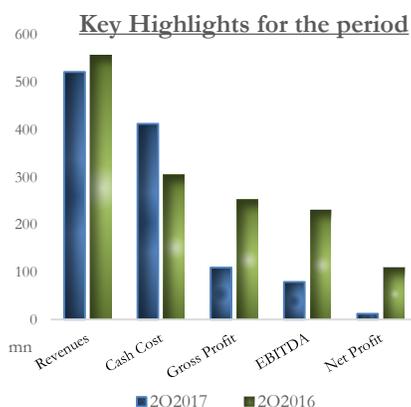


ACC maintained its sales volumes for 1H2017 despite the dropping market and seasonality.

Key Income Statement Highlights of 1H2017			
47% Decrease in EBITDA EGP 227 MN	46% Increase in SG&A EGP 58 MN	50% Decrease in Net Profit EGP 71 MN	43% Increase in cash cost/ton to EGP 452
7.2% Market share	6% Net Profit Margin	19% EBITDA Margin	FX gain in P&L EGP 16 MN

Results in a Nutshell

23 August, 2017 | Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange), a leading Egyptian cement producer, reported its results for 2Q2017.



2Q2017

ACC reported top line of EGP 522 million for 2Q2017, 6% down from the same period last year. Sales were limited by Ramadan, the feast and the harvest season, which reduced our total sales volumes by 9% y-o-y. Prices increased slightly by 3% to EGP 590/t versus EGP 573/t in 2Q2016. Exports contribution is getting more solid in the Egyptian cement market. ACC represented significantly 33% of the total market's exports. In terms of format 81% of our sales were bagged and the rest in bulk.

At cash cost level, ACC recorded a 35% increase in cash cost to be EGP 412 million with cash cost/ton of EGP 466/t, exceeding the comparable period by 49%. This was driven mainly by the escalating international coal prices exerting higher effect post floatation, paired with the inflation of domestic inputs' prices. In 2Q2017, ACC had a fuel mix of 68% coal, 22% Diesel and 10% RDF.



Gross Profit was weighed down by 57% to EGP 109 million with Gross Profit Margin standing at 21%, 24% lower than 2Q2016. This is due to the increase in cash cost that couldn't be passed on to the consumers to push up our revenues.

EBITDA for the period came in at EGP 79 million, down 66% y-o-y with lower EBITDA margin of 15%. The company recorded EGP 30 million for SG&A with SG&A: Sales of 5.8%. ACC closed its P&L with bottom line of EGP 12 million.

1H2017

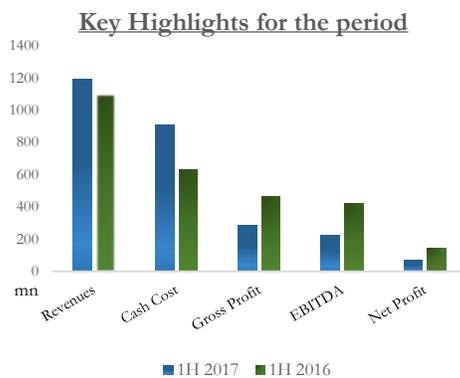
Revenues for 1H2017 came in 9% higher than 1H2016 at EGP 1,190 million. ACC was able to maintain its sales volumes over the 2 comparable periods and increase prices by 8% in 1H2017 to reach an average net price of EGP 595 versus EGP 549 in the same period last year.

It's worth noting that the Egyptian market suffered a 9% decrease in volumes in 1H2017 as a result of the economic reforms and inflation that lowered the consumers' purchasing power, however ACC maintained volumes for the period. It also marked up its local market share from 7.0% in 1H2016 to 7.2% in the recent period with 2 million tons. Moreover, our exports represented 38% of the markets' total exports.

Total cash cost and cash cost/ton noticeably increased by 43% y-o-y to EGP 905 million and EGP 417 respectively. Fuel mix for 1H2017 stood at 71% coal, 18 Diesel and 12% RDF.

On a six-month basis, EBITDA stood at EGP 227 million in 1H2017, down 46% y-o-y, and with an EBITDA margin of 19% compared to 39% in the same period last year.

ACC reported an accumulated net profit of EGP 71 million for the whole period, 50% lower than the same period last year. Net profit was weighed down by higher interest expense that hiked from EGP 34 million in 1H2016 to EGP 51 million in 1H2017 as a result of higher interest rates set by the CBE. In addition, depreciation expense has increased since applying the one off capitalization treatment at the beginning of 2017 post floatation. ACC carried EGP 116 million as depreciation expense on its 1H 2017 P&L versus EGP 99 million for the comparable period.





Our total outstanding debt balance is getting reduced over the first half of 2017. The USD loan has dropped from USD 44 million at the beginning of the year to USD 40 million. Also, ACC paid off EGP 44 million to reduce the EGP debt balance from EGP 375 million to EGP 341 by the end of 1H2017.

