



Saudi Cement Company's Internal News Bulletin
Volume - V, 2nd Edition 2014

SCC Newsletter

Stronger than ever

Read Inside:



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Mohammed A. Al-Garni
BM & Chief Executive Officer

MESSAGE FROM THE BM & CEO

It gives me great pleasure to thank you all of you for the excellent performance in 2013. Improvement in our systems and processes has resulted in improvement on our productivity. The Plant management has worked very methodically and diligently to gradually improvize performance, and we have reaped the benefits in 2013. The year 2014 started with more challenges, and may continue as a challenging year due to low cement sales resulting from uncontrollable market conditions. We have seen approximately 25% decline in dispatches during January 2014 compared to January 2013, and as this challenge persists, we must put more stress on “Cost & Efficiency”.

We need to exert pressure in exploring new ideas, systems and methods to control our “Cost”, as well as improve on our “Efficiency” in 2014, to offset the effects of low dispatches, which hamper our revenues and profit margins. I would like you to continue building on what we have established in 2013, and further reduce “Cost”, as well as improve on our “Efficiency” through the following:

- Continue to optimize electrical energy and heat consumption.
- Continue to use weekly and monthly technical meetings diligently to explore new ideas of cost reduction and efficiency improvement.
- Defer the expenses, which can be avoided during the current year and stick to monthly budgeted expenses meticulously to curtail unnecessary expenditures.
- Identify root causes of recurring failures and set up appropriate preventive and predictive measures in Oracle eAM.
- Evaluate and optimize our costs using the Pareto analysis – 80/20 rule.
- Strive to inculcate the culture of reducing “Cost” and improving “Efficiency” to the lowest level.

2014 will be a challenging year and our success will depend on God’s willingness first, and then on how creatively we work as ONE strong TEAM, and continue with dedication to tackle the challenge of reducing “Cost” and improving “Efficiency.”



SCC DELEGATES VISITED AI-HASA POLICE

A delegation from SCC visited the Police Department in Al-Ahsa region in order to have bilateral relations with the Government entity. They were greeted by Major General Ibrahim Awadh Al-Qahtani at Al-Ahsa Police Head Quarter. The delegation consisted of Mr. Abdullah Al-Moosa, Mr. Adel Al-Mazrowa and Mr. Ahmed Al-Qamoos. They congratulated Major General

Al-Qahtani for his recent promotion, and thanked him for giving the SCC delegation the opportunity to visit his office.

Further information from:

Abdullah Al-Moosa – Deputy Manager, Plant Support Services

OUR PORTRAIT



Name: Mr. Arun Kumar Dixit
Title: Technical Development Advisor (TDA) and Projects Director.

Qualifications: Masters Degree in “Mechanical Engineering” from Govt. College of Engineering, Bilaspur, Madhya Pradesh, India. Masters Degree in Business Administration from Sikkim University Manipal, India.

Career: He started his career as Trainee Engineer in one of the first dry process plants in India in January 1986 and thereafter worked in India and Indonesia with one of the best managed cement companies in his home country. He carried out various responsibilities in the field of Projects, Maintenance, Plant Operations and Corporate Affairs successfully.

He joined Saudi Cement Company in April 2006 as Technical Development Advisor and owing some social responsibilities, left for a short term in November 2012, but again rejoined SCC in September 2013. He has largely contributed in incorporating the change management culture in the Plants and was deeply associated with 5th and 6th extension projects in Hofuf Plant. He is considered as a hard core cement professional with an overall experience of 28 years in the cement sector and a man for crisis management.

He is a member of several professional organizations such as the Institute of Engineers (India), American Society of Mechanical Engineers, and a member of several charitable organizations.

Hobbies: Social Services, Travelling, Skill Development, Mentoring.

Opinion: This E-Newsletter is a perfect communication channel within the Company and creates the awareness amongst all employees about the activities and developments in the Company, regardless of their work locations. Through this medium, I request all my colleagues to contribute in this publication to make it more informative. I congratulate the Editorial Committee for their efforts in keeping all of us informed and wish them all the success.



EASTERN PROVINCE GOVERNOR HONORED SCC

His Royal Highness Prince Saud Bin Nayef Bin Abdulaziz Al Saud, Governor of Eastern Province Honored Saudi Cement Company for being a sponsor of the event “Al Ahsa Investment Forum” in Al-Hasa. On behalf of our BM&CEO, Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services, received the Honor Shield from the Governor of Eastern Province.

Further information from:

Abdullah Al-Moosa – Deputy Manager, Plant Support Services



SCC's CEMENT SALES

Saudi Cement Company's total cement sales during the 1st quarter of 2014 was at 2.1 million tons compared to 2.5 million tons during the same period of previous year 2013. Local demand for cement in Saudi Arabia during the first quarter of 2014 reached to about 14.3 million tons compared to 15.6 million tons during the same period of previous year 2013.

