

CEMENT SUPPLIES TO RUSSIA

Novorossiysk 2008

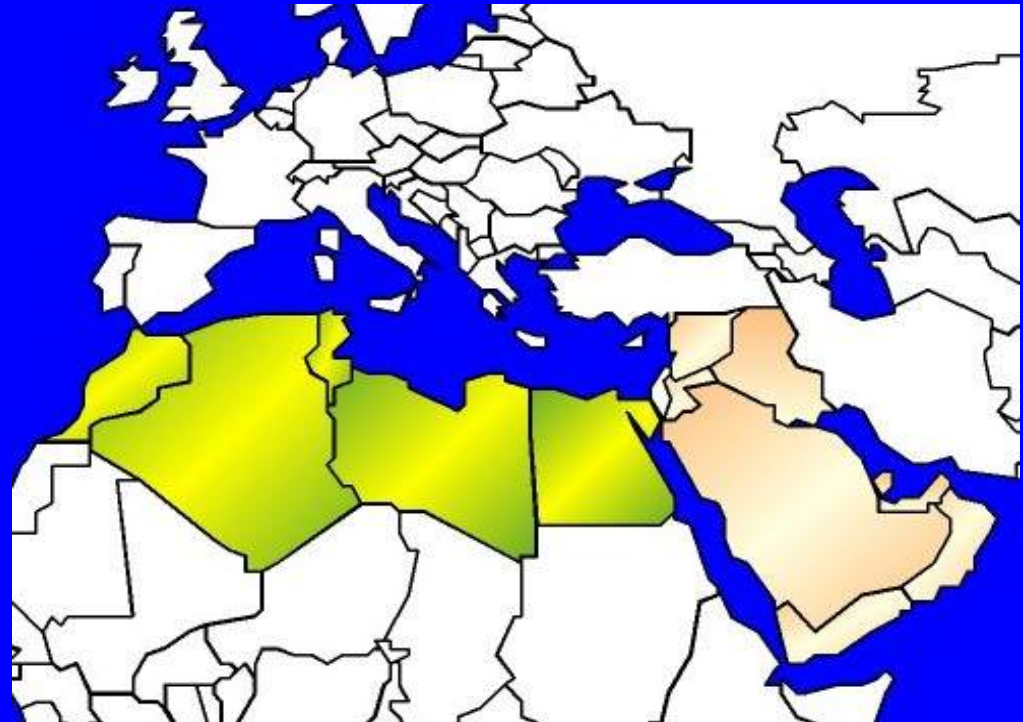


Worldwide cement prices drivers

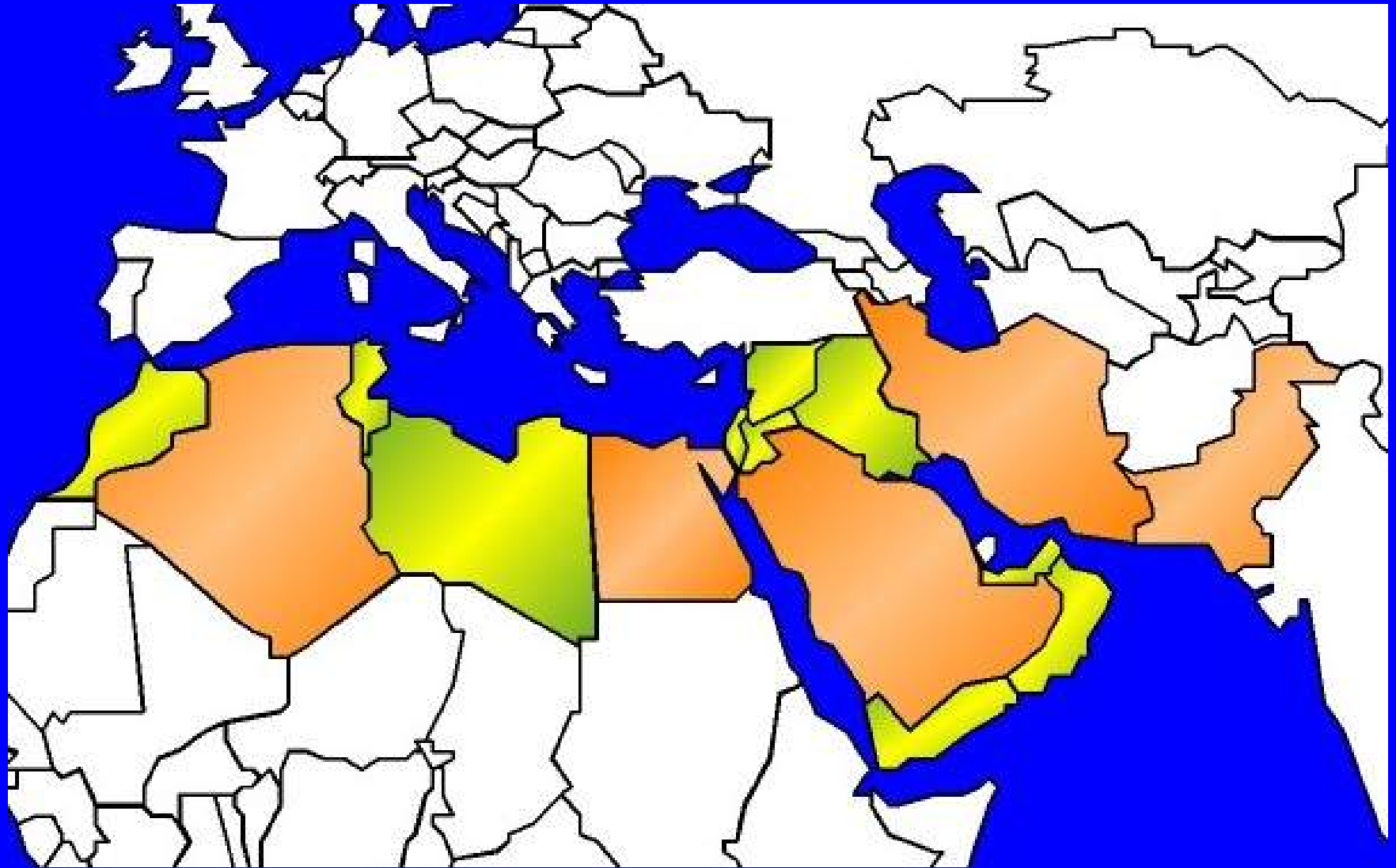
- 
- **Rising export prices**
 - **Freight rates**
 - **Global supply / demand balance**
 - **Delays in new plants**
 - **China effect**
 - **Cost inflation**
 - **New Import markets**

Middle East

- 10% Volume growth in the cement Industry.
- High growth in Iran , Iraq, Saudi Arabia and UAE.
- Imports decline from 20m to 17m.
- Oil prices.
- Growing population.
- Dubai , a perfect model.
- Gulf projects market increases by 30% in 2007.



Middle East Powers



 Export Powers



EGYPT



EGYPT

- Population : 78,887,000
- Population growth rate : 1.75 %
- GDP real growth rate : 7.1 %
- GDP per capita : 4200 \$
- Cement consumption : 30.5 m Mt
- Cement consumption per capita:387 kg/p
- Cement Production : 37 m Mt



Cement plants / Consolidations

Beni Suef Cement	Lafarge – Titan	100%
Alexandria Cement	(Blue Circle) Lafarge	97%
Assuit Cement	Cemex	96%
Suez Cement	Ciments Francais (Italcementi)	54%
Tourah Cement	Suez Cement (Italcementi)	
Amerya Cement	Cimpor	97%
Helwan Cement	Suez Cement (Italcementi)	
Sinai White Cement	Alborg	56%
Egyptian Cement	Holcim	44%
Sinai Cement	Vicat	42%
Qawmya	State Owned	

