



Saudi Cement Company's Internal News Bulletin  
Volume - V, 3<sup>rd</sup> 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 see that we have grown stronger as ONE TEAM despite our challenges and a tough market situation. All of you have shown great interest during the first 8 months of 2014 in achieving our important objective of reducing “Cost” and improving “Efficiency”. The Plant management has worked very strategically in establishing teams for raw material quality, electrical energy, thermal energy, logistics and maintenance to achieve our objective.

This year has been challenging for us due to uncontrollable market situation, causing reduction in dispatch volumes by approximately 15% year-to-date compared to same period in 2013. The market situation at the start of the year was worse but has improved gradually, and current low dispatch is due to the expected slow period between Ramadan and Hajj. We anticipate, however, that the market Insha’Allah would gradually improve after Hajj.

I strongly encourage all departments to continue our drive for reducing “Cost” and improving “Efficiency” to offset the effects of low dispatches this year. We should regularly utilize Pareto Analysis 80/20 rule to improve all departmental processes and establish guidelines that will continue to support our objective. We need to continue to improve Equipment Availability and MTBF, and eradicate repetitive failures, as well as keep our equipment in excellent condition by utilizing a condition-based maintenance philosophy.

In the end, let us strongly continue as ONE TEAM and be ready for the market when it Insha’Allah improves after Hajj to end this year and start the next year positively.





**TOP 10 CEO's IN KSA ANNOUNCED BY SAUDI PROJECTS MAGAZINE**

Saudi Projects Magazine's editorial, in its June 2014 issue, has stated that "It takes a great deal of intelligence, ingenuity, courage and confidence to be the Chief Executive Officer of a successful organization in the Kingdom of Saudi Arabia.", and with this in mind, they have looked closely at some of the country's leading CEO's in the industrial sector, and announced the Top 10 Chief Executive Officers – Saudi Arabia.

The magazine has outlined that their ranking is based on three basic criteria, such as:

- The long term performance of each candidate.
- The success of their company across all of its chosen markets.
- The vision and creativity.

With these criteria, the Saudi Projects magazine has ranked our BM&CEO Mr. Mohammed Al-Garni at No. 4, which is another honor for Saudi Cement Company, followed by its recent honoring by Forbes Middle East. As such, we are proud to work in a company whose CEO is considered to be one of the most powerful business professionals working in the industrial sector of Saudi Arabia. Due

to his leadership qualities, Saudi Cement Company has managed to become the biggest cement company in Saudi Arabia in a tenure of just 8 years, has built an exemplary team which has achieved record performance and sustained higher profitability.

Let us continue to follow the stewardship of our BM&CEO and contribute to maintaining Saudi Cement Company's leadership in the Kingdom's cement industry.

**BM & CEO AWARDED CERTIFICATES TO SENIOR MANAGERS**

During the last SCC's management meeting chaired by our BM&CEO which was held on 23<sup>rd</sup> June 2014 at the Head Office, the BM&CEO awarded special long service certificates to three Managers and two senior position employees for their respective years of services. ITM Mr. Saeed Al-Zahrani for 15 years, CIA Mr. Ali Abdulrahman for 10 years, HRM Mr. Salah Hakim for 5 years along with FNM Mr. Osama Sid Ahmed and SLA Mr. Tahir Al-Garni for the same period i.e. 5 years respectively.

The BM&CEO thanked them for their respective services in SCC and appreciated their efforts exerted throughout the period in all key areas. He also wished them all the success in their future endeavors in the presence of all SCC Managers.





## OUR PORTRAIT

**Name:** Mr. Mir Kazim Ali  
**Title:** Operations Development Advisor.  
**Qualifications:** Master of Business Administration (MBA), Moore School of Business, University of South Carolina, USA.  
 Master of Science in Engineering (MSc. Eng.), Queens University, Kingston Ontario, Canada.

**Career:** He has more than 15 years global experience in the cement industry in the areas of engineering, construction, commissioning and management. He started his career as a Mechanical Engineer with Holcim Canada in the late 1990's. He then progressed through the roles of Plant Engineer and Area Manager with Holcim USA. His success in plant operations resulted in transfer to Holcim Head Office in Zurich Switzerland as Cement Grinding Specialist. In this capacity, he improved cement grinding operations globally in various regions including Asia Pacific, North America and Western and Eastern Europe. Global success resulted in his promotion to Senior Grinding Specialist and Global Project Leadership for the VRM Protection Concept. He joined Saudi Cement Company in October 2011 as Operations Development Advisor, and has worked very closely to support the Plant Management Team.

He is a licensed Professional Engineer in Ontario, Canada, trained several hundred participants globally in the area of cement manufacturing, and has been a mentor for Process Performance Engineers in India, Bulgaria and South Africa.

