Arabian Cement Company grows sales volumes, revenues and earnings per share in Fiscal Year 2018.

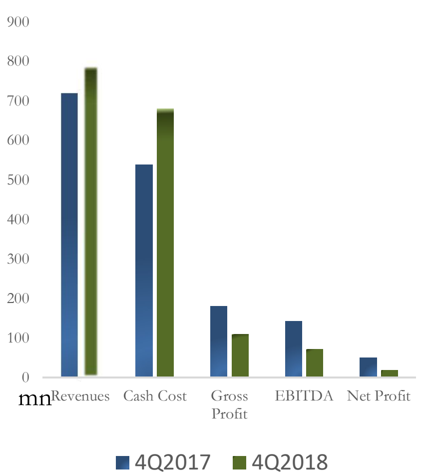
Key Income Statement Highlights of Fiscal Year 2018

16% Growth in EBITDA EGP 588 MN	4.3% SG&A:Sales	7% Growth in Net Profit EGP 234 MN	16% Upsurge in cash cost/ton to EGP 546
7.6% Local Market share	7% Net Profit Margin	19% EBITDA Margin	FX Loss in P&L EGP 3.9MN

Results in a Nutshell

14 March, 2019| Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange), a leading Egyptian cement producer, reported its results for fiscal year 2018.

Key Highlights for the period



Q4 2018

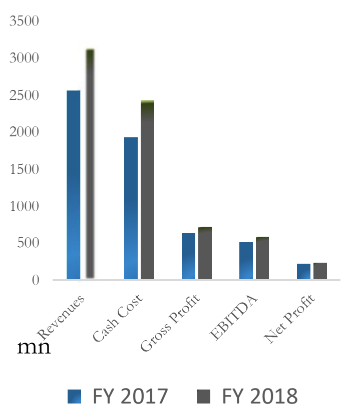
ACC reported a 10% y-o-y increase in Q4 2018 revenues. Top line growth, which recorded EGP 791 million, came on the back of mainly higher volumes and a slightly improve in prices. Volumes were up 8% y-o-y to 1,156K for the quarter. Revenue/ton increased by 2% to reach an average of EGP 684/ton versus EGP 670/ton in the comparable period. ACC sustained its position as a leading player in the Egyptian cement export market with 44% export market share. As for the company, exports contributed by 19% of the total sales volumes. In terms of format 66% of our sales were bagged, 26% was bulk, and the rest was clinker exported abroad.

Cash cost for the quarter considerably increased by 26% y-o-y to EGP 681 million, as a result of mainly the energy subsidy cut and the increase of sales. Cash cost stood at EGP 589/ton, 18% higher than 4Q2017. Fuel mix of 4Q2018 was 83% Coal and 17% RDF.

Consequently, the company's gross profit excluding depreciation dropped by 40% y-o-y to come in at EGP 110 million with gross profit margin of 14%. EBITDA for Q4 2018 came in at EGP 72 million, affected by the hiking cash cost and the slight increase in revenues. EBITDA margin stood at 9%. Our income statement carried a bottom line of EGP 19 million for the quarter with net profit margin of 2%.

It is worth noting that at the end of Q4 2018, ACC rescheduled its USD denominated debt with European bank for Reconstruction and Development (EBRD), amounting USD 25 million and all its EGP loans with the Commercial International Bank (CIB). In both cases, ACC managed to improve the pricing and extend the tenor at the same time. The new level of debt is considered comfortable for ACC, with competitive conditions. Adding time for repayment will bring liquidity and flexibility to the company. Thanks to the rescheduling, a tax credit of EGP 36 million was reported because of unrealized FX losses in previous years, which were not recognizable for tax purposes, but were realized after restructuring our USD debt during the quarter.

Key Highlights for the period



Fiscal Year 2018

Fiscal year 2018 was a challenging one as the new capacity that was introduced to the market affected the prices negatively in H2 2018, in parallel with an increase in the electricity tariffs, Clay tax and transportation costs which added pressure on the profitability margin.

Revenues of the year increased by 23% compared to FY 2017. This was the result of a 14% y-o-y growth in price/ton, that reached EGP 708 versus EGP 624 in the comparable period, and an 8% y-o-y increase in sales volumes. Although the total local market volumes for 2018 dropped by 6%, ACC reached a 4% y-o-y growth in the local sales. Consequently, our local market share increased to 7.6% compared to 6.9% in FY 2017. Our export sales increased by 50% y-o-y, boosted by our first clinker export deals, achieving a 45% cement export market share and a 13% clinker export market share. ACC 2018 total volumes were 4,461 K Tons which represents a 95% utilization rate, in terms of format ACC sold 74% bagged, 22% in bulk and 4% in clinker.