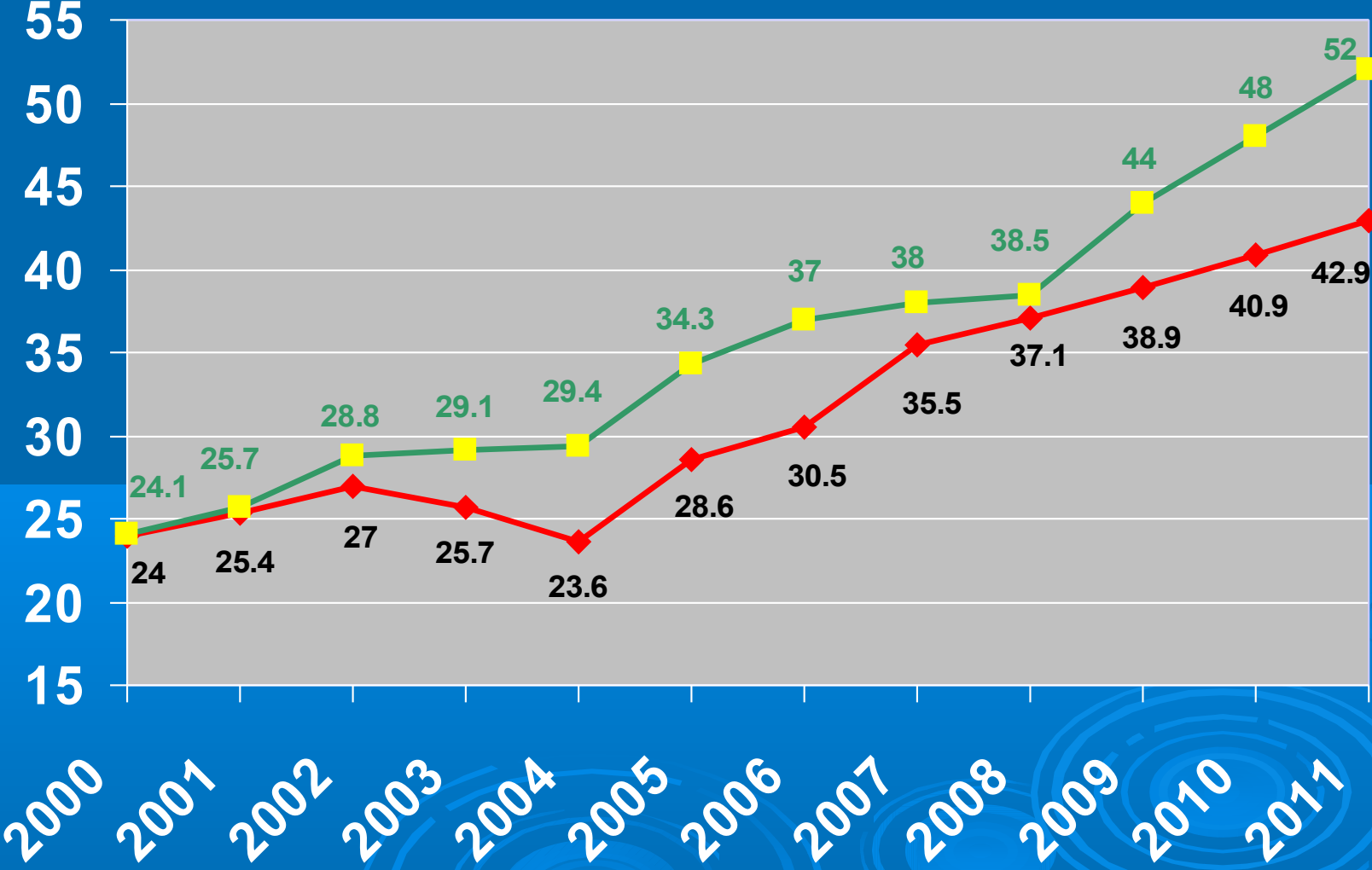
Recently :

Quena Cement

Received offer from Cimpor for acquisition

Cement Production / Local Market Consumption

Million
Tons



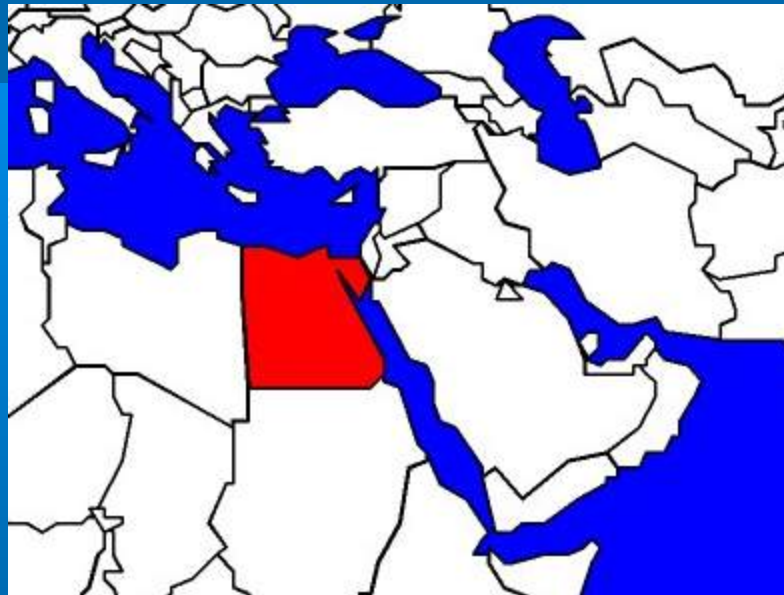
Exports

Exports started only in year 2000 with only 100,000 Mt

In 2007 , exports were about 7.5 Mt (Including clinker)

Export markets :

Syria – Spain – Sudan – Italy – Turkey – Yemen – USA –
Jordan – Cyprus – Mauritania – Libya – East Africa.



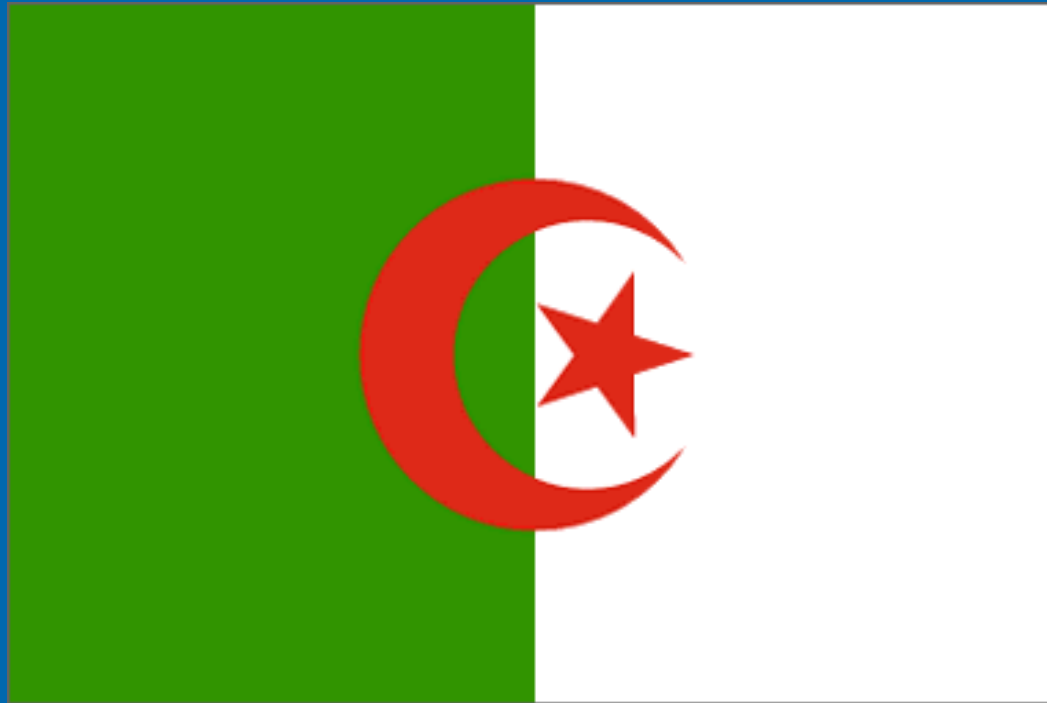
?Next Years

No new plants will start in 2007/2008 . Only upgrading of some existing plants.

New 14 Licenses have been given for Green field plants and new lines for existing plants

Expected production in 2011 to be 52.0 m MT

Expected consumption in 2011 to be 42.9 m MT



ALGERIA





ALGERIA

- Population : 32,930,000
- Population growth rate : 1.22 %
- GDP real growth rate : 5.6 %
- GDP per capita : 7700 \$
- Cement consumption : 13.2 m Mt
- Cement consumption per capita:400 kg/p
- Cement Production : 15.26 m Mt



