

Saudi Cement Company's Internal News Bulletin Volume - III, 1st Edition 2012

# SCC NEWSLETTER



Stronger than ever

### **Editorial Committee:**

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Mohammed A. Al-Garni BM & Chief Executive Officer

#### MESSAGE FROM THE BM & CEO:

The year 2011 was an exemplary year for Saudi Cement Company, in which we surpassed results in all areas of performance. A year in which we set a record in the history of SCC for achieving sales in the amount of SR. 1,716,096. Due to the sizeable increase in sales, we also managed to come up with good profitability, thus, improving the returns. This was made possible by the excellent contribution from all SCC employees in all areas of work. I would like to congratulate and thank each one of you for your role in making it happen.

Ahead of us is 2012, which is posing more challenges for us, as the demand for our products in the local market is very huge, and we must stand firm to meet the economic growth. Given the current scenario, we will need to monitor the markets cautiously, and plan our resources accordingly. Being one of the cement industry pioneers in the region, we should give a strategic response to the demands by taking it as an opportunity to innovate our business model. I urge each one of you to focus and concentrate on the achievement of your objectives and targets, and reduce costs in proportion with your respective areas.

Employees have been, and will continue to be, the most vital asset to the Company. We will do all we can to look after them and guard their future while they serve and protect SCCs' interests. Let us join hands to work together and be strong at this challenging time to sustain our leading position in the cement industry. This way we can prove to be a real leader.



#### **VISIT OF BM & CEO TO HOFUF PLANT**

Our Board Member & CEO, Mr. Mohammed Ali Al-Garni, visited Hofuf plant during the month of January 2012, along with all the Managers from SCC Head Office. He visited various areas in the Plant like the Cement Mills, Power Plant and CCR. After the visit, he shared his observations with all the Managers of the Plant, wherein he appreciated the

efforts of the Plant team for considerable improvements in the Plant with respect to house-keeping, and availability of major equipments.

The meeting ended with thanks to all the members of the Plant for their contribution in their respective areas.

Further information from:

Mahesh Garg - Senior Manager, Mines Operation



#### OUR PORTRAIT:

#### Name:

Mr. Ali Abdelrahman Ali

#### Title:

Chief Internal Auditor

#### Qualification:

Certified Public Accountant, CPA (State Of Illinois, USA in 1996). Member of the American Institute of Certified Public Accountants, (AICPA) - USA.

First Division Bachelor of Business Studies (Accounting), awarded by Sudan University of Science and Technology (formerly Khartoum Polytechnic) in August 1986.

#### Career:

More than 26 years in the field of Auditing (External & Internal), as well as Accountancy (Financial & Managerial) in Sudan and KSA since 1986 till today, during which he was assigned in various positions. Started career with Abdelgadir BA-Naga & CO. CPA in Sudan, as Auditor from 1986 to 1988. Later, joined Shell International Co. in Sudan as Accountant from 1988 to 1989. Moved to KSA and started career with MS. Almohana (SOCPA) as Auditor and later as Senior Auditor from 1989 to 1991. Joined Zamil Steel Building Co. Ltd as Cost Accountant and later as Supervisor, Costing from 1991 to 1997. Eventually joined Gulf Vegetable Oil Co. Ltd. as Financial Manager from 1997 to 2000, and finally joined Saudi Cement Company in the capacity of Internal Auditor and later as Chief Internal Auditor from year 2000 to date.

#### Hobbies:

Reading books, especially those related to Auditing, Finance and Accountancy besides topics related to Policies & Procedures, Internal Controls, Risks and Governance. Watching TV especially Sports, Natural Geography, Wild Life and Adventure Programs.

#### Opinion:

It is an excellent communication medium between all SCC staff, irrespective of their positions or locations. Thanks to all members of the editorial team for their great efforts.



#### **BM & CEO GREETED SALES MANAGER**

Upon the safe return of our Sales Manager Mr. Hussain Abu Taki after surviving from a vehicular accident, the BM&CEO thanked Allah Al-Mighty for his safety and greeted him. He invited the entire Sales team in the conference room along with the Sales Manager.

The Sales Manager was presented with special sweets on behalf of the Company. The BM&CEO outlined the importance of road safety and shared his views, as well as advised everyone to exercise caution while driving. The Sales Manager thanked the BM&CEO and his sales team for their best wishes and thanked Allah Al-Mighty for saving him from any big tragedy. He also asked everyone to be patient while driving on the road.

Further information from:
PR Correspondent – Public Relations



#### SCC INCREASES TOTAL SALES

Saudi Cement Company has increased its total cement sales during the year 2011 at 7,216,143 tons compared to 6,742,421 tons in the previous year 2010, i.e. an increase of 473,722 tons equivalent to 7.03%. In 2011, the local sales were at 6,677,338 tons compared to 5,901,245 tons in

the previous year,i.e. an increase of 776,093 tons equivalent to 13.15%, due to high demand in the local market. Further, SCC achieved the largest local market share of 14.22% out of 12 national cement companies during the year 2011.