ACC obtained a loan from the National Bank of Egypt amounted EGP 231 Million to finance 100% of the total investment cost which is needed for the construction of Second Coal mill, Bucket elevator and Bypass dust system which will help the company to reduce the cost of production and achieve better fuel mix of about 80% coal and 20% RDF. Diesel will be excluded after lifting its governmental subsidy.

Outlook

Despite the fact that demand was relatively low in the 1H2017, the Egyptian market volume is expected to improve over the coming period. This became clear from the beginning of July as prices started to go up in the market as well as the demand.

Post floatation, it's clear that foreign markets are now open for the Egyptian cement. Exports have witnessed a remarkable increase in the previous half and it will become a higher share of the Egyptian cement sales. ACC aims to increase its exports in the coming quarters by looking after new attractive markets.

About Arabian Cement Company

Arabian Cement Company (ACC) was first established in 1997 by a group of Egyptian entrepreneurs, who aspired to establish a leading Egyptian cement company. The cement factory is located in the Suez Governorate.

It has a capacity of 5MM tons of first quality cement, approximately 7% of Egypt's production capacity. ACC is held by Cementos La Union, a Spanish investor with 60% stake, 15.5% is held by El Bourini family, 2% Mena Building Material investment and 22.5% is traded on the EGX.

Its brand "Al Mosallah" enjoys undisputed prestige and is considered among the best cements produced in Egypt. For further information, please refer to www.arabiancement.com



For further information, please contact:

Karim Naguib
Budgeting & Investor Relations Manager
Tel: +202 25371184/79/76 (Ext. 302)
E-mail: knaguib@acceg.com
IR@acceg.com

Morin Mikhail
Budgeting & IR officer
Tel: +202 25371184/79/76 (Ext. 152)
E-mail: mmikhail@acceg.com
IR@acceg.com

Forward-Looking Statements

Statements contained in this document that are not historical facts are based on current expectations, estimates, projections, opinions and beliefs of Arabian Cement Company (ACC). Such statements involve known and unknown risks, uncertainties and other factors; undue reliance should not be placed thereon. Certain information contained herein constitutes "targets" or "forward-looking statements," which can be identified by the use of forward-looking terminology such as "may," "will," "seek," "should," "expect," "anticipate," "project," "estimate," "intend," "continue" or "believe" or the negatives thereof or other variations thereon or comparable terminology. Actual events or results or the actual performance of ACC may differ materially from those reflected or contemplated in such targets or forward-looking statements. The performance of ACC is subject to risks and uncertainties.

Summary Performance EGP

Key Indicators	Unit	2Q2017	2Q2016	Variance %	1H2017	1H2016	Variance %
National Sales	K Tons	12,473	13,255	-6%	25,760	28,345	-9%
ACC Clinker Production	K Tons	796	752	6%	1,694	1,692	0%
ACC Clinker Utilization Rate	PCT	75.8%	71.6%	4%	80.7%	80.6%	0%
ACC Cement Production	K Tons	900	964	-7%	2,041	1,980	3%
ACC Cement Utilization Rates	PCT	76.6%	82.0%	-5%	86.8%	84.3%	3%
ACC Cement Sales Volume	K Tons	884.5	973.3	-9%	2,000	1,993	0%
Market Share	PCT	7.1%	7.3%	-1%	7.2%	7.0%	0%
Revenues	MMEGP	522	558	-6%	1189	1094	9%
Rev/Ton	EGP	590	573	3%	595	549	8%
Cash Cost	MM EGP	412	305	35%	905	632	43%
Cash Cost/Ton	EGP	466	314	49%	452	317	43%
EBITDA	MM EGP	79	231	-66%	227	422	-46%
EBITDA/Ton	EGP	90	237	-62%	113.28	211.81	-47%
EBITDA Margin	PCT	15.1%	41.4%	-26%	19.1%	38.6%	-20%
Gross Profit	MM EGP	109	252	-57%	285	462	-38%
Gross Profit Margin	PCT	20.9%	45.21%	-24%	23.9%	42.22%	-18%
COGS/Sales	PCT	79%	55%	24%	76%	58%	18%
SG&A	MM EGP	30	21	43%	58	40	46%
SG&A/Sales	PCT	5.8%	3.8%	2%	4.9%	3.6%	1%
Exchange differences	MM EGP	-6	27	-121%	-16	103	-115%
Depreciation & Amortization	MM EGP	58	49	18%	116	99	18%
Net Profit	MM EGP	12	109	-89%	71	143	-50%
Net Profit Margin	PCT	2.4%	19.6%	-17%	6.0%	13.1%	-7%
Outstanding Debt	MM EGP	1,053	1,051	0%	1,053	1,051	0%
Debt/Equity		0.9	0.8	0.1	0.9	0.8	0.1
Total Volume Transported	K Tons	392	409	-4%	834	892	-7%