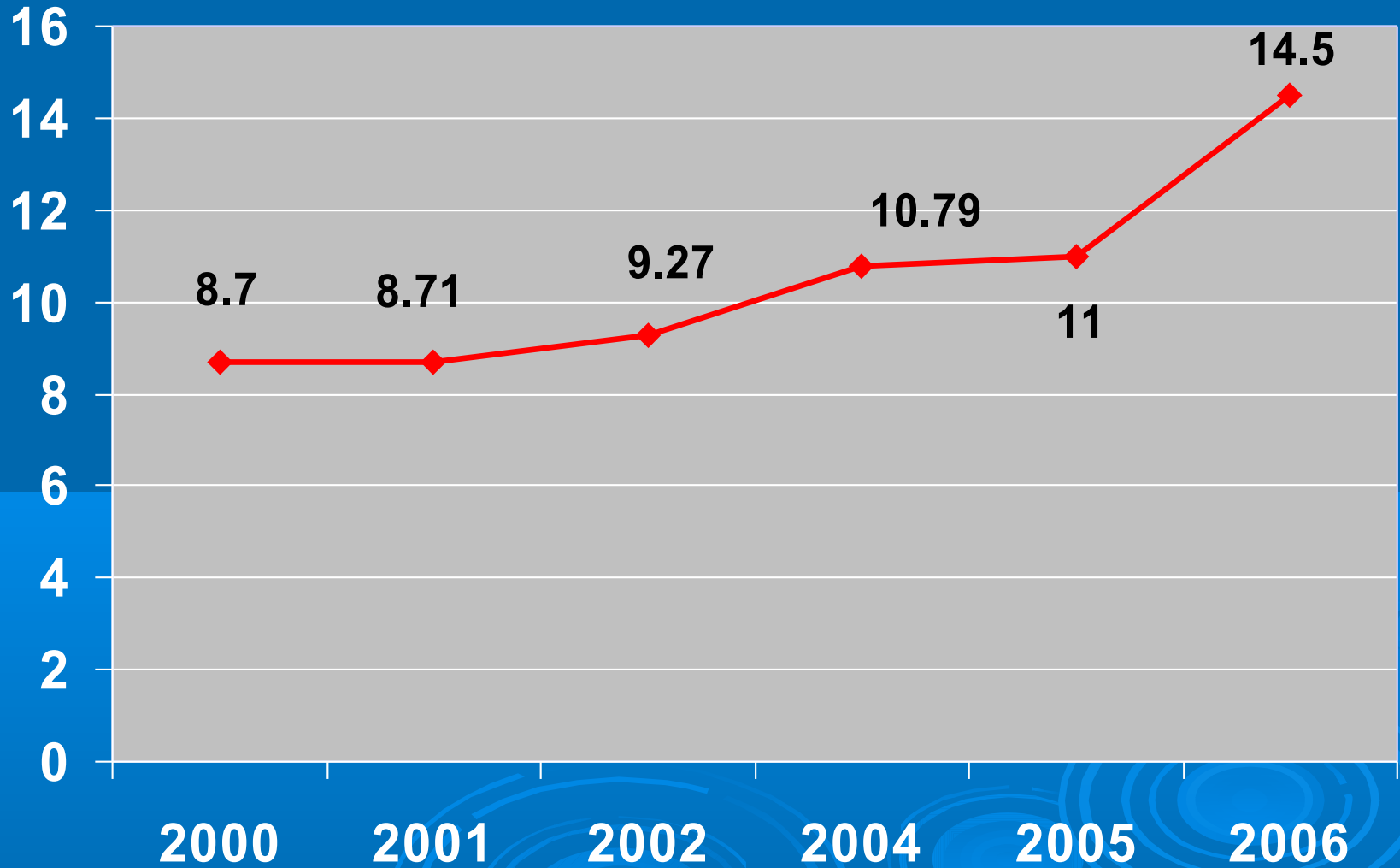
?WHO

- Ciments et Derives Centre (ERCC)
- Ciments d' Ech Chelef (ECDE)
- Ciments et Derives Est (ERCE)
- Ciments et Derives Ouest (ERCO)
- Algerian Cement Company (ACC)



Cement Production

Million
Tons

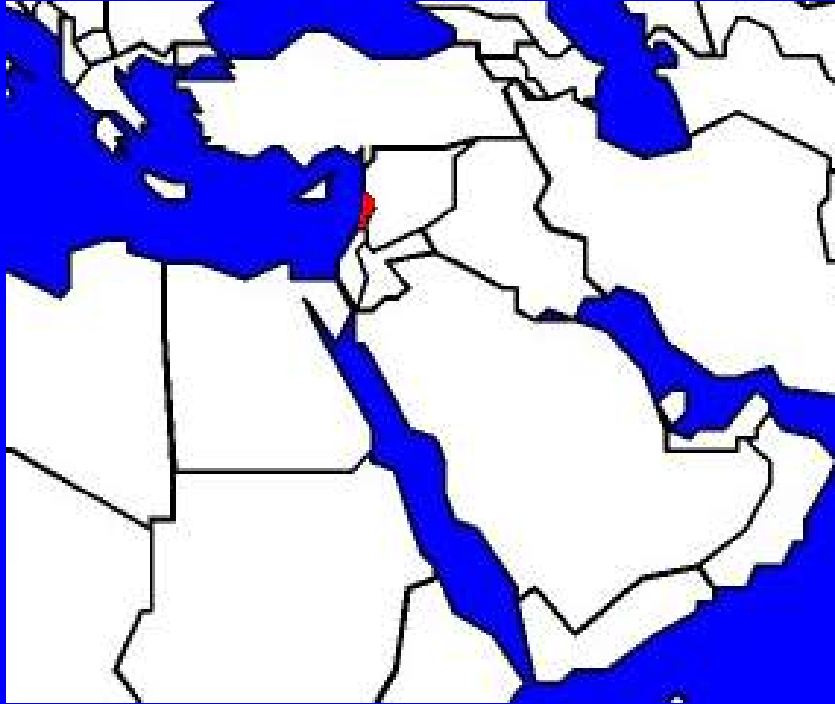


Will it be the 2nd Exporting Power in ?North Africa

- Orascom is adding a new gray cement line in CIBA , with capacity 2.5m Mt to be coming in production by end of 2007 , taking advantage of being close to 2 ports , and reflecting the strong interest of Orascom in Algeria as a possible export market .
- ASEC are starting building a new plant in Jelfa with capacity of 1.5 m Mt expected to be operating by 2009.
- Lafarge and ASEC are showing big interest in acquiring government owned cement plants.



LEBANON



LEBANON

- Population : 3,874,000
- Population growth rate : 1.23 %
- GDP real growth rate : (-5) %
- GDP per capita : 5500 \$
- Cement consumption : 3.35 m Mt
- Cement consumption per capita: 864 kg/p
- Cement Production : 5 m Mt



Lebanon Now

Loss in July war reaches about 3.6 billion \$, damages in infrastructure and housing sector .

Cement Industry was going a healthy increase in Jan-July 2006 , with average increase of 46% compared to previous years.

Three Cement producers :

- Holcim : produce about 1.85m Mt/y
- Cimentrie Nationale : produce about 1.6m Mt/y
- Siblincement : produce about 0.8m Mt/y

Exports are about 711,000Mt of cement and 172,000 Mt clinker in 2006

Export markets : Syria , Cyprus , Iraq & Turkey

Lebanon Tomorrow

Cimenterie Nationale : is investing 100 million \$ to upgrade facility in Chekka to be completed next May , to reach 2.5m Mt production from 1.7m Mt now.

Semapa SCPS – owned Portugese cement company “Secil” has acquired another 21.86% more in cement Sibline raising its share to 50.5%

Lebanese market needs about 750,000Mt over the next 3 years for reconstruction

Continuing illegal quantities of cement to Syria to increase to about 750,000Mt/y .

Legal exported quantities to Syria and Iraq to increase from 0.9m Mt to reach 1.5mMt / 2 m Mt.



