



Saudi Cement Company's Internal News Bulletin
Volume - VI, 2nd Edition 2015

SCC Newsletter

Stronger than ever

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Mohammed A. Al-Garni

Board Member & Chief Executive Officer

MESSAGE FROM THE BM & CEO

Saudi Energy Efficiency Center (SEEC) was established with an objective to improve the energy efficiency in the Kingdom and its mission is to preserve the national wealth of energy resources, which consequently strengthens the development, national economy and achieve the lowest possible consumption levels.

SEEC is evaluating the energy consumption in 3 different areas - Industrial, Buildings and Land Transportation. Energy consumption in the Industrial sector is 15% of the total local consumption and cement, petrochemicals and steel represent 85% of the total energy consumption in the industrial sector.

SEEC has set the following two targets for energy efficiency based on bench mark set by the World Business Council for Sustainable Development (WBCSD) and 2011 operational data from the cement industry in the Kingdom:

- a) Thermal Energy : 3.3 MMBTU/ton of clinker
- b) Electrical Energy : 110 kWh/ton of total operation

Saudi Cement Company (SCC) in 2011 achieved better results than the set targets:

- a) Thermal Energy : Kiln # 7: 3.07 MMBTU/ton of clinker & Kiln # 8: 3.04 MMBTU/ton of clinker.
- b) Electrical Energy : 109.3 kWh/ton of total operation

SCC has continuously improved its position in achieving better results than the set targets annually. Energy conservation and energy efficiency are of national benefit to the Kingdom of Saudi Arabia, and Saudi Cement Company should be on the top for energy efficiency in the industrial sector, and the leader in supporting Saudi Energy Efficiency Center to achieve its national mandate. In accordance with this, SCC has set up plans to further improve the energy consumption during the period from 2015 to 2017.



BM & CEO'S VISIT TO HOFUF PLANT

During the month of April 2015, our BM&CEO visited Hofuf Plant to observe the Plant activities along with H.O. management. During the Plant tour, he was accompanied by OMM, Mr. Mohammadine El Baraka who briefed him about the ongoing activities. Apart from his general tour of the Plant, he visited the maintenance workshop and railway facilities. During his visit, our BM&CEO also planted a few trees at our Hofuf Plant, and stressed on maintaining the greenery across the Plant facilities.



SCC WELCOMES NEW SALES MANAGER

Mr. Yousef Ahmed Al-Mozaini joined Saudi Cement Company as our new Sales Manager, replacing Mr. Hussain Abu Taki who is now assigned with the new responsibility of being our Sales Consultant. During the month of April 2015, our BM&CEO Mr. Mohammed Ali Al-Garni called a special meeting with all Head Office Managers to introduce Mr. Al-Mozaini and welcome him on board. SLM thanked SCC management for giving him the opportunity to join one of the largest cement companies in the region, and he looks forward to serving the Company. All the participants welcome and wished him all the success in his new assignment.



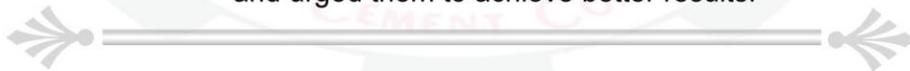
SCC HONORED TWO EMPLOYEES



During the month of April & May 2015, our BM&CEO Mr. Mohammed Ali Al-Garni honored two employees for their outstanding achievements within their departments.

Mr. Badar Al-Otaibi from ITD and Mr. Saeed Al-Assiri from Sales Department were honored for their extra-ordinary performances, which have been beneficial to their respective departments in general, and the Company in particular.

Our BM&CEO, in a special ceremony with the presence of Head Office management, appreciated the efforts exerted by both gentlemen, and thanked them with a reward from the Company as a token of appreciation for their good work. Both the gentlemen were pleased with SCC's recognition, and committed to continue with the same spirit in the long-term. All the attendees wished them success and urged them to achieve better results.



OWNER OF AUMUND GROUP, GERMANY VISIT SCC



Mr. Franz Walter Aumund, Managing partner of AUMUND Group visited Saudi Cement Company to meet with our BM&CEO Mr. Mohammed Ali Al-Garni for a courtesy meeting. Our BM & CEO, together with his management team, met with Mr. Aumund and his

team and appreciated the support being provided by Aumund to SCC plant operations. He highlighted the cooperation of Aumund with SCC's Plant Operations and Maintenance Manager Mr. Mohammadine El Baraka and his management team in resolving key issues in the cement grinding area and for improving equipment efficiencies. Mr. Franz Aumund introduced Mr. Robert Gruss who took over the Managing Director role in Aumund since Nov. 2014. Mr. Aumund and Mr. Gruss both agreed with BM & CEO to continue to support SCC plant operations and finalize a comprehensive preventive maintenance strategy for transport equipment in the plant.