At the Cash Cost level, the company experienced a 16% y-o-y increase in cash cost/ton to reach EGP 546/ton versus EGP 470/ton in 2017. However, gross profit improved by 14% with gross profit margin of 23%. EBITDA of the year came in at EGP 588 million with an almost stable EBITDA margin of 19% in comparison to 20% in FY 2017. SG&A:Sales declined slightly from 4.9% to 4.3%.

ACC reported an accumulated positive bottom line of EGP 234 million, 7% higher than last year. It was supported by tax credit of EGP 36 million.

During 2018, The Company repaid a substantial amount of USD 10 million from its USD loan and drop its balance to USD 25 million. Our total outstanding debt dropped from EGP 1,266 million to EGP 1,107 million implying Net Debt/EBITDA of 1.6x.

ACC successfully signed an agreement with SolarizEgypt to establish a SPV (Solar Photovoltaic) energy plant at our site financed by QNB AlAhli under EBRD Green Economy Program. The agreement will see SolarizEgypt handling the construction and operation of the unit for a period of 25 years under a BOOT (Build Own Operate Transfer) agreement.

With investments worth EGP 100 million, the solar energy unit is expected to generate over 14 GWh/year, producing up to 4% of the total annual power supply to ACC's plant. The unit is expected to start operating by the end of 2019 second quarter, saving significant amounts of the plant's electricity expenses, incrementally every year.

Outlook

We expect that H1 2019 will be tough and cement prices in the market will be depressed, however will start increasing towards mid 2019 driven by a mix of rising production cost (Electricity and fuel prices) and a not sustainable dynamic for the cement industry in general.

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 and 24.5% 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

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Forward-Looking Statements

Summary Performance EGP

Key Indicators	Unit	Q4 2018	Q4 2017	Variance %	FY18	FY17	Variance %
Domestic Sales	K Tons	12,417	14,528	-15%	50,475	53,440	-6%
Export Sales	K Tons	504	292	73%	2,120	1,650	28%
Total Sales	K Tons	12,921	14,820	-13%	52,595	55,090	-5%
ACC Clinker Production	K Tons	1,083	856	27%	4,123	3,434	20%
ACC Clinker Utilization Rate	PCT	103%	82%	22%	98%	82%	16%
ACC Cement Production	K Tons	1,080	1,072	1%	4,289	4,144	3%
ACC Cement Utilization Rates	PCT	92%	91%	1%	91%	88%	3%
ACC Domestic Sales Volume	K Tons	938	963	-3%	3,858	3,714	4%
ACC Exports Volume	K Tons	218	111	96%	602	401	50%
ACC Total Volumes	K Tons	1,156	1,074	8%	4,461	4,114	8%
Local Market Share	PCT	7.7%	6.6%	1%	7.6%	6.9%	0.7%
Total Market Share	PCT	8.4%	7.3%	1%	8.3%	7.6%	1%
Revenues	MM EGP	791	720	10%	3160	2567	23%
Rev/Ton	EGP	684	670	2%	708	624	14%
Cash Cost	MM EGP	681	539	26%	2437	1933	26%
Cash Cost/Ton	EGP	589	501	18%	546	470	16%
EBITDA	MM EGP	72	143	-50%	588	507	16%
EBITDA/Ton	EGP	62	133	-53%	132	123	7%
EBITDA Margin	PCT	9%	20%	-11%	19%	20%	-1%
Gross Profit	MM EGP	110	181	-40%	723	634	14%
Gross Profit Margin	PCT	14%	25%	-11%	23%	25%	-2%
COGS/Sales	PCT	86%	75%	11%	77%	75%	2%
SG&A	MM EGP	38	38	-1%	135	127	6%
SG&A/Sales	PCT	5%	5%	-1%	4.3%	4.9%	-0.6%
Exchange differences	MM EGP	1	-3	-133%	4	31	-87%
Depreciation & Amortization	MM EGP	64,798	59,431	9%	247,639	234,707	6%
Net Profit	MM EGP	19	50	-63%	234	217	7%
Net Profit Margin	PCT	2%	7%	-5%	7%	8%	-1%
Outstanding Debt	MM EGP	1,108	1,267	-13%	1,108	1,267	-13%
Debt/Equity		1.0	0.8		1.0	0.8	