SAUDI ARABIA



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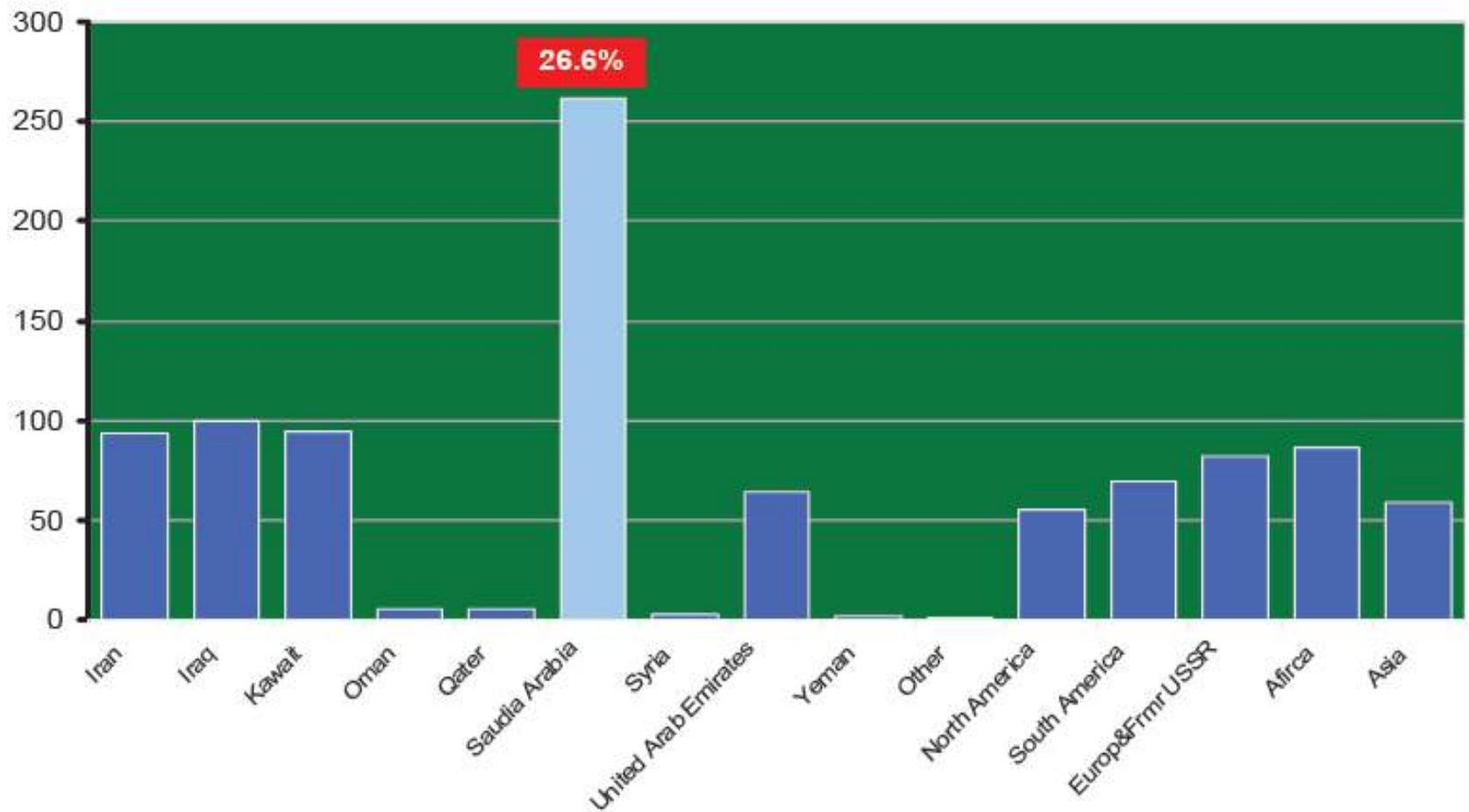
- **Population :** 27,019,000
- **GDP real growth rate :** 4.2 %
- **GDP per capita :** 14,658 \$
- **Cement Consumption :** 24.7 m Mt

- Population : 27,019,000
- Population growth rate : 2.18 %
- GDP real growth rate : 3.5 %
- GDP per capita : 15444 \$
- Cement consumption : 24.8 m Mt
- Cement consumption per capita:917 kg/p
- Cement Production : 29 m Mt



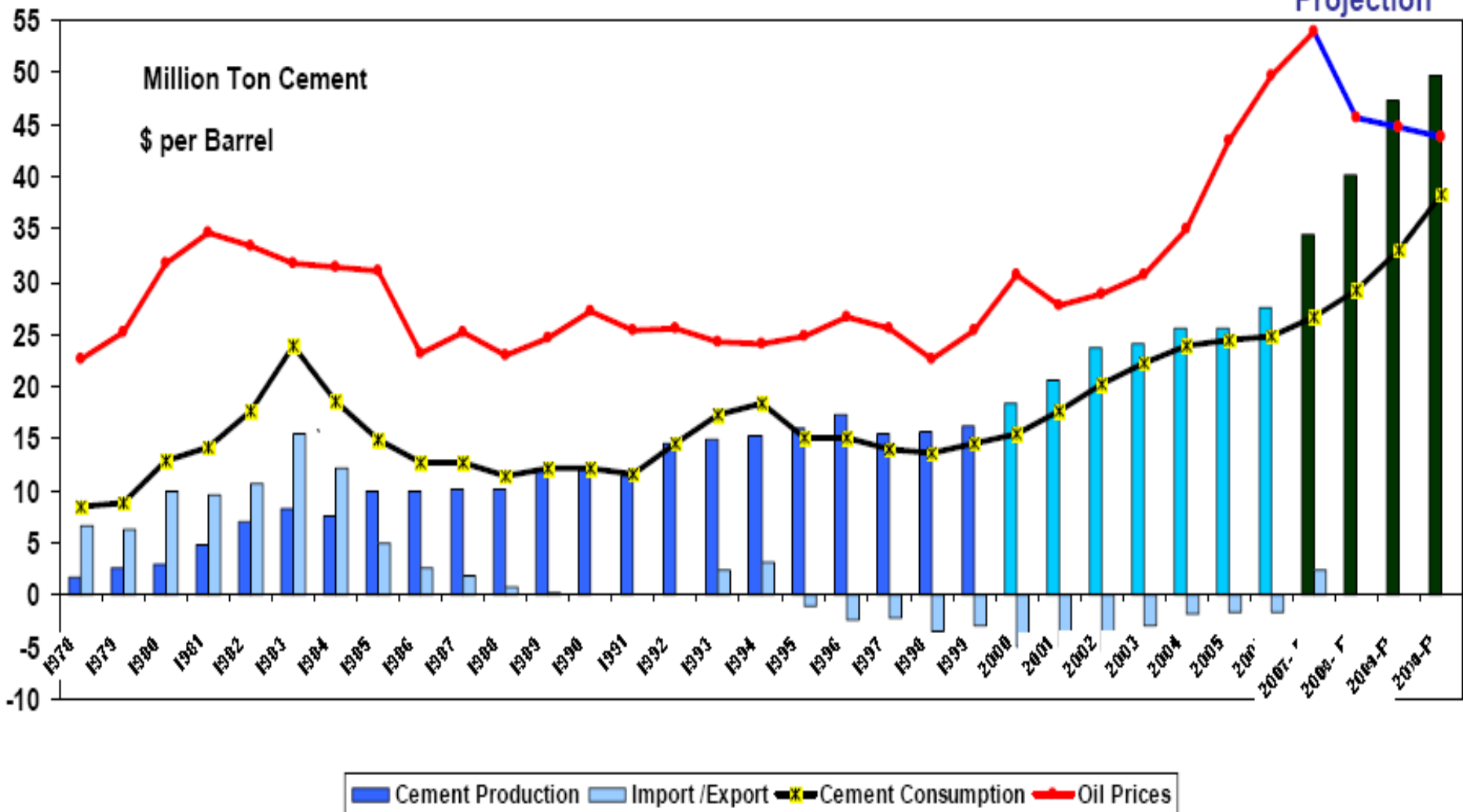
World Oil reserves

Billion of 42 Gallon Barrels



KSA CEMENT CONSUMPTION VS OIL PRICES 1978-2010

Projection



Saudi Arabia Now

The Production is about 23.8m Mt of clinker and 27.02m Mt of cement

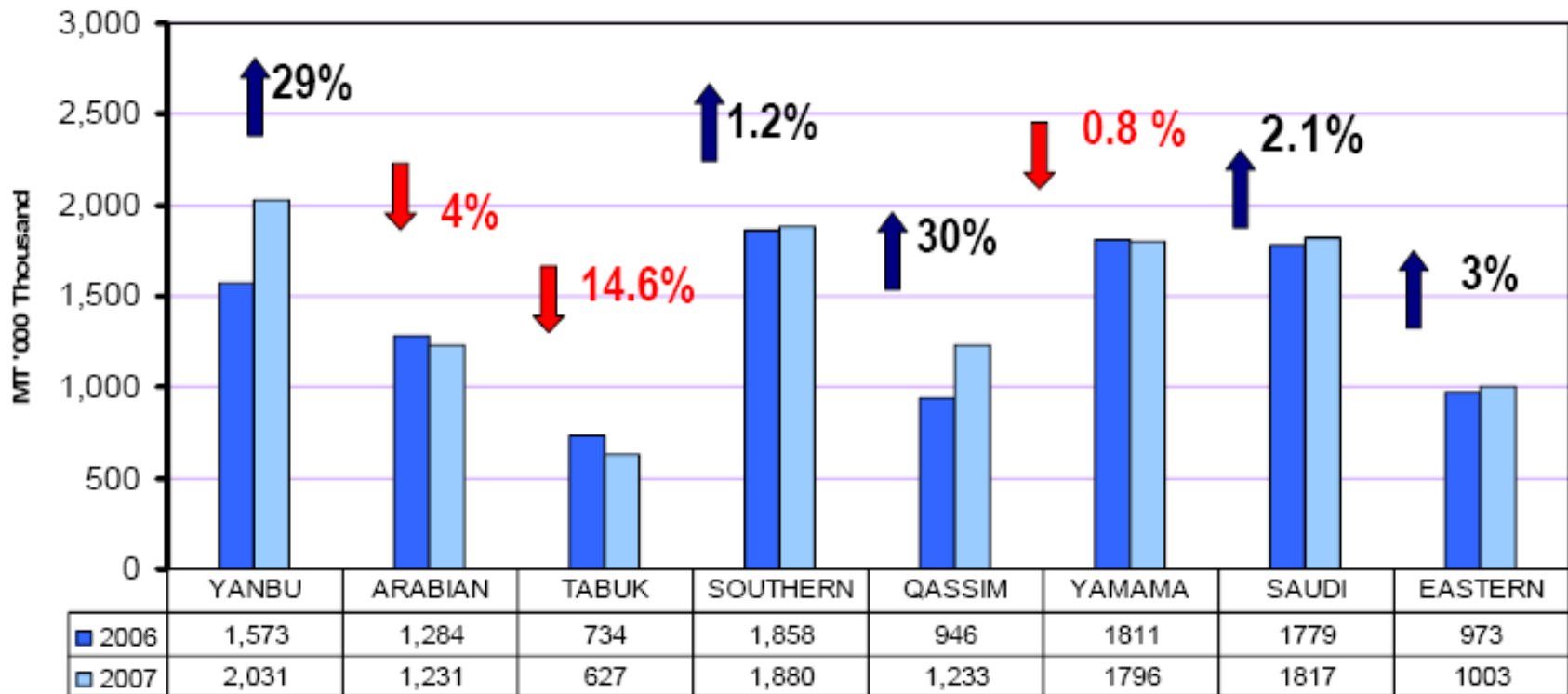
Utilization of the local plants exceed 100%