Local demand for cement in Saudi Arabia has increased in 2011, as it reached to 46.96 million tons compared to 41.23 million tons, i.e. an increase of 5.73 million tons equivalent to 13.90%. The total clinker production of all local cement companies in 2011 was approximately 42.91 million tons compared to 39.95 million tons in previous year, i.e. an increase of 2.96 million tons equivalent to 7.41%.

The total cement sales has increased during the first 2 months of 2012, totaling to 1,671,974 tons, an increase of 41% compared to the same period of 2011.

Saudi Cement Company has signed contracts with M/s Arabian Cement Company and M/s Qassim Cement Company for supply of OPC Clinker totaling to 400,000 tons.

Further information from: Hussain Abu Taki – Sales Manager



#### SCC HONORED IN AL-HASA EXHIBITION

His Excellency Sheikh Saleh Bin Hassan Al-Afaliq, Board Director, Al-Hasa Chamber of Commerce and Industry honored Saudi Cement Company for being the Golden Patron for "WE ARE ALL PRODUCTIVE 3 – EXHIBITION", which was held at the Al-Hasa Heritage Markets Village during the period 22-29 February 2012.

The event was organized and supervised by the Al-Hasa Girls Society in co-operation with the Al-Hasa Municipality as a Government partner and the Al-Hasa Chamber of Commerce and Industry as their Strategic Patron.

The Exhibition Shield was received by Mr. Abdullah Bin Abdulaziz Al-Moosa, Controller-Government Relations, Communication & Office Services in SCC Plants, who said that this patronage has come as a part of various programs sponsored by Saudi Cement Company to serve the local community in co-operation with Public and Private Sectors in the region, as directed by our BM&CEO, to enhance the vital role of the Company in developing the community and contribute in the activities that benefit everyone.

Further information from: PR Correspondent, Public Relations





#### SHOURA COUNCIL MEMBERS VISITED SCC PORT TERMINAL

A committee of Shoura Council members visited King Abdul Aziz Port, Dammam, in the month of January 2012. The Directors of the Port accompanied the members to SCC Port Terminal to show them the unique facilities available at the Terminal for handling Cement and Clinker. They were welcomed at the Terminal by Management and staff of SCC and were taken around the premises where they were shown the process of receiving cement by rail wagons, Ship loading, pollution control systems and other facilities.

The Shoura delegates were very pleased with the hospitality extended to them and were impressed with the investment made

by SCC in the Port Terminal to establish such high-tech facilities. They thanked SCC Management for making their visit a success.

Further information from: Y.P. Bhanusimha – Operations Manager, Port Terminal



#### SCC DELEGATES ATTENDED RIYADH CONFERENCE

SCC delegates led by Mr. Khalifah Al-Dakhil, Relations & Support Services Manager attended a one day special conference in Riyadh entitled "AGFUND" which was under the patronage of HRH Prince Talal Bin Abdulaziz, Chief of the Arab Gulf Program for Development (AGFUND).

The aim of the micro financing symposium was to create a special bank for poor Saudi citizens which will help at least a small segment of the Saudi population whose financial problems go unnoticed. Prominent Nobel laureate His Excellency Mohammed Yunus attended the symposium and supported the idea of HRH Prince Talal.

SCC delegates were specially invited by the Riyadh Chamber of Commerce to participate in this symposium. During the lunch session, SCC delegates had the opportunity to meet His Excellency Mohammed Yunus at the sidelines of Ritz-Carlton Hotel in Riyadh where light thoughts were shared with the Noble Laureate.

Further information from: PR Correspondent – Public Relations

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#### ITD OPERATIONS AT HIGH VOLUME

Oracle Time & Labor (OTL) Ongoing Implementation:

SCC ITD has initiated the implementation of the Oracle Time & Labor (OTL) module on February 2012 and accordingly expected implementation within three months. The application is considered as an advanced HR application, which will integrate Core-HR, HR-Self Service, Payroll and employees 'time card systems. It will replace the existing legacy time & attendance system with efforts of the project office team from SCC and Arowana Consulting limited.

Oracle Time & Labor is part of Oracle's Human Resources Management System (HRMS), a key component of the Oracle E-Business Suite, which is designed to optimize our workforce. Oracle Time & Labor is an intuitive web-enabled timecard solution that allows the Company to reduce costs associated with time and attendance by completely automating time record keeping. It can help a global organization control costs and time worked, consolidate timecard information and adhere to organizational time management rules. For our employees, it offers a simplified way to submit, review, track and approve timecards. Employees, line managers, authorized delegates or administrators can submit timecards, and supervisors, managers and/or administrators can review the approval status. Timecards can be approved automatically or routed for approval using Oracle Workflow.