LOESCHE GmbH DELEGATES' VISIT SCC



Dr. Thomas Loesche, Managing Partner of Loesche GmbH visited Saudi Cement Company to meet with our BM&CEO Mr. Mohammed Ali Al-Garni for a courtesy visit on Thursday March 26, 2015. Our BM & CEO and his top management team met with the Loesche team and applauded the cooperation and support provided by Loesche in general. He also stressed on the fact that SCC

considers Loesche as an important partner and Dr. Loesche guaranteed continuous support to SCC for the current plant operations. Dr. Loesche also expressed his interest in bidding for the yard remodeling project in partnership with CNBM and presented how the project would be handled together by Loesche & CNBM. Photos are attached showing both management teams during the presentation and discussions.



OUR PORTRAIT

Name: Mr. Dhiren Kumar Nayak
Title: Senior Manager, Production
Qualifications: Diploma in Chemical Engineering with B SC Chemistry Honors with Distinction from Government Utkal University, Orissa, India .

Career: He started his career as Executive Trainee in a reputed cement industry (Dalmia Cement) in India. He has over 27 years of experience in large / mega cement plant operation such as Tata Steel Cement Division (India), Lafarge India, FLSmidth International (Projects) and Fujairah Cement, UAE. He carried out various responsibilities in the field of Production Process, Commissioning, Process Optimization, Production Enhancement, Quality Optimization, Cost Control and all aspects of cement plant operations in different cement plants, in India and international.

He joined Saudi Cement Company in April 2013 as Senior Manager, Production Department. He believes in teamwork. As a team member, he is actively involved in production capacity enhancement in Line 6, 7 & 8, IMS documentation, Raw Meal optimization, Energy optimization and plant KPI. He has Life Membership in Cement, and has attended various cement process seminars internationally.

Hobbies: Playing Soccer, reading Books .

Opinion: I believe that this platform of sharing valuable Company's social information to all employee levels will definitely yield high morale amongst our workers and our Company in general. I congratulate all those who are contributing to make this newsletter a success.



SAUDI CEMENT HOSTED RAMADAN IFTAAR



During the Holy month of Ramadan 1436 H, Saudi Cement Company hosted a grand Iftar to its employees and leading customers at Al-Andulus Hall's premises in Dammam. This is a continuous tradition of SCC over the past several years to gather its employees together with its customers during the Holy month, creating an opportunity for informal interactions. Around 200 corporate employees, retired and outgoing personnel of Saudi Cement, and several customers attended this grand event.

Relations and Support Services Department Representatives welcomed the guests and our BM&CEO greeted all later and thanked the customers for accepting the invitations and attending the event. The customers appreciated SCC's hospitality and thanked the management for their noble gesture. Everyone prayed for the success of Saudi Cement Company in the years to come.



Yousef A. Al-Mozaini

SAUDI CEMENT SALES

Saudi Cement Company was able to maintain its total cement sales level during the first 5 months of year 2015 at 3.57 million tons compared to 3.58 million tons during the same period of previous year 2014, albeit challenging market conditions with the oversupply of cement in the market as a result of high cement production. Saudi Cement Company was able to achieve growth on cement export sales by 30.7% to reach 230 thousand tons raising from 176 thousand tons for the same period.

Furthermore, attributed to the progress of the labor market, demand of cement in the local market has improved significantly during the first 5 months of year 2015 with an increase of 8.84% compared to the same period of previous year 2014 and reached 27.70 million tons raising from 25.45 million tons i.e. an increase of 2.25 million tons. Saudi Cement Company was able to maintain a market share of 12.1% out of 15 national cement companies. On the other hand, the closing stock of clinker as of May 2015 stood at about 19.43 million tons compared to 16.53 million tons during the same period in the previous year 2014. i.e. an increase of 17.55% imposing financial and operational pressure on cement companies



DAMMAM UNIVERSITY STUDENTS VISITED SCC

A delegation of students from the faculty of Civil Engineering at the University of Dammam visited SCC's Hofuf Plant during the month of April 2015. 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 their supervisors. A special lunch was also arranged in their honor. The accompanying management of Dammam University expressed their happiness along with the students for the hospitality extended in their honor and appreciated SCC's efforts in providing the industrial knowledge to them.



