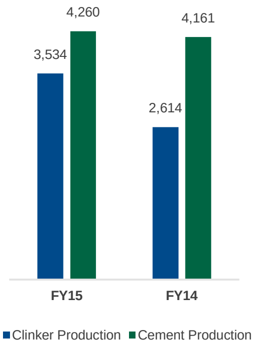
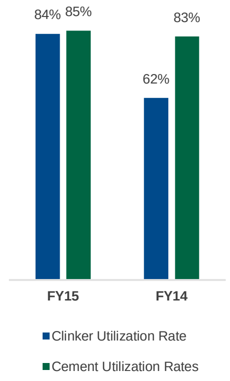
Increased Production and Sales, Lowers Prices and Costs

Energy availability throughout the industry created additional capacity , resulting in lower prices due to intensified competition. However, ACC reported decrease of costs as well as increase of sales and production on the back of operations using coal & alternative fuels.

Key Income Statement Highlights of FY 2015

3% Increase in volumes to 4.3 mn tons	35% Growth in clinker production to 3.5 mn tons	84% Clinker utilization	85% Cement utilization
8% Market share	9% Reduction in cost/ton to EGP 343	30% EBITDA Margin	4% of SG&A/ Sales



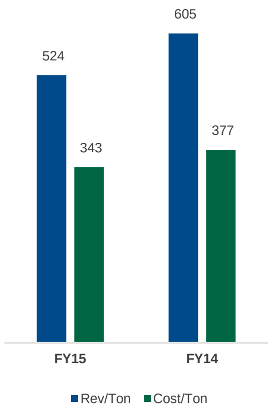


04 April 2016| Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange), a leading Egyptian cement producer, reported its results for 2015. Revenues for the period declined 11% to EGP 2,236 mn, compared to EGP 2,499 mn in 2014, due to a decline in prices despite the increase in sold volumes.

Profit before Tax (**PBT**) was EGP339 MM, posting a reduction of 35 % compared to 2014. Net Profit (**NP**) dropped 22% YoY to EGP 289 mn, less than PBT thanks to the change of tax rates (30% to 22.5%), while Net Profit Margin (**NPM**) was down 2 ppt to 13%.

Comments on the Period

2015 was a surprising year overall. Contrary to the expectations, government and companies were able to source fuel (from HFO to Coal or petcocke) resulting in high utilization rates. This excess supply paired with weak growth in demand created an environment that favored a general downward trend in prices, reaching an average of EGP524/ton (-13 % vs 2014). In this context, although ACC



increased the volume sold in line with the country demand (3%), and maintained its market share at 8%, it still witnessed a decline in the top line of 11 %.

On the production side, ACC managed to increase clinker production by 35% and cement production by 2%, with both utilization rates jumping to 84% and 85% respectively.

Regarding COGS, ACC managed to reduce its cost/ton by 9% from EGP377 in 2014 to EGP343 in 2015. The reduction was due to a few factors: a) full utilization of the solid fuels mill, b) the successful installation and introduction of all remaining equipment for the usage of AF c) cost optimizations in operations and logistics and d) much lower consumption of imported clinker. The reduction of costs on the fuel side were achieved through an energy mix of 78% coal, 11% diesel and 11% alternative fuels.
Nevertheless, such improvements in operations were offset by a decline in prices leading to a weaker GPM of 26% compared to 30% in 2014.

SG&A spending declined 13% YoY to EGP93 mm. The main reason was lower general logistics costs due to optimization of the distribution network and non-recurring fees in 2014 related to the IPO. SG&A/sales ratio stood at 4% similar to 2014. However, the effect of lower prices dragged through the P&L generating EGP669 mm on the EBITDA level, which was 20% below YoY, EBITDA margin stood at 30%, declining from 33% in 2014.

Further down in the income statement, and as a result of the EGP devaluation against the USD, ACC incurred 2015 FX losses of EGP44mn compared to EGP26mn in 2014. Those losses come mainly from the reevaluation of ACC liabilities denominated in USD. On the other hand, the corporate income tax rate has been reduced to 22.5% compared to 30% the previous year. That had an effect on current total tax and a one off positive effect on deferred tax.

Overall, ACC achieved a NP of EGP289 mn, representing 22% decline from 2014, while NPM recorded 13% with a decline of 2% compared to 2014.

Our Balance Sheet is strong, with a 12% reduction in outstanding debt and an improvement in debt/equity ratio to 0.8

To conclude, 2015 surprised the industry with better production environments than anticipated, coupled with very weak growth during the first half of the year.

The second half saw an acceleration of country demand (8%), but not enough to absorb all available capacity. But despite these challenges, ACC succeeded to keep its market share, and maintain its edge of low production cost compared to other cement players.

Outlook

Throughout 2015, demand witnessed an increase of 3% over 2014 reaching 53.8 MM tons. 2016 has started on solid footing, with an estimated increase of 11 % in demand in 1Q16. Prices have also recovered and at the end of March, our main brand **Al Mussallah** was being traded in the market at 720 EGP/MT. Our strategy during 2016 will be to maintain our premium price position, favoring profitability over volumes. In summary, we still believe that the Egyptian market holds strong potential growth based on the underlying fundamentals and we want to continue to contribute to its growth while maximizing our profit.

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 5MM tons of first quality cement, approximately 10% of Egypt’s production. ACC is a joint venture between Cementos La Union, a Spanish investor with 60% stake, and the remaining 17.5% is held by El Bourini family and 22.5% is the size of the free float.

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: 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 (in EGP)

	2015	2014	Variance
National Consumption	**53,800,197**	**52,233,659**	**3%**
National Production	**53,849,765**	**52,081,237**	**3%**
Clinker Production	**3,534,389**	**2,614,354**	**35%**
Clinker Utilization Rate	**84%**	**62%**	
Imported Clinker	**219,198**	992,668	-78%
Cement Production	**4,259,845**	**4,161,297**	**2%**
Cement Utilization Rates	**85%**	**83%**	
Cement Sales Volume	**4,271,201**	**4,130,418**	**3%**
Market Share	**8%**	**8%**	
Revenues	***2,236,127,591***	***2,498,734,060***	***-11%***
Rev/Ton	524	605	-13%
COGS	1,466,357,744	1,558,936,045	-6%
Cost/Ton	343	377	-9%
Production Cost/Ton	304	349	-13%
Transportation Cost/Ton	29	20	49%
Other Overheads Cost/Ton	10	9	9%
EBITDA	668,864,047	833,335,645	-20%
EBITDA/Ton	157	202	-22%
EBITDA Margin	30%	33%	
Gross Profit	573,249,200	749,147,942	-23%
Gross Profit Margin	26%	30%	
COGS/Sales	66%	58%	
SG&A	92,890,427	106,482,652	-13%
SG&A/Sales	4%	4%	
FX Loss	44,004,095	25,856,362	70%
Depreciation & Amortization	196,520,647	190,650,073	3%
Interest expenses	89,544,615	94,560,609	-5%
Profit Before Tax	339,088,857	522,181,462	-35%
Deferred tax	21,910,624	14,127,553	-255%
Income Tax	71,556,188	134,923,345	-47%
Net Profit	289,443,293	373,130,564	-22%
Net Profit Margin	13%	15%	
Outstanding Debt	1,050,701,637	1,200,241,820	-12%
Equity	1,381,642,611	1,295,116,546	7%
Debt/Equity	0.8	0.9	

Based on standalone Financial Statements