Furthermore, due to import of clinker by local cement companies, the closing stock of clinker as of March 2014 stood at about 15.7 million tons compared to 5.4 million tons during the same period in the previous year 2013, i.e. an increase of 10.3 million tons equivalent to about 191%.

Further information from:
Hussain Abu Taki – Sales Manager



SCC PARTICIPATED IN CAREER DAYS

Under the patronage of HRH Prince Saud Bin Nayef Bin Abdulaziz Al-Saud, Governor of Eastern Province, SCC participated in two Career Days at King Faisal University, Hofuf and KFUPM, Dhahran during the months of March and May 2014 respectively. Several leading companies from all over the Kingdom participated in these events. SCC participated in these events with exhibition stands which were visited by several fresh graduates from both

universities. Various faculty engineers showed their keen interests in joining SCC to pursue their careers. They have submitted their resumes on the spot and have requested requisite information about the Company for applying online. SCC's booths were represented by Recruitment and HR personnel.

Both Universities' management thanked SCC for participating in the events and for supporting the Saudization drive. It was an overall success for SCC to participate in such prestigious events in order to support the noble nationalist cause.

Further information from:
PR Correspondent – Public Relations



FAREWELL TO KHALIFAH DAKHEEL

A farewell gathering was held during the month of January 2014 in honor of Mr. Khalifah Al-Dakheel, Relations & Support Services Manager, who left the Company for good after 6 years of service with Saudi Cement Company. Our BM&CEO, Mr. Mohammed Al-Garni patronized the event in the BOD room and thanked the efforts exerted by Mr. Al-Dakheel in the Relations & Support

Services Department. He wished him and his family all the success in their future endeavors. Mr. Al-Dakheel also thanked SCC and its management for their support.

Further information from:
PR Correspondent – Public Relations



ITD's ACHIEVEMENTS

ITD's core functions business development automation and services will continue to advance and deliver executives' vision and department's business strategic needs. During the past period, we have achieved the following:

Advance Voting Application:

The voting application system developed to organize, improve and tailor it to the official business needs. Voting system organize and simplify the total cycle processes of receiving shareholders data, uploading, defining of agents, issue voting cards, enter data, generate reports (tables & graphs) then issue results in a systematic orders.

Shareholders Management System (SHMS):

The new developed shareholders management system accepted by departments to utilize it live on 14th April 2014. This in-house developed Share-Holders application perform many business processes aligned with business needs such as inquiry, update, maintain shareholders records/ dividends plus other functionalities. The application was developed by SCC/ ITD using Oracle's development tools with full participation and inputs from Finance Department & Shareholders section. The challenges were in the Data-Cleansing and Data-Migration phases, however, with dedication, paying attention to details and hard work; we were able to achieve it successfully. Business workflow methodology strictly followed in development & implementation phases. Shareholders processes integrated with Oracle Financial and data updated frequently for up-to-date information. The old Shareholders' applications running on old-IBM system have been discontinued.

Further information from:
Saeed Al-Zahrani – IT Manager



LEGAL DEPARTMENT HONORED EMPLOYEES

In an informal get-together held at the Sheraton Hotel Dammam on 12th May 2014, the Legal Department honored their two employees Mr. Ashfaq Khan and Mr. Khalid Khan respectively for their outstanding performances during the past year. Mr. Tahir Al-Garni, Senior Legal Advisor and Mr. Ahmed Tantawi, Legal Advisor appreciated the efforts exerted by both of them during the year which

resulted in Legal Department's timely requirements in achieving their business targets. PTM & RSM (A), Mr. Abdullah Dulijan was the guest of honor in the event who presented the appreciation tokens to the employees and urged them to keep the same spirit in coming years.

Further information from:
PR Correspondent – Public Relations



MINISTRY OF SOCIAL AFFAIRS HONORED SCC

Saudi Cement Company was honored by Mr. Moshawah Al-Hoshan, General Manager for Associations & Charities at the Ministry of Social Affairs in Al-Hasa, for being a sponsor of the festival "We are all Producers" at the Ibrahim Palace in Al-Hasa. Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services, received the Honor Shield from Mr. Al-Hoshan. Also a delegation from SCC visited the festival and witnessed the display of

industries and products, as well as visited the book fair which was comprised of old books for more than half a century.

All the activities are part of SCC's Corporate Social Responsibility (CSR) programs for which the Company is committed to in helping the local communities in the region. The concerned Government and Private Sectors' Management appreciated SCC's contributions in various activities and thanked SCC Management.