**Hobbies:** Sports, reading.

**Opinion:** The Saudi Cement Newsletter is an effective way of sharing information within the Company. I would encourage the various departments to take more active part in providing materials on various topics and show case the success stories of their respective employees.



## SCC's CEMENT SALES

Saudi Cement Company's cement sales during the first 7 months of year 2014 totaled to 4,704,263 tons compared to 5,599,530 tons during the same period of previous year 2013.

Local demand for cement in Saudi Arabia has decreased during the first 7 months of 2014, as it reached to about 32,027,000 tons only compared to 34,712,000 tons during the same period of previous year 2013 i.e. a decrease of 2,685,000 tons which is equivalent to 7.74%. However, the local demand for cement is

expected to increase as some major construction projects will start during the 4th quarter of 2014.



## SCC RANKED NO. 2 IN SAUDI ARABIA'S INDUSTRIAL SECTOR

Saudi Cement Company, being one of the biggest cement manufacturing companies in the Middle East, has won several awards in the past to its credit. Saudi Cement has been excelling in all areas of business in the past few years. May it be sales, manufacturing capacity, and production efficiency or cost, it has outclassed its rivals in Saudi Arabia. This has earned a leadership position for Saudi Cement in the region. Several analysts have realized this & tried to give some type of rating to Saudi Cement across the industry. Forbes is one of them.

Forbes Middle East has recently evaluated the achievements and performance of some of the top companies across the Middle East, and ranked them based on their audited financial statements for the year 2013, as collated from stock markets across the region. They have taken into consideration the companies' performance, total revenue, net profit, total assets, market capitalization and other important factors, and declared the Top 500 Companies in the Arab World after the process. Out of the Top 500 Companies in the Arab World sector-wise, Saudi Cement Company was able to get the following impressive rankings:

- Ranking in Saudi Arabia's Industrial Sector - 02
- Ranking in the Arab World Industrial Sector - 05

Forbes Middle East has announced the rankings and given the awards in their Honoring Ceremony held at the Jumeirah Emirates Tower Hotel in Dubai on Tuesday, 17th of June 2014, which was attended by distinguished guests.

This milestone has been achieved by the Company due to Employees' hard work, dedication, team work, and efficient / exemplary performance under the direction of SCC's Board Members. This could not have been possible without the continuous contribution & support of our valued Customers, Contractors, Distributors, and Suppliers, for which we would like to thank them whole heartedly.



## SCC COMMENDED BY DRUGS FIGHTING DIRECTORATE IN AL-HASA

During the month of June 2014, SCC was awarded by the Director of Drugs Fighting Directorate in Al-Hasa region for its participation in the International Drugs Fighting Day held at Al-Hasa. A special plaque of appreciation was awarded to SCC, which was received on behalf of our BM&CEO by Mr. Abdullah A. Al- Moosa, Deputy Manager - Plant Support Services. The Management of General Directorate,

Mr. Ibrahim Awad Al-Qahtani thanked SCC for its participation in this noble event and support to the society. This is part of SCC's continuous efforts in fulfilling its Corporate Social Responsibility (CSR) obligations.



### SCC COMMENDED BY AL-HASA PRINCE

During the month of June 2014, SCC was commended by the Prince in Al-Hasa region - HRH Prince Bader Al-Jalawi for its support to the local community in the region. A special plaque of appreciation was awarded to SCC, which was received by Mr. Abdullah Al-Moosa, Deputy Manager - Plant Support Services on behalf of our BM&CEO. The Directorate of Al-Hasa region also thanked and appreciated SCC's efforts and its continuous support to the society in the region.

HRH Prince Bader Al-Jalawi personally thanked SCC for its participation in the Noble event to educate the young generation of our society, and to develop and raise them in a healthy environment.



### SCC HOSTED RAMADAN IFTAAR

During the Holy month of Ramadan 1435 H, SCC hosted a grand Iftaar to its employees and leading customers at Al-Andalus Hall 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 SCC, and several customers attended this grand event.

Under the direction of our BM&CEO Mr. Mohammed Ali Al-Garni, Public Relations in SCC organized the event. RSSD representatives welcomed the guests and later the BM&CEO greeted all 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 SCC in future.



### SCC HOSTED EID GATHERING

On the occasion of Eid-ul-Fitar, Saudi Cement Company hosted a special social gathering for its employees at the Head Office premises in Dammam. This a customary tradition of SCC over the past several years to invite its employees on the first day after the Eid holidays. The aim of this social gathering is to create an opportunity for employees to greet each other under one roof.

The gathering was held under the patronage of our BM&CEO Mr. Mohammed Ali Al-Garni, who welcomed and greeted all employees. He reminded SCC employees to offer their special prayers to the people of Palestine, Syria, and Iraq who are suffering lately. More than 100 corporate employees attended this event which was organized by the Public Relations in SCC. Delicious cake, snacks, and soft drinks were served during the event which were enjoyed by everyone.