Projects running in the country with value of 205 billion \$

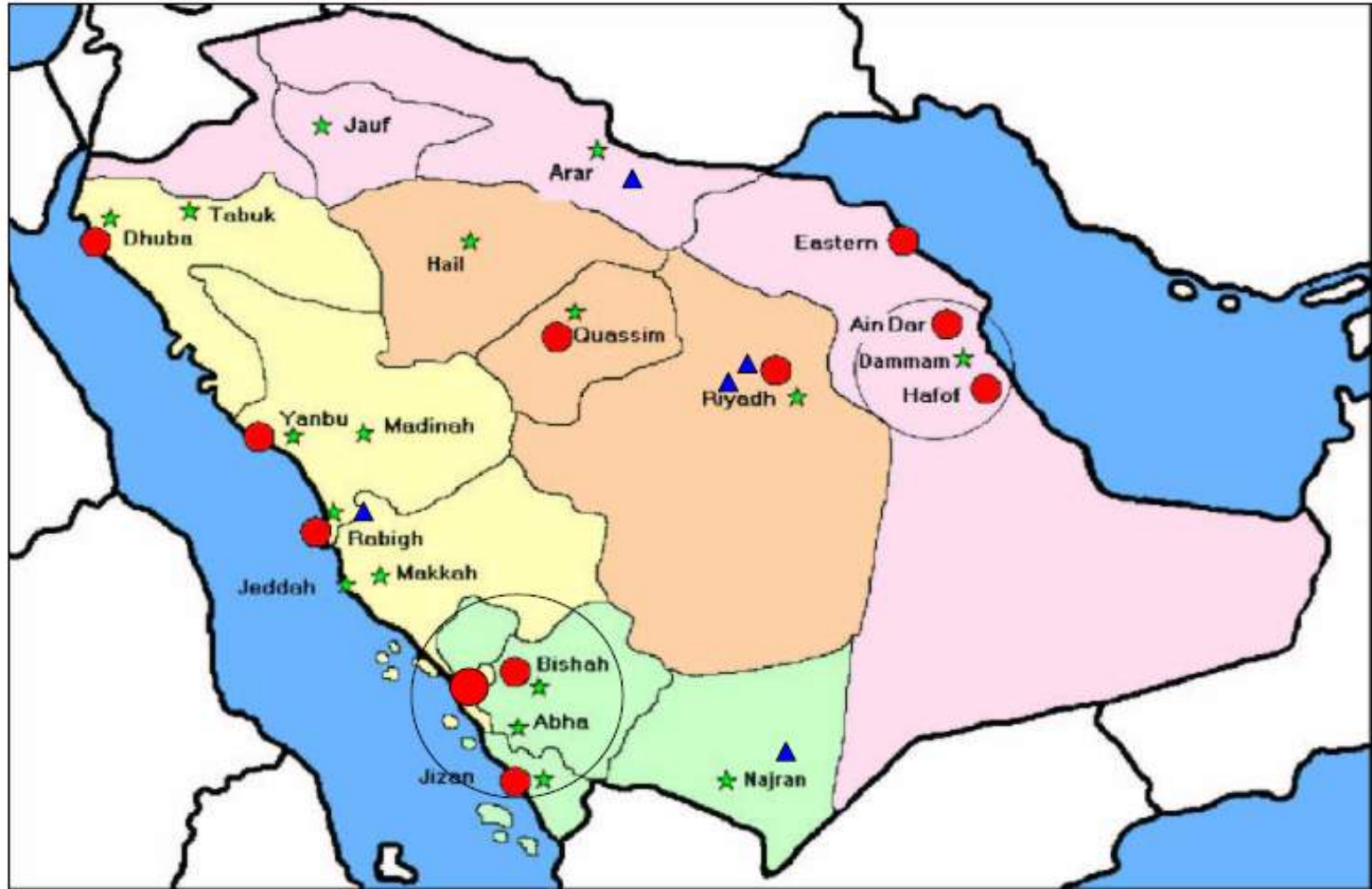


Cement Producers in KSA

SAUDICEMENT COMPANIES TOTAL SALES COMPARISON (05/07 -05/06)



Cement Plants in KSA



▲ New Cement Companies ● Existing Cement Companies ★ Cities

Saudi Arabia Tomorrow

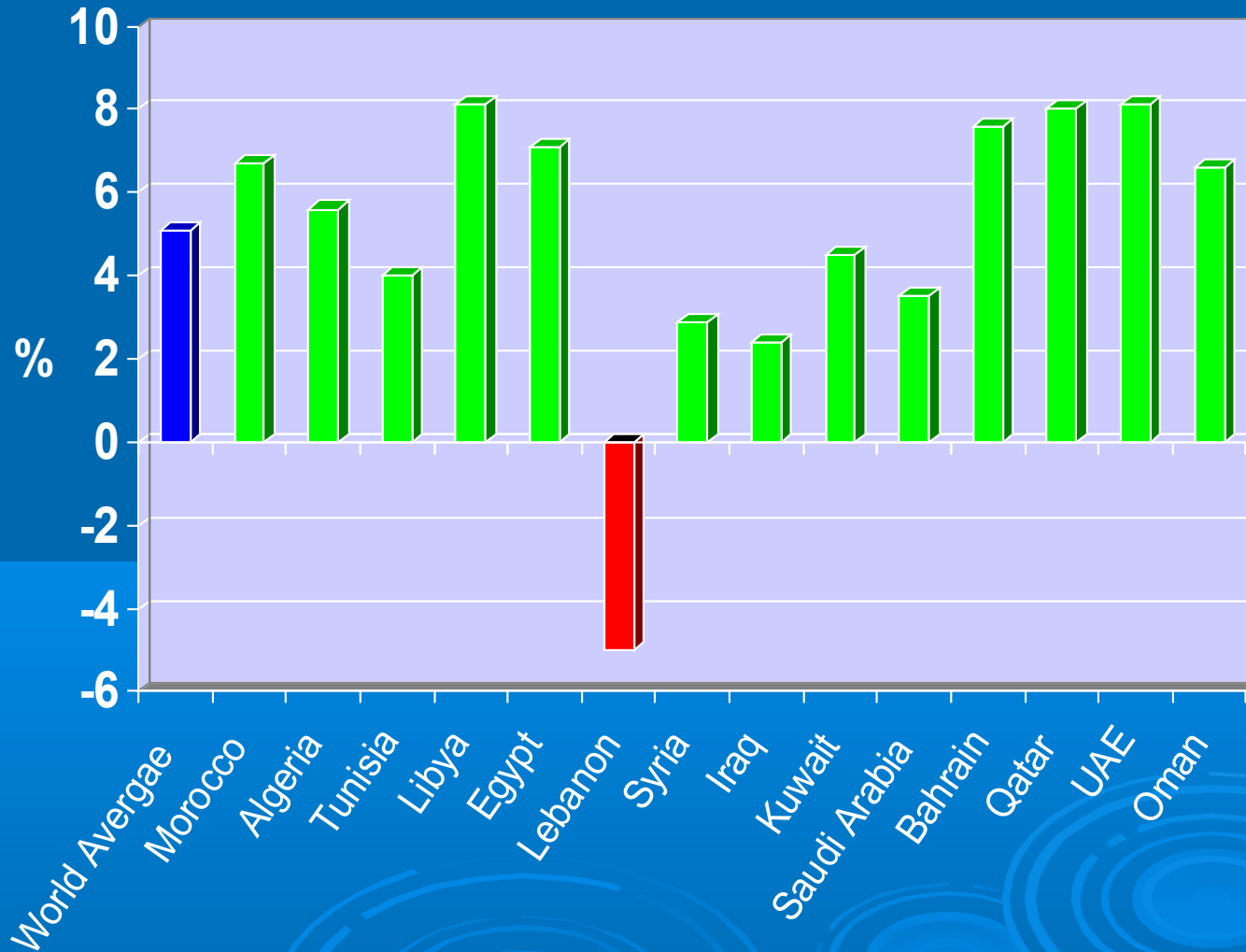
Expected the continuing drive of the construction and real estate sector .

