

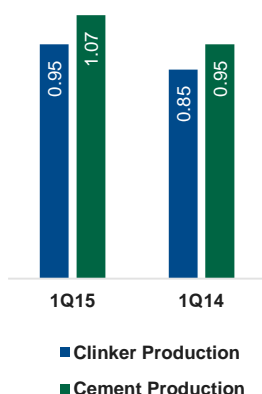


Arabian Cement Company Reports Strong Top-Line Growth in 1Q 2015

1Q 2015 witnessed lower performance on the back of higher costs and EGP devaluation.

Key Highlights of 1Q 2015			
11% rise in Revenues to EGP 585 mn	13% growth in Sales to 1.07 mn tons	EGP 184 mn EBITDA	91% Clinker utilization
2% decline in Rev/ton to EGP 546	18% increase in cost/ton to EGP 352	31% EBITDA margin	4% SG&A margin

Mn tons



20 May 2015 | Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange), a leading Egyptian cement producer, reported its results for 1Q 2015. Revenues for the period increased by 11% to EGP585 mn, compared to EGP529 mn in the same period of 2014, driven mainly by a 13% increase in volumes.

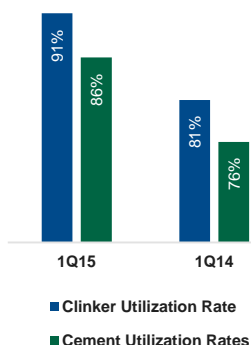
EBITDA stood at 184 mn, 19% below than the comparison period of 1Q 2014 (EGP227 mn). Profit Before Tax declined by 45% compared to 2014 reaching EGP86 mn. Net Profit dropped 52% y-o-y to EGP56 mn, while Net Profit Margin was down 12 ppt to 10%.

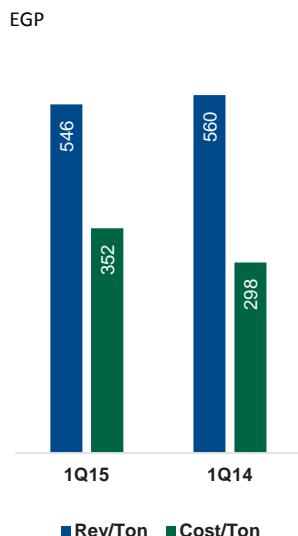
Comments on the Period

Several factors impacted 1Q 2015 results, mainly higher costs of production driven by larger transported quantities at higher cost, followed by use of imported clinker in January and an EGP devaluation (EGP31 mn). On the revenue side, a 2 % decrease of prices was also witnessed compared to 1Q 2014.

During 1Q 2015 Market prices fluctuated from a high point in January of and average of EGP651/ton to a low in February of EGP613/ton recovering in March to EGP627/ton. Yet, ACC still managed to increase its sales and increase its market share during 1Q 2015 to 8% up from the 7% in 1Q 2014. Cement sales increased by 13% reaching 1.07 mn tons compared to 0.944 mn tons in 1Q 2014.

In Q1 2015 the company did not receive any gas supplies. Instead, the government provided sufficient quantities of diesel. Accordingly, using coal, diesel and refuse derived fuel, the company achieved clinker utilization of 91% (0.955 mn tons clinker compared to 0.852 mn tons). ACC's energy mix during 1Q 2015 was 66% coal/petcoke, 28% diesel and 5% alternative fuels (AF).





On the cost/ton basis, we witnessed an increase of 18% to reach EGP352. Such increase is mainly the result of higher transported quantities (10 EGP/ton), Use of imported clinker coming from 2014 (10 EGP/ton), increase in electricity prices and prices of energy in general. On the other hand, SG&A margin stood at 4% similar to Q1 2014.

EBITDA declined by 19% Y-o-Y to EGP184 mn in 1Q 2015. Whereas, EBITDA margin recorded 31% compared to 43% in 1Q 2014. However, it increased by 2 ppt Q-o-Q.

In January 2015 the CBE took the decision to devalue the EGP against the USD to reach EGP7.53. This had its impact on the company's accounts in terms of FX losses which stood at EGP31mn compared to EGP2.3 mn in 1Q 2014. As a result, ACC achieved a net profit of EGP56 mn, while net profit margin still recorded a healthy 10%.

Our Balance Sheet, meanwhile, is still strong, with a 3% reduction in outstanding debt and an acceptable debt/ equity ratio to 1.

1Q 2015 has been a tough quarter for ACC, mainly due to one off expenses in our COGS, lower prices that could not recoup the increase in transportation as well as EGP devaluation against the USD. Yet, on the operational side, ACC succeeded in operating at above 90% clinker capacity and increased sales volume and market share compared to 1Q 2014.

Outlook

We are still confident that the Egyptian market still holds strong potential growth. We are optimistic that the country is on the right course for a continuation of economic growth and political stability. By end of May, we will have also finished our conversion to our final fuel mix, which should see increased availability and decreased costs, positioning us in the lead line for the second half of the year in terms of capacity and sales. However, any delays in the implementation of the announced projects would definitely have its effect on the expected growth in demand. On the other hand, prices are now returning to previous levels and are now higher than end of 2014.

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 produces 5mn tons of first quality cement, approximately 10% of Egypt's production. The company is a joint venture between Cementos La Union, a Spanish investor holding the majority of shares, and a group of Egyptian investors.

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

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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 (in EGP)

	1Q 2015	1Q 2014	Variance
National Consumption	15,063	15,156	-1%
Clinker Production	954,922	851,815	12%
Clinker Utilization Rate	91%	81%	10%
Cement Production	1,074,065	954,705	13%
Cement Utilization Rates	86%	76%	10%
Cement Sales Volume	1,071,479	944,303	13%
Market Share	8%	7%	1%
Revenues	585,300,706	528,623,719	11%
Rev/Ton	546	560	-2%
COGS	377,274,292	281,734,819	34%
Cost/Ton	352	298	18%
EBITDA	184,351,076	227,075,417	-19%
EBITDA/Ton	172	240	-28%
EBITDA Margin	31%	43%	-12%
Gross Profit	159,729,335	200,158,915	-20%
Gross Profit Margin	27%	38%	-11%
COGS/Sales	64%	53%	11%
SG&A	23,675,338	19,813,483	19%
SG&A/Sales	4%	4%	
FX Loss	30,544,951	2,318,715	1217%
Depreciation & Amortization	48,297,079	46,729,985	3%
Interest expenses	19,399,115	22,609,813	-14%
Deferred tax	6,000,000	2,900,007	107%
Income Tax	24,084,081	36,095,296	-33%
Net Profit	56,025,850	116,421,601	-52%
Net Profit Margin	10%	22%	-12%
Outstanding Debt	1,174,012,098	1,207,745,820	-3%
Debt/Equity	1.00	0.93	

Based on standalone Financial Statements