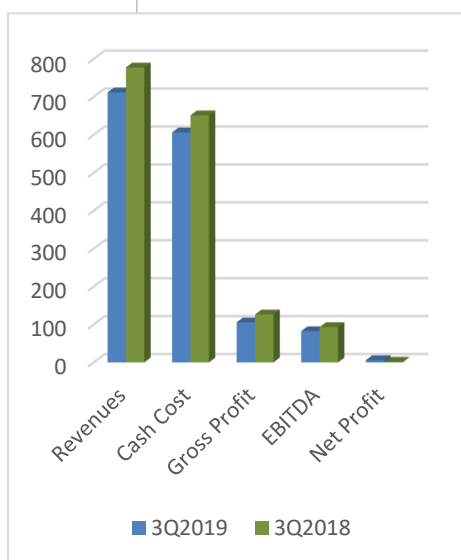


Arabian cement company is running on a healthy cement utilization rate of 90%.

Key Income Statement Highlights of 9M2019

51% decrease in EBITDA EGP 245 Million	3.8% SG&A:Sales	85% decline in Net Profit EGP 33 Million	5% Increase in cash cost/ton to EGP 558
15% Cash Gross Profit margin	1% Net Profit Margin	11% EBITDA Margin	FX gain in P&L EGP 65 Million



Results in a Nutshell

26 November, 2019 | Cairo | Arabian Cement Company (ARCC.CA on the Egyptian Exchange), a leading Egyptian cement producer, reported its results for 3Q 2019.

3Q 2019

Arabian cement company reported a decline by 8% y-o-y in 3Q 2019 revenues reaching EGP 712 million. Our Rev/ton dropped by 6% recording EGP 645 verses EGP 688 in 3Q 2018.

It is worth mentioning that our export revenues which represents 13% of our total sales increased by 9% compared to the same period last year due to the upsurge in our export sales volumes by 6% y-o-y.

ACC total sales volumes remained almost flat in 3Q 2019 which recorded 1,103K tons. In terms of format 67% of our sales volumes were bagged, 18% were bulk and 15% exports including clinker.

ACC Cash cost decreased by 7% reaching EGP 606 million versus EGP 651 million the same period a year ago.

Although the electricity tariffs increased by 10% along with an increase in the diesel cost in July due to the government energy subsidies cut, ACC managed to reduce the cash cost/ton by 5% moving from EGP 576 to EGP 550 y-o-y, as a result of cost efficiency.

Consequently, Arabian Cement Company's cash gross profit dropped by 16% y-o-y which came in at EGP 106 million from EGP 126 million.

EBITDA for the quarter, stood at EGP 82 million versus EGP 93 million in 3Q2018, however our EBITDA margin remained flat at 12% which was due to the reduction of the SG&A by 30%.

ACC generated a Net Profit of EGP 6 million in 3Q 2019.



The below are our observations on the 9M 2019

Revenues for the nine-month 2019, were 5% lower than the first nine-month of 2018 at EGP 2,249 million. Sales prices dropped by 8% recording EGP 658/ton, in terms of format our bagged sales were 65%, 20% bulk and 16% are exports including clinker.

ACC cash cost increased by 9% recording EGP 1,909K in 9M 2019 which was due to the increase in the cash cost per ton, but also partially to the increase in the sales volume (3.5%).

The cash cost per ton raised up by 5% compared to the same period last year reaching an average of cash cost per ton of EGP 558.

Despite the Egyptian market declined by 6.4% in sales volumes, ACC managed to maintain its volumes and increase its market share up to 8.1% in 9M 2019.

ACC was able to maintain the strength in its leading position in the cement export market with a market share of 38.5% thanks to our cost efficiency strategy.



Although the cement market is running at 59% utilization rate, ACC was able to reach a 90% utilization rate in 9M 2019.

Accordingly, our cash gross profit dropped to EGP 340 million and EBITDA to EGP 254 million along with an EBITDA margin of 11%.

In addition to that, we reduced our SG&A by 11% which is remarkable, representing SG&A:Sales 3.8%.

The appreciation of the EGP against the USD in 9M 2019 was reflected in an FX gain of EGP 65 million.

Noticeably, the cement sector is passing through a tough time and most of the cement players are loss makers, yet, ACC is still able to generate a Net Profit of EGP 33 million in 9M 2019.



Arabian cement is precisely repaying its debt, reducing its total outstanding debt by EGP 269 million to close the period with EGP 673 million. Our USD debt balance went down by USD 3 million to come in at USD 22 million at the end of the nine-month period.

Outlook

We expect on q-o-q basis, that we will witness an improvement in our sales volumes, revenues, EBITDA and Net Profit.

In addition to that, our cash cost per ton will be remarkably reduced, thanks to our pet-coke agreement with ERC which will provide Arabian Cement Company a competitive advantage.



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

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.

Key Indicators	Unit	3Q2019	3Q2018	Variance %	9M2019	9M2018	Variance %
ACC Clinker Production	K Tons	929	1,033	-10%	2,802	3,040	-8%
ACC Clinker Utilization Rate	PCT	88%	98%	-10%	89%	97%	-8%
ACC Cement Production	K Tons	1,072	1,089	-2%	3,181	3,209	-1%
ACC Cement Utilization Rates	PCT	91%	93%	-1%	90%	91%	-1%
ACC Domestic Sales Volume	K Tons	940	977	-4%	2,881	2,918	-1%
ACC Exports Volume	K Tons	163	154	6%	538	384	40%
ACC Total Volumes	K Tons	1,103	1,130	-2%	3,420	3,305	3%
Revenues	MM.EGP	712	778	-8%	2249	2369	-5%
Rev/Ton	EGP	645	688	-6%	658	717	-8%
Cash Cost	MM.EGP	606	651	-7%	1909	1756	9%
Cash Cost/Ton	EGP	550	576	-5%	558	531	5%
EBITDA	MM.EGP	82	93	-12%	254	516	-51%
EBITDA/Ton	EGP	75	83	-9%	74	156	-52%
EBITDA Margin	PCT	12%	12%	0%	11%	22%	-10%
Cash Gross Profit	MM.EGP	106	126	-16%	340	613	-44%
Cash Gross Profit Margin	PCT	15%	16%	-1%	15%	26%	-11%
COGS/Sales	PCT	85%	84%	1%	85%	74%	11%
SG&A	MM.EGP	23	33	-30%	86	97	-11%
SG&A/Sales	PCT	3.2%	4.2%	-1%	3.8%	4.1%	0%
Exchange differences	MM.EGP	15	1	1468%	65	5	1281%
Depreciation & Amortization	MM.EGP	65	63	2%	190	183	4%
Net Profit	MM.EGP	6	2	223%	33	215	-85%
Net Profit Margin	PCT	1%	0%	1%	1%	9%	-8%
Outstanding Debt	MM.EGP	673	943	-29%	673	943	-29%
Debt/Equity		0.4	0.6	-22%	0.4	0.6	-22%