Total additions expected :	Year	Clinker	Cement
	2007	3.4 m Mt	6.1 m Mt
	2008	7.5 m Mt	8.4 m Mt
	2009	14.3 m Mt	16.6 m Mt
	2010	2.2m Mt	2.58 m Mt

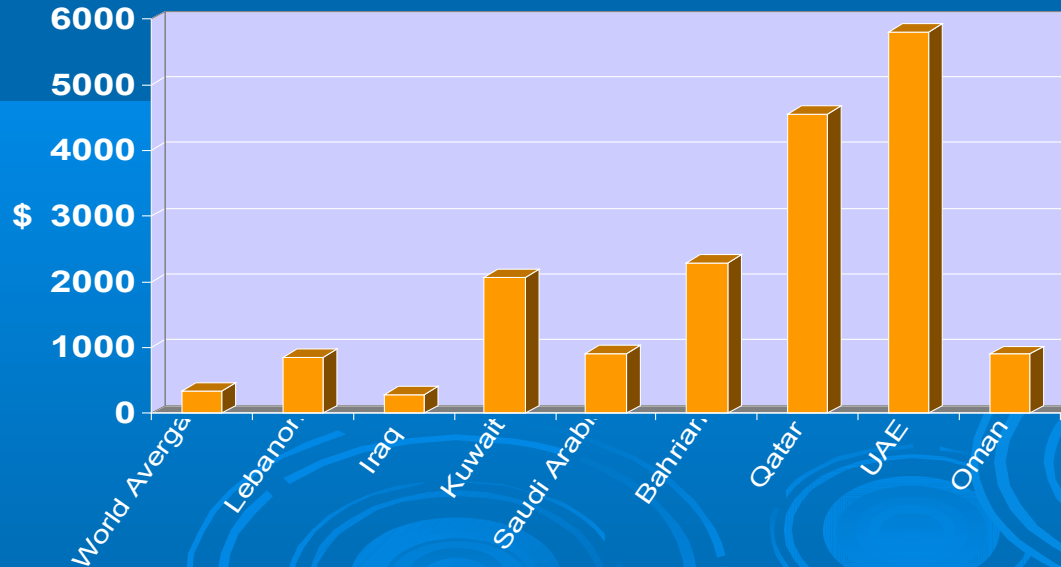
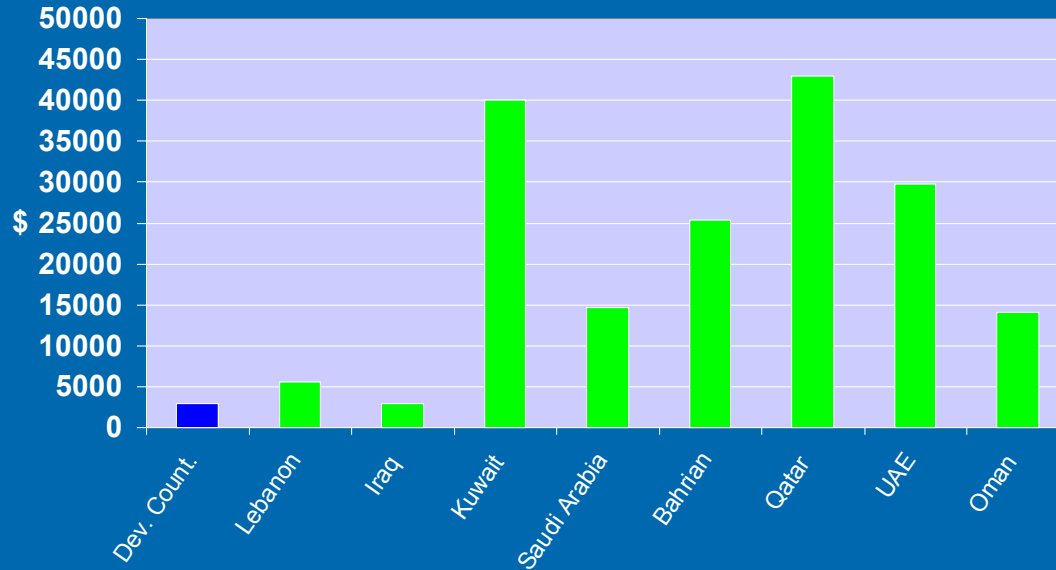
Expected Surplus quantities to reach 5 m Mt in 2007 and to reach 27 m Mt at 2010

Cement Demand/ Supply balance Forecast			
	Demnd- more likely scenario	Local supply	Shortage/ (Excess) in Cap
Yr	('000 T)	('000 T)	('000 T)
2007	26,955	32,661	(5706)
2008	28,823	41,107	(12284)
2009	30,450	57,136	(26686)
2010	31,866	59,722	(27856)