## SCC PROVIDES DAILY IFTAR AT HOUSING COMPOUND

Under the kind patronage of our Board Member & CEO, Mr. Mohammed Ali Al-Garni, a special Iftar Program for this year during the Holy Month of Ramadan has been organized once again for all employees residing at SCC's Housing Compound in Al-Tobaishi.

Communications & Services Division of RSSD has managed and supervised this noble task during the Holy Month. All employees residing in the campus enjoyed this facility in a special Air-conditioned tent. Iftar, dinner and soft drinks were provided regularly for around 60 employees. Both Muslims and Non-Muslims had attended and enjoyed it.



## SCC AUCTIONED OBSOLETE, SCRAP & RETIRED ASSETS

SCC organized an auction for its used equipment, machinery, and scrap through M/s Sultan Nasser Auctioneers Est. As pre-auction service, the auctioneer gave guidance on the site preparation, issued press releases and advertisements, prepared brochures, sales terms and conditions, buyers guide, contacted all perspective buyers and took photos of all auctioned items.

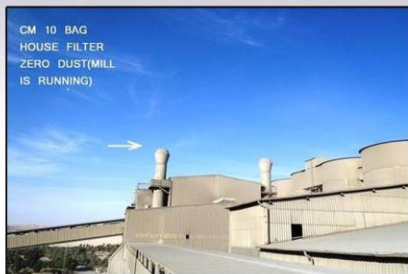
The auction was held during the month of June 2014 at Dhahran Palace Hotel by screening pictures of all materials for each lot to be auctioned to the participants. The auction fetched a total amount of SR 6,285,000 for the Company, which was held under the supervision of RSSD.



## RAMADAN COMPETITION RESULTS ANNOUNCED

Saudi Cement Company has organized the Annual Ramadan Competition raffle draw held both at SCC's Head Office and Hofuf Plant simultaneously during the month of August 2014. This competition is being conducted every year for all SCC employees during the Holy month of Ramadan. Number of participants reported this year were 550 from the Plants and 147 from Head Office and Port Terminal Office.

Lucky winners via raffle draw were awarded at both locations with gifts. The lucky winners and non-winners who participated in the Company's event were congratulated and thanked by the Company management for their keen interest in this activity. The Company hopes that this event will further build camaraderie among SCC employees, and establish more rapport among everyone. On behalf of our BM&CEO, RSSD would like to thank all the participants and the committee members for their efforts and participation to make it successful.



## CEMENT MILLS # 9 & 10 BAG HOUSE FAN MODIFICATION ACCOMPLISHED

Plant Team have successfully accomplished modification in Bag House of Cement mills # 9 & 10 by reducing the size of fan motor pulley. This has resulted in reduction of power consumption by 48 %.

Earlier, bag house fans were running at a load ranging from 330 KW to 350 KW with the minimum opening of damper at around 35%. After thorough study and discussions, Plant Team replaced the

existing 640 mm pulley with 510 mm pulley. This resulted in reduction in fan speed, thereby reducing power consumption. Mill operation has been kept stable and reduced bag house fan power from 330 KW to 170 KW, thereby saving 160 KWHr hour, which equals to 96,000 KWHr/month, i.e. a saving of SR 172,000/- per year per mill.



## SAFETY FIRST

As a part of SCC's HSE Program, Safety Health and Environment Department conducted a Mock Fire Drill on 26<sup>th</sup> of June 2014 in the Main Workshop Building to test the preparation of firefighting team and their employees' response during emergencies. To enhance safety awareness, Safety Department also provided Basic Firefighting Training in Dispatch Terminal - 2 for SCC employees who are in frontline during the emergency. Further, Safety Department will conduct similar activities in forthcoming months to improve our safety culture.

Apart from this, road milling and asphaltting works from Factory Main gate to Clinic at Hofuf Plant has been completed during August 2014. The new asphalt road has smoothen the traffic movement of Heavy and Light vehicles.



## HRD ORGANIZED SOCIAL GATHERING FOR ITS STAFF

In an informal get-together held at Ajwaa Spa Farm House during the month of June 2014, Human Resources Department in SCC gathered its staff for an open day celebration with several activities under the slogan – "To be one of the Distinctive HRDs in the Kingdom within 4 Years". HRM Mr. Salah Hakim and his Deputy Mr. Ahmed Al-Qahtani, welcomed all their staff at the farm house

and greeted them. They thanked their staff for their efforts during the year and appreciated their hard-work and dedication exerted in achieving HRD's goals. Several tokens of appreciation were presented to their staff during the event for their contributions and participation in various activities.