AL-AHSA MATERNITY HOSPITAL HONORED SCC

Social Services Department in Al Ahsa Maternity Hospital conducted an activity under the banner "Together for Better Service" under the supervision of the hospital's Director, Dr. Abdul Hamid Bin Abdul Mohsen Al Bunaian. The activity was also overseen by their Finance & Admin. Director, Mr. Omar Al Aboud and his assistant Dr. Salah Al-Mohammad. It was launched in the presence of the official sponsor SCC, which was

represented by Mr. Abdullah Al- Moosa. The hospital Management honored SCC for their contribution in this noble cause, and thanked the management for their care for the society in the region.



AI-AYOUN FAMILY DEVELOPMENT CENTER HONORED SCC

The Family Development Center in Al-Ayoun city honored Saudi Cement Company for providing support to the Center in various fields in order to help the local community. Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services, received the Honor Shield from Sheikh Dr. Saad Al-Buraik for the contribution of the Company in various activities.

Further information from:

Abdullah Al-Moosa – Deputy Manager, Plant Support Services



SAMBA FINANCIAL GROUP DELEGATION VISIT

A delegation from the Samba Financial Group visited Saudi Cement Company's Hofuf Plant under the leadership of Mr. Bashar Mohammed, Assistant General Manager of the Group. The delegates were welcomed and greeted by Mr. Mohammadine El Baraka, Plant Manager, Operations & Maintenance and Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services.

The visit included a tour of sections of the Plant and was concluded with lunch in their honor. The delegation expressed their happiness for what they have seen and the hospitality extended to them.



PRESIDENCY OF METEOROLOGY AND ENVIRONMENT DELEGATION VISIT

A delegation from the Presidency of Meteorology and Environment visited SCC's Hofuf Plant. The delegation was welcomed and greeted by Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services. The itinerary included a tour to sections of the Plant, and concluded with lunch in their honor. The delegation expressed their happiness for SCC's kind hospitality and thanked the Management for giving them the opportunity to visit their premises.



KFUPM STUDENTS VISIT

A delegation of students from the Faculty of Civil Engineering at King Fahd University of Petroleum and Minerals visited Hofuf Plant headed by Dr. Salah Al-Dulijan. The delegation was welcomed and greeted by Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services. The program included a tour of the Plant sections to illustrate the stages of industrialization passing through the control room and quality laboratory and concluded with the distribution of souvenirs to the students and supervisors. The KFUPM Management thanked SCC for their hospitality in making the trip a success.

Further information from:

Abdullah Al-Moosa – Deputy Manager, Plant Support Services



SCC SPORTS FEST – A BIG SUCCESS

Saudi Cement Company organized a month and a half-long sports event in its Aindar Plant's Al Bustan Housing Recreational Facilities. A big number of SCC staff members of different nationalities competed in various sports disciplines – Lawn Tennis, Table Tennis, Volleyball, Cricket, Billiards, Darts, Carrom Board Game and Basketball; and a huge audience witnessed their breath-taking championship games and awarding ceremonies which were held in the same venue.

SCC's Acting Relations & Support Services Manager Mr. Abdullah Al-Dulijan, representing the Company's Board Member & CEO Mr. Mohammed Al-Garni, conveyed the Company management's commitment in looking after the welfare of all their employees whom they value and consider as their biggest assets, and at the same time provide various forms of leisure and enjoyment, promote the spirit of teamwork and camaraderie, and create a desirable healthy and harmonious environment for them, to everyone's benefit and satisfaction. He also reiterated the Company's advocacy that a work force with a healthy mind and a healthy body results to a healthy company, leading to its success.

Meanwhile, their Operations & Maintenance Manager Mr. Mohammadine El Baraka, Controller-Community Services Mr. Ali Bukhamsin, and PR Specialist Mr. Ishtiyaque Khan, together with other managers, expressed their thanks and appreciation to everybody who organized, 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 and professionalism.

Mr. Abdul Hadi Al-Ajmi, President for Governor's Office in Al-Ayoun City, Mr. Ibrahim Al-Mubarrazi, Manager of the HRH Prince Abdulah Bin Jalawin Stadium in Al Hasa, and Hon. Atty. Alejandro Padaen, Labor Attache of the Philippine Overseas Labor Office-Eastern Region, graced the occasion by being the event's Guests of Honor, and all of them praised the Company for the noble endeavor while The Filipino Channel's Mr. Raffy Beltran covered the affair. Mr. Saleh Al-Duwaisan, Editor of Aariyadi Newspaper, was also present. All 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.

This is the Company's third year for holding the event, after the success of their two earlier similar endeavors for the past two years. They also plan to add more disciplines next year, after the completion of their state-of-the-art housing and recreational facilities project, which is soon to be built in their Hofuf Plant. The Company also expects more and more participation from their huge and continuously increasing work force.

Further information from:

Romeo Galvez – Executive Secretary, BM&CEO's Office

A Public Relations Publication