GDP Real Growth Rate

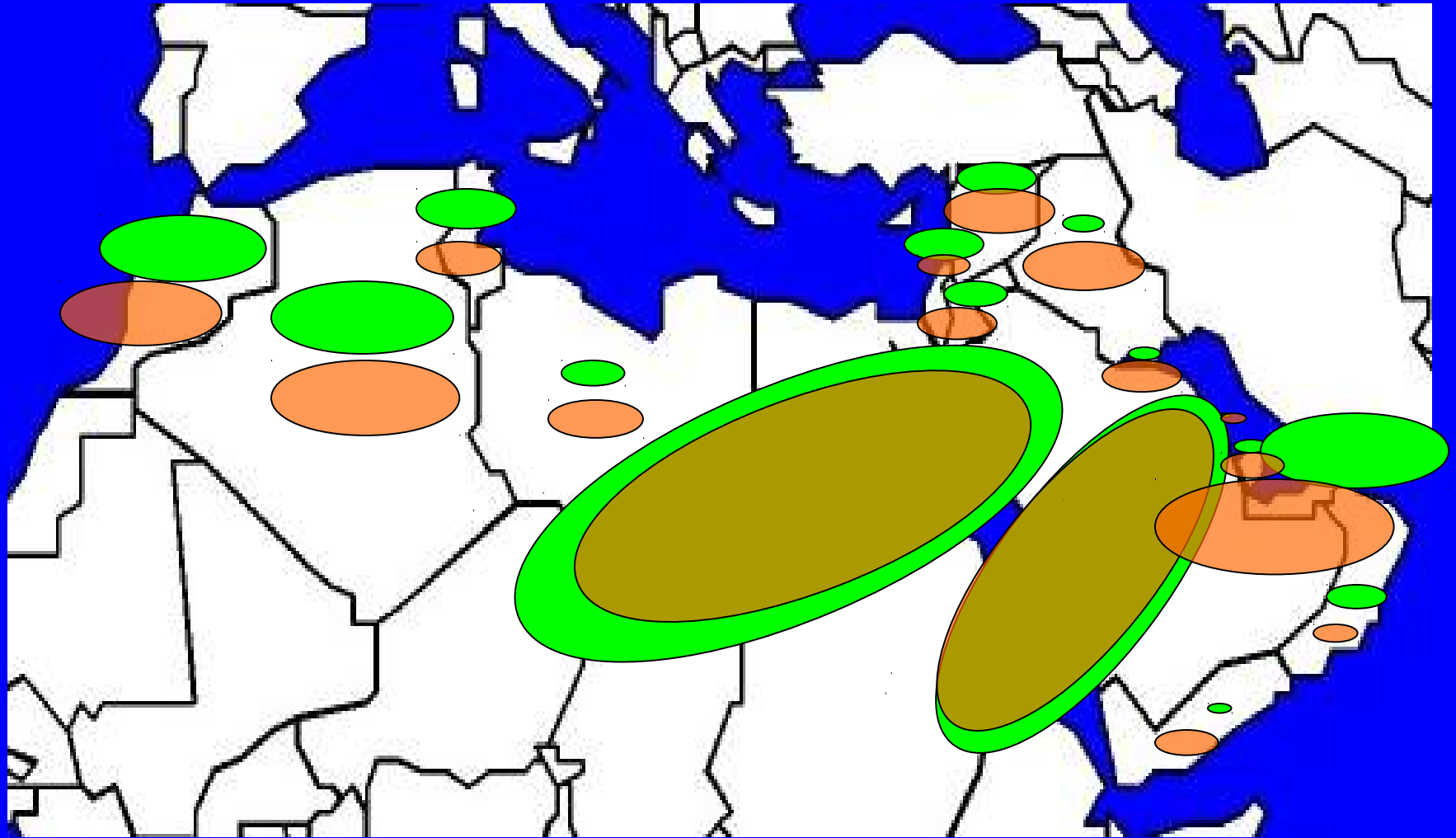


)GDP Per Capita (PPP



Cement Consumption per Capita

Cement Production / Consumption

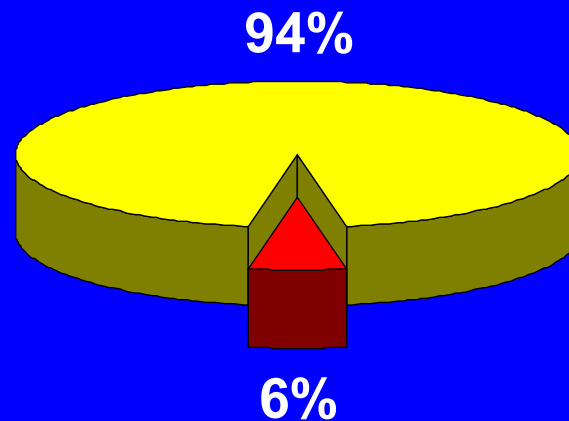


 Cement Production

 Cement Consumption

MENA Cement Production

World Volume 2.3 billion Mt



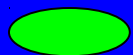
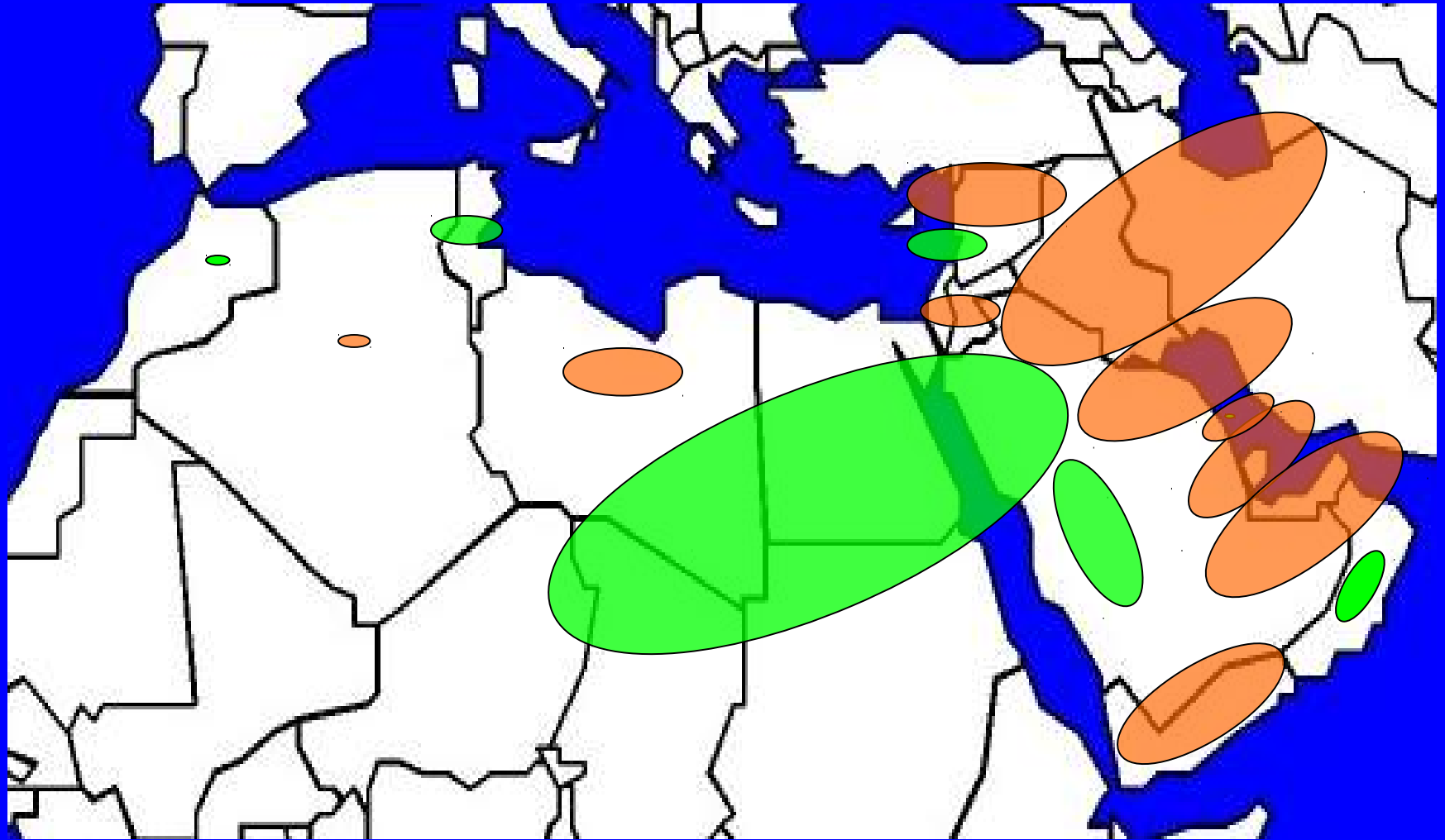
MENA Production (2006) 135.3 m Mt

MENA Production (2010) 260 m Mt

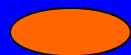
MENA Consumption (2006) 144.4 m Mt

MENA Consumption (2010) 203.13 m Mt

Cement Exports / Imports

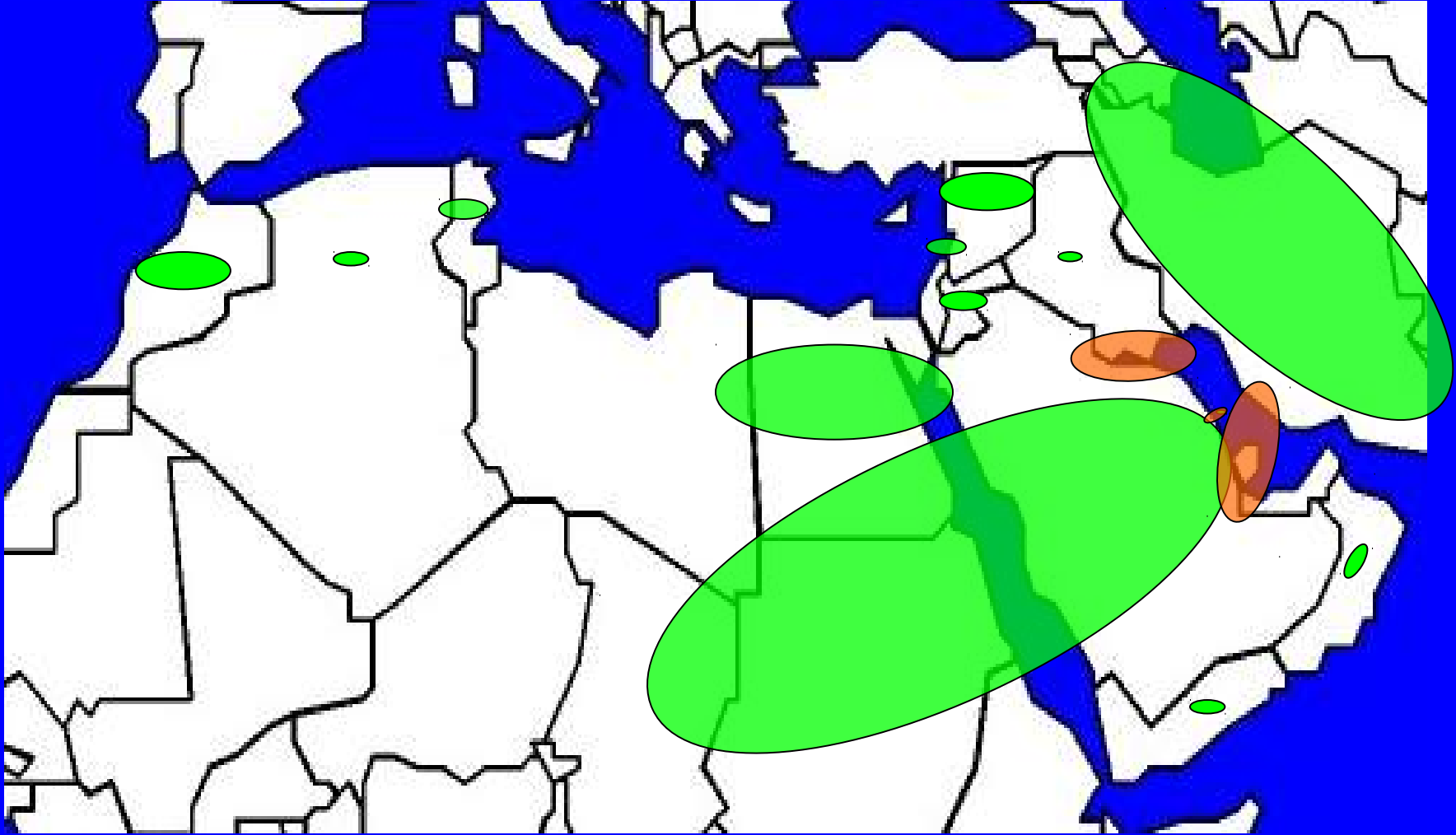


Cement Exports



Cement Imports

Expected Cement Exports / Imports (2010)