### Interim Financial Closing 2011:

All Oracle sub-ledgers and General ledger closing were conducted for year 2011 on set targets. Financial statements were finalized by Finance department with ITDs' continuous support.

Further information from: Saeed Al-Zahrani – ITD Manager



### KACST DELEGATES VISITED HOFUF PLANT

King Abdulaziz Center for Science & Technology (KACST) technical team visited Hofuf Plant on 26th February 2012. Relations & Support Services Manager Mr. Khalifah Al-Dakhil, on behalf of our BM&CEO, welcomed the delegates and briefed them about SCC.

The purpose of their visit was to study and work out the feasibility of dismantling and to collect data against surface dose rate, model, type, make, etc. of the 37 numbers of undeclared Radio Active Sources (RAS) being installed long back at Line # 1 - 5 of Hofuf Old Plant. During the visit, KACST officials physically inspected and recorded surface dose rate for 32 RAS, out of total 37 RAS.

KACST officials thanked SCC management for their interest and efforts in this direction and confirmed that they will revisit the sites for working out comprehensively the dismantling procedure & assessment of tool requirement.

Further information from:
Abdullah Sunani – Controller, Relations Division



# HOFUF TRANSPORTATION SECTION'S CONTINUOUS IMPROVEMENT

After properly scheduling the buses and monitoring the strict adherence to their timing, Hofuf Transportation Section has now improved the image of Companys' services by providing uniforms to all bus drivers. Through strict coordination and follow-up with the contractor M/s Al-Salem Transport, all bus drivers are now wearing a standard uniform to give a better look for SCCs' transportation services.

Also, the drivers were given a brief seminar on job related issues in the recreation hall by the Transportation Section. They were asked to observe full safety for the protection of SCC employees and their families, as well as respect the Government laws, with strict adherence to speed limits and safety sign boards with zero traffic violations.

Further information from: Nawaf Al-Shammari – Transportation Operations Supervisor



# IMAM JAAFAR SCHOOL STUDENTS & TEACHERS VISITED HOFUF PLANT

Total 30 students, accompanied by their teachers. from Imam Ja'afar Al-Sadiq Secondary School in Hofuf paid a visit to our Plant in February 2012. They were welcomed in the Administration Building by our Mr. Abdullah Al-Moosa, Controller of Plants Relations, Communications & Office Services.

A brief presentation about the Company was held, then they were accompanied by Mr. Adel Al-Mazrou, Relations Representative in a tour inside the Plant. He explained the production stages. They also visited Central Control Room (CCR), and Quality Control Lab. The visit was concluded by distributing memorial gifts. Students and their teachers expressed their happiness and satisfaction with what they saw, especially the linking of theoretical knowledge with the physical process on the ground.

Further information from: PR Correspondent – Public Relations



# FAREWELL PARTY IN HONOR OF MR. BADER S. AL-HAMOUD

A farewell party was arranged on 31st January 2012 by RSSD/Communication & Services Division on the occasion of Mr. Bader S. Al-Hamoud's retirement, who served Saudi Cement Company as a Light Duty Driver from 2<sup>nd</sup> April 1983 until 31st January 2012. All the participants admired his dedication and honesty towards his 28 years of service, and prayed for him and his family good health and prosperity in his future life.

Further information from: Saeed Al-Qahtani – Controller, Communication & Services Division





#### SCC SPORTS TOURNAMENTS - A BIG SUCCESS

A month and a half-long sports event was held in our Aindar Plant's Al Bustan Housing Recreational Facilities. 150 SCC staff members of different nationalities competed in various sports disciplines — Lawn Tennis, Volleyball, Cricket, Billiards, Darts and Basketball, and a huge audience witnessed the breath-taking championship games and awarding ceremonies.

RSM Mr. Khalifah Al-Dakhil, representing our BM & CEO, conveyed the Company's commitment in looking after the welfare of all employees who are valued and considered as our biggest assets,

and at the same time provide various forms of leisure and enjoyment, promote the spirit of camaraderie, and create a desirable healthy and harmonious environment for them. He also reiterated the Company's advocacy that a work force with a healthy mind and a healthy body results to a healthy company.

Meanwhile, OMM Mr. Mohammadine El Baraka, together with other managers, expressed their thanks and appreciation to everybody who participated and exerted their efforts in order to make the event successful. They also congratulated those who won and wished success next time for the unlucky ones who exhibited high degree of sportsmanship. Guest of honor Mr. Yusuf Al-Khamees, Manager-Alhasa Youth Sports Federation graced the occasion and praised the company for their noble endeavor while The Filipino Channel's Mr. Raffy Beltran covered the affair. Both of them received plaques of appreciation and nice gifts while winners were awarded with trophies, medals and other valuable prizes. A sumptuous meal and refreshments were served after the ceremonies.

The games will be the start of a regular annual event with more disciplines planned to be added next year, wherein more participation is expected.

Further information from: Romeo Galvez – Executive Secretary, BM&CEO's Office

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