



ASEC CEMENT COMPANY

Q2 – 2008

Message to Shareholders



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Dear Shareholders,

In the second quarter of the year we progressed towards the realization of our goals. We signed with FLS a contract for the mechanical part of our Greenfield project in Djelfa (Algeria). We expect that this new factory should be operational in about three year's time. For Zahana, the plant we are currently operating in the Western part of Algeria, we expect to sign with ASEC Engineering a contract for rehabilitation in the third quarter of the year.

We continue working very hard in Al Takamol, our project in Sudan, notwithstanding very difficult conditions; all efforts have being taken, together with our EPC contractor ARESCO, to stick to the original time frame. Given the impossibility of relying on the grid for a secure supply of electricity we had to modify the original project in order to include a power generator unit. At the end of June we have been able to sign with MAN a contract for the delivery of a power generator consistent with our time requirements.

In Egypt (El Minya), we are working very hard to complete the permitting phase, by applying for the remaining missing licenses and authorizations; we believe that we will be in a position to sign with FLS for the equipment by September. We are also completing the geological analysis with the help of ASCOM.

In Kurdistan we are fencing the site of our Greenfield and we will soon start the final soil investigation; Syria should follow.

In Ethiopia we have discovered a couple of potentially interesting quarries and in the second half of the year our aim is to verify the suitability of these quarries and eventually to secure them.

Finally, given all these development and the very significant absorption of resources, we have decided to put on hold for the time being the projects in Libya. They will be resumed at a later stage when we will have progressed on the other fronts.

Our activity has been intense not only on the industrial front, but also on the financial side. We have de facto completed a capital increase for ACH of 250 million dollars and we have launched Wrapper One which will allow our company to satisfy all the equity requirements for El Minya, Syria and Djelfa. By July 15 we would have signed in Beirut a bridge financing for Al Takamol for an amount of 60 million dollars. The facility is Sharia compliant and it is the biggest ever facility of this type to have been implemented in that country.

Finally, we are also engaged in improving the organization of ASEC Cement and in attracting talented and determined people. As always the success of our initiative will crucially depend on the human factor.

With my best regards

Giorgio Bodo

Chief Executive Officer