In a special message, our BM&CEO Mr. Mohammed Ali Al-Garni said, "I was pleased and delighted by what I saw in the Social Gathering Report, wishing and hoping from Allah to you all the success in the service of your Giant Company".





## SCC BASKETBALL TEAM SHINES

The SCC Basketball Team led by Team Captain Rodrigo Mariano and mentored by Acting Coach Lyndon Monzon and his assistants Joey Gabison and Joel Fernandez, has proven that in spite of being neophytes in the league, they are indeed highly formidable and a team to reckon with by lording over favored Arnon Plastic in the recently held PBA 31st Season Grand Fiesta Conference – Inter-Company Commissioner’s Cup 2014 held at the SADIP Megadome in Dammam 2nd Industrial City.

Flawless perimeter shots by Ace Forwards Josephus Panugaling and Jonathan Collado combined with fast break points from the wily Point Guard Adrian Torres gave them the early commanding 11-6 lead. However, Arnon Plastic retaliated with two consecutive 3 pointers in order to trim down the deficit and end the first quarter with an 18-14 tally in favor of SCC. Sensing trouble with their taller opponents in the second quarter, the SCC Clinker Masters capitalized on their agility and cohesiveness by challenging their counterparts with a precise running game. Guard Stephen Caboverde, Forward Roque Sarmiento and Center Bonito Bontuyan made terrific combined ball movements and applied well-executed drive-and-go plays using the triangle offense which brought up their lead to 10 points, 35-25 by the end of the second quarter.

The third quarter featured a barrage of baskets from both teams, highlighting awesome shots from Forwards Virgilio Legaspi, Bryan Alcantara and Rosello Repuesto. Meanwhile, SCC’s Guards Jack Sebial, Jake Dalago and Dan Bagtas applied the stone wall-like defense which gave way to their Centers Alano Estira and Rogelio Camacho being able to play low post with nice pivots. Forwards Manolo Rodriguez, Rex Noval and Jun-Rey Omambac sunk their free throws to keep SCC’s 7-point lead, 47-40 by the end of the third quarter.

Arnon Plastic applied a full court press in the 4<sup>th</sup> quarter which prevented SCC’s breakaway, and capitalized on fast break points to tie the score and thereafter grab the lead. A seesaw battle of attrition ensued, with the lead changing on both sides several times. With less than two minutes left, Arnon was still leading with 3 points but SCC’s veteran Forward Roque Sarmiento evaded his guards and sunk a beautiful 3 point shot to tie the game at 59-all and send the game to overtime.

Seeming like a bruised tiger, Arnon took an early 5 point lead at the start of the extra period, which forced SCC’s Acting Coach Lyndon Monzon to hurriedly call for a time out and shift to a different play pattern, applying man-to-man solid hustling defense and taking the big risk of playing without a legitimate center inside. The gamble paid off when they were able to trim down Arnon’s lead to 3 points. The small line-up then forced another turnover by Arnon and Sarmiento fired another amazing triple to tie the score at 67-all. A steal, drive and lay-up completed by SCC’s Point Guard Adrian Torres gave them a slim 2-point lead at 69-67. An Arnon player was fouled while in the act of shooting in the last few seconds but was only able to sink one, hence the breath-taking game ended with a hairline 69-68 final tally at the sound of the buzzer in favor of SCC.





## FAREWELL TO THREE RETIRING EMPLOYEES

A special farewell gathering was held during the month of June 2014 in honor of Mr. Ahmed Nasruddin from Sales, Mr. Jamal Zaid from HRD, and Mr. Iyad Mustafa from Finance who retired from the Company after over 30 years of long service with Saudi Cement Co. Our BM&CEO, Mr. Mohammed Ali Al-Garni patronized the event in the Head Office Lobby and thanked the three retiring employees for their dedicated efforts exerted during a long period of over 30 years.

He highlighted their contributions and services to Saudi Cement Company and wished them and their families all the success in their future endeavors. The three retiring employees also thanked SCC and its management for their support and the care taken by the Company during the period of their services and wished the Company all the success. Employees from Sales, HRD, and Finance along with HO management joined the farewell event and wished the three gentlemen all the best.

## STAFF NEWS

- Mr. Samir A. Al-Jindan joined SCC with effect from 6<sup>th</sup> July 2014 as Relations & Support Services Manager in RSSD.
- Mr. Uday Kulkarni joined SCC with effect from 10<sup>th</sup> July 2014 as Mechanical Manager in Hofuf Plant.
- Mr. Ali Abdeh Khubrani joined SCC with effect from 25<sup>th</sup> June 2014 as Recruitment Specialist in HRD.
- Mr. Ronaldo Bautista Mariano joined SCC with effect from 10<sup>th</sup> April 2014 as Recruiter in HRD.

## A Public Relations Publication