



ASEC CEMENT COMPANY

Q3 – 2008

Message to Shareholders



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Dear Shareholders,

Our activity continued without any stop in the third quarter. A number of important results have been achieved on the industrial front. After the signing of the FLS contract for Djelfa in June we have finalized three other important contracts for the same plant with ASEC Automation, ASEC Engineering and with different companies for the civil works. We have also decided to abandon the turn key formula in favor of a direct management of the project which will be supervised by our Technical Direction and ASEC Engineering.

On Zahana, the Board of Directors has decided to stop the current revamping project and to launch a new tender offer. We should know more about this procedure in the next few weeks; we will do our best to reduce delays as much as possible.. Meanwhile, in Zahana we are putting a lot of efforts to improve the performance of the existing plan, both for the dry and the wet kilns.

In Sudan, works are progressing and we confirm our target to be operational by the end of 2009. Conditions in summer have been difficult because of the bad weather, and there were some delays due to the cement export ban from Egypt, but we are doing our best to stick to the timetable. At the same time, we have already begun our work to staff Al Takamol to be ready for the operational startup.

Important progresses have been also registered in Egypt on the El Minya site. Limestone licenses have been obtained by ANCC and the concession of the clay license should be imminent. The water pipeline from the Nile and the access roadwork are also progressing. Natural gas should be available for this facility. We are confident that in this case ANCC Should move very fast towards the target of producing cement at the end of 2011.

In terms of human resources we are working constantly to improve our management team and fill the remaining vacancies. Some important hiring's took place in the quarter in the Legal Department, in IT and in the Technical Direction. Other important hiring's should take place in the next few weeks with the objective of having the holding company (ASEC cement) fully staffed by the first months of next year.

Financing for Sudan and Djelfa is in progress, we expect to acquire a medium term financing for Al Takamol from Bank Audi and Abu Dhabi Islamic bank in Q4, and we are also negotiating with the a local Algerian Bank "BEA" to finance the Djelfa project. At the same time we have also communicated with other potential banks for the financing of our projects in Egypt and Syria.

Moreover we are revising our business plan to take into consideration of the changes in the external scenarios; different price levels, difficulty in obtaining equipment at the foreseen times, higher costs of the investment. We are also reviewing all our assumptions for the different markets where the Group is or is planning to operate. The new revised business plan will be presented at the next Board of ASEC Cement before the end of the year.

Giorgio Bodo

Chief Executive Officer