 Cement Exports

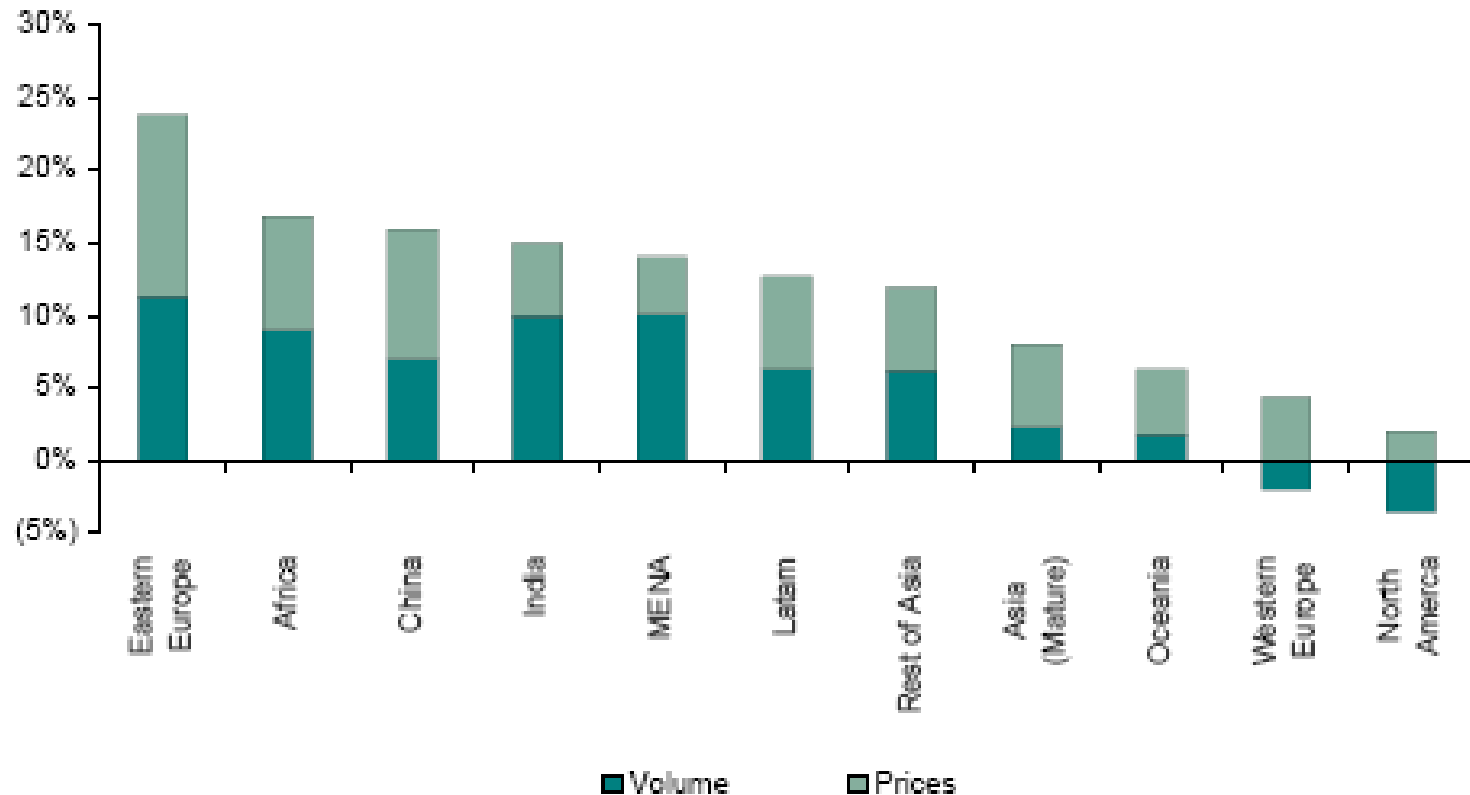
 Cement Imports

Oil Prices Movement (2000-2010)



Cement Volume and Price trends

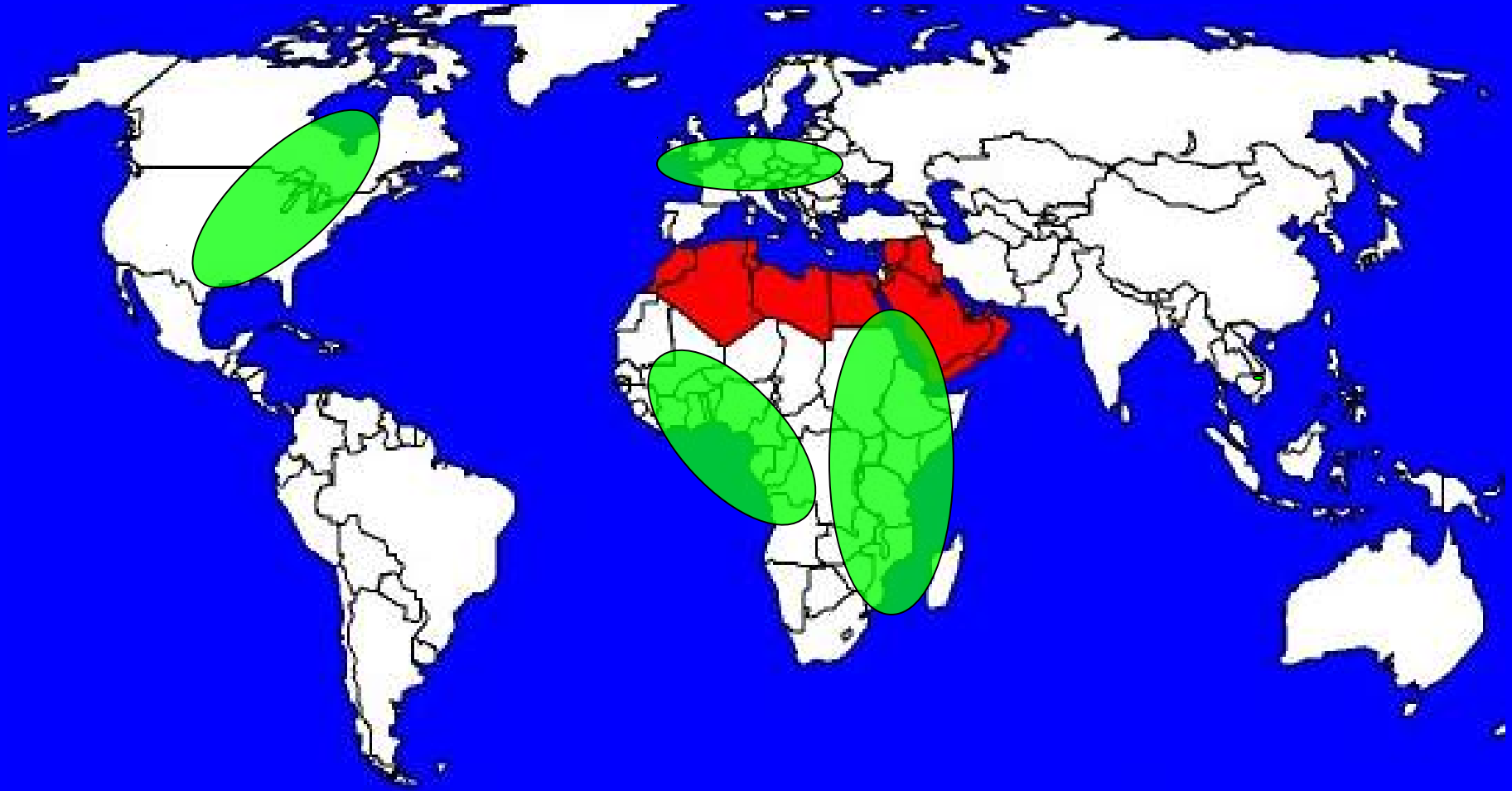
Chart 3: Cement - volume and price trends expected in 2008



Source: Exane BNP Paribas

Possible Export Markets

?Will North Africa grab the chance



 Export Markets

THANK YOU

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