

ACC achieved higher y-o-y sales volumes despite the drop of the Egyptian cement market...Thanks to exports.

Key Income Statement Highlights of Q1 2017

23% Decline in EBITDA EGP 147 MN	4% SG&A: Sales ratio	77% Increase in Net Profit EGP 59 MN	38% Increase in cash cost/ton to EGP 441
7.7% Market share	9% Net Profit Margin	22% EBITDA Margin	FX Gain in P&L EGP 10MN

Results in a Nutshell

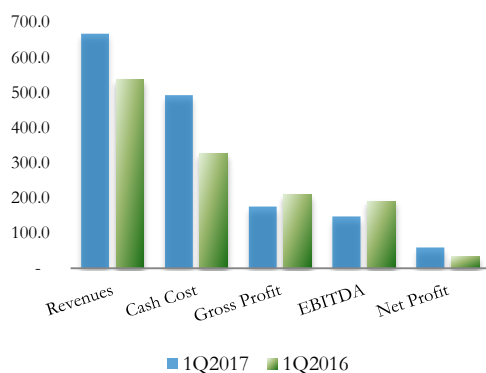
11 May, 2017 | Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange), a leading Egyptian cement producer, reported its results for Q1 2017.

Q1 2017

ACC started its fiscal year 2017 with a positive quarter and reported revenues of EGP 668 million, 24% higher than Q1 2016. This was endorsed by higher sales volumes with 9% increase y-o-y and 14% increase in prices up to EGP 599/t versus EGP 526/t in the same period last year. It's worth noting that throughout the quarter, the Egyptian cement market witnessed lower demand and thus the market volumes went down by 13% y-o-y. However, ACC domestic sales volumes dropped by only 3%. Also the company was able to increase its sales volumes through exports which became feasible after the Egyptian pound devaluation. ACC noticeably contributed by 42% of Egypt's total export sales. Exports represented 10% of the company's total sales. Further, 81% of our sales were bagged and the rest in bulk.

On cash cost level, ACC suffered an increase of 51% y-o-y to reach EGP 492 million with cash cost/t of EGP 441/t, 38% higher than Q1 2016. Different forces pushed up our cash cost such as the higher international coal prices as well as the inflation effect on raw materials' and diesel prices in Egypt post floatation. For Q1 2017, the company reached a fuel mix of 72% Coal, 14% Diesel and 14% RDF. RDF up 3% versus Q1 2016.

Key Highlights for the period





EBITDA eased 23% y-o-y to EGP 147 million after EGP 191 million in the same period last year. EBITDA margin also declined by 13% to stand at 22%. The higher sales level couldn't offset the increase in cash cost for the quarter which resulted in lower EBITDA margin. SG&A to sales stood at 4%.

ACC closed its quarter's income statement with a bottom line of EGP 59 million versus EGP 33 million for Q1 2016; 77% increase y-o-y. Consequently net profit margin increased from 6% to 9% for the quarter.

The company is repaying its debts, and the USD loan balance has been reduced by USD 3 million to reach USD 41 million by the end of the quarter. Also, the EGP debt balance closed at EGP 345 million after repaying EGP 29 million throughout the quarter.

Outlook

Management is confident that the Egyptian market offers significant growth potential and guardedly optimistic that the country is on course for a continuation of economic growth, political stability and a steady security environment.

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

ACC's key plan is to lower its production cost by implementing 3 new projects; new coal mill, bypass project, and bucket elevator. These projects will improve our margins over the coming years.



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: IR@accg.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	Q1 2017	Q1 2016	Variance %
National sales	K Tons	12,972	15,071	-14%
Export sales	K Tons	276	19	1322%
Total Egypt sales	K Tons	13,248	15,091	-12%
ACC Clinker Production	K Tons	898	940	-5%
ACC Clinker Utilization Rate	PCT	85%	90%	-4%
ACC Cement Production	K Tons	1,141	1,016	12%
ACC Cement Utilization Rates	PCT	97%	87%	11%
ACC Cement Sales Volume	K Tons	1,115	1,020	9%
Market Share	PCT	7.7%	6.7%	1%
Revenues	K EGP	667,510	536,276	24%
Rev/Ton	EGP	599	526	14%
Cash Cost	K EGP	492,280	326,889	51%
Cash Cost/Ton	EGP	441	321	38%
EBITDA	K EGP	147,304	190,704	-23%
EBITDA/Ton	EGP	132	187	-29%
EBITDA Margin	PCT	22%	36%	-13%
Gross Profit	K EGP	175,230	209,387	-16%
Gross Profit Margin	PCT	26%	39%	-13%
COGS/Sales	PCT	74%	61%	13%
SG&A	K EGP	27,926	18,683	49%
SG&A/Sales	PCT	4%	3%	1%
Exchange differences	K EGP	9,928	-75,899	-113%
Depreciation & Amortization	K EGP	57,734	49,206	17%
Profit Before Tax	K EGP	74,269	45,894	62%
Deferred tax	K EGP	-345	2,000	-117%
Income Tax	K EGP	15,513	10,569	47%
Net Profit	K EGP	59,102	33,324	77%
Net Profit Margin	PCT	9%	6%	3%
Outstanding Debt	K EGP	1,260,631	1,111,272	13%
Equity	K EGP	1,351,417	1,414,967	-4%
Debt/Equity		0.9	0.8	
Cash Cost Exc. Overheads	K EGP	456,519	294,733	55%
Cash Cost Exc. Overheads/Ton	EGP	409	289	42%
Total Volume Transported	K Tons	433	484	-11%