SAUDI CEMENT DELEGATES VISITED HADEED

A special delegation from Saudi Cement Company visited Hadeed Company, an affiliate of SABIC in Jubail Industrial City during the month of April 2015. The SCC delegation was led by Mr. Abdullah Al-Moosa, Deputy Manager, Plant Support Services along with Senior Manager Production, Mr. Dhiren Kumar Nayak. Mr. V.K. Garg, Chief Chemist and Mr. Shabbab Al-Othaibi from Government Relations were part of the delegation. The visit was carried out on

the request of Sales Department to see the iron facilities.

Hadeed management welcomed our delegation whole-heartedly and extended their best hospitality in their honor. Our delegates thanked Hadeed on behalf of SCC Management and appreciated their efforts in providing the smooth access.



FAREWELL TO TWO RETIRING EMPLOYEES

Two special farewell gatherings were held during the month of April and May 2015 respectively in honor of two retiring SCC employees.

Mr. Abdullah Al-Omair from Sales Department retired after 34 years of continuous service with the Company. Mr. Abdullah Dulijan, RSM(A) patronized his farewell event on behalf of our BM&CEO. The 2nd farewell was in honor of Mr. Ashfaq Khan from Legal Department who retired after 25 years of dedicated and long service with SCC. The event was patronized by Mr. Tahir Al-Garni, SLA on behalf of our BM&CEO.



RSM (A) and SLA conveyed our BM&CEO's best wishes to Mr. Omair and Mr. Ashfaq and their families. They highlighted Mr. Omair's and Mr. Ashfaq's contributions to Saudi Cement Company and their dedicated efforts during a long period of over

34 & 25 years respectively. Both retiring employees thanked SCC management for their support and the care taken by the Company during the tenure of their services. They wished greater success to the Company and their colleagues.



Medical Insurance Policy Renewed:

The Company has renewed our contract with M/s Bupa to provide the medical insurance for SCC employees and their eligible dependents effective 12/07/1436 (01/05/2015).





OPERATIONAL NEWS

Alpine Air Jet Sieve (e200 ls) at Quality Control Department:

Alpine Air Jet Sieve e200 LS, Hosokawa Germany, installed in our Q & PC facility has succeeded in setting the benchmark in terms of functionality and quality. The said unit has an integrated mini-computer that controls, regulates and monitors the sieving process.

The device in our facility are being used for the sieve analysis of Raw Meal, Kiln Meal and Cement. The optimized sieving times and reduced peripherals save the operator time. Automatic checks and default settings increase the quality of the results.

Works carried out by Civil Department for uplifting Plant look:

During last couple of months, Civil Department carried out many important activities such as, External Aesthetic improvement of Plant, extension of reception building by providing additional counter windows for more faster, smooth and convenient transactions, etc. Also, Dismantling and demolition of obsolete facilities (Phase-I) was started last May 17, 2015, where M/s. Al-Qaryan Group is the main contractor.



HRD ORGANIZED SOCIAL GATHERING

A formal get-together held at Ajwaa Spa farmhouse on June 12, 2015. Human Resources Department employees gathered at a farmhouse in the outskirts of Dammam. This Spa farmhouse has the facilities for various recreation activities, such as swimming pool, billiards, volleyball, football, table tennis etc. Lucky draw coupons were arranged and several token of prizes were distributed to lucky winners. Lunch & dinner were served to all attendees and the staff & children enjoyed all recreational facilities all day long. HRM hanked all staff and gave special thanks to Mr. Abdullah Bawadi who has organized this event.

STAFF NEWS

The following senior staff joined SCC at Head Office & Hofuf Plant:

- 1.Mr. Yousef Ahmed Al-Mozaini joined as Manager, Sales Department on 29.03.2015.
- 2.Mr. Hatem M. Ahmed Sakr joined as Manager, Electrical at Hofuf plant on 1.12.2014.
- 3.Mr. Mohammad Marei Al-Khaled joined in HRD as a "Training Specialist" on 6.04.2015.

We welcome all of them on board and wish them every success.

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