

CEMENT PERFORMANCE REVIEW

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It seems like a long time ago since the last newsletter, despite the fact that it is only three months. So much has happened in the global economy that we seem to be waiting every day for the next bit of bad news. And despite the best efforts of the politicians around the world there is such a lack of confidence that any good news has very little impact. Even countries that previously had a double digit growth rate and now only have a single digit rate are being pessimistic!

Within the cement industry in the past three months we have seen a number of plant closures around the globe, projects being delayed and the share prices of many of the multi-national producers collapsing. In fact many of the biggest companies, who in recent years have been heavily involved in acquisitions, are now finding themselves in severe difficulties with the debt burden.

These companies are now finding that more of their focus has to be related to finance and less to making cement. And it is not just a case of reducing capital spend; these companies are having to save as much money as possible just to service the outstanding debt. This is an extremely difficult position to be in for plant based

employees, as the corporate directive is to cut costs down to as much as possible but the plant perspective is that there is a certain minimum spend is required to keep the plant operating. Cutting into areas like maintenance budgets is a disastrous strategy, as reliability may not suffer in the short term (the first year) but in the medium term run times will start to drop. And once reliability has suffered it takes a significant amount of time, effort and a much greater cost to get back to the starting point.

Cement companies need the assistance of governments to create the demand for the product; without the sales of cement then no manufacturer can survive. However, manufacturers need to ensure that they are operating their plants as efficiently as possible both for now and for the future.

Nobody can say how long these difficulties will last—we all know that 2009 will be a difficult year but just hopefully as the year goes on we might see some light at the end of the tunnel, and we can focus more on making cement and less on the financial issues surrounding the industry.

Mark Mutter—Technical Marketing Director



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SEASONS GREETINGS

CPI would like to wish all of the readers of this newsletter their best wishes for this seasonal period and a for 2009—a year that is looking like it will present all of us with a lot of challenges.

Without the support of customers, suppliers, employees, colleagues and families **CPI** would not be able to operate its business

supporting the global cement industry. We are now about to start our seventh year in business and are sure that **CPI** will continue to grow and go from strength to strength.

Like last year, **CPI** has decided not to send Christmas cards to its stakeholders and instead has decided to make a

contribution to charity.

The chosen charity is once again Demelza House children's hospice in Kent, UK.

TARMAC

CPI has continued its long relationship with Tarmac, Buxton Cement and Lime during the last quarter of this year.

Roger Griffiths and Chris Simms spent a week at the site carrying out a follow-up to the pyro-processing audit that was completed three years

ago. The data that was collected was also passed on to Newcastle University, who are modelling the calciner gas flow and fuel burn-out, as well as being passed on to Alan Lorimer who will be calculating the gas flows from the existing equipment and fuel mix,

as well as running calculations for different fuel mixes to assist Tarmac in the development of their alternative fuels strategy. **CPI** and Newcastle University will also be assisting Tarmac in the identification of the injection point for new fuels.

ARABIAN CEMENT

CPI has continued to strengthen its relations with Cement Manufacturers in the Kingdom of Saudi Arabia, with Brian Boon visiting the plant of Arabian Cement during the final quarter of 2008. The company is in

the process of commissioning its fifth kiln line and required an assessment of the existing raw materials transport systems to identify methods to continue to supply the existing kilns and the new kiln line with the

minimum of capital investment, should the market require such volumes of cement. **CPI** has also been providing some input into the companies plans to extend the life of its quarry at the site.

CPI WEBSITE

As promised in the last newsletter, the new **CPI** website will be launched early in the new year.

The new site is much easier to navigate and is based around the four key product areas that the company provides to its clients—these being plant optimisation, project design and

commissioning, training and knowledge transfer and environmental improvement.

We have updated both our product list and our assignments list so that our customers have more access to view the work that **CPI** has completed over the past 6 years.

We are still developing some areas of the site— in particular the interactive section, where you can still find the variability calculator, but we will be adding some new tools over the next few months to allow our customers to assess their performance in other areas as well as Chemistry.

PROJECT SUPPORT

CPI is involved with a number of on-going projects around the world, providing support in a number of different areas. Yanbu Cement are working with Sinoma on a new 10,000 tpd plant, and **CPI** is providing technical support in the areas of process, mechanical and electrical

engineering. Work is continuing on the 5000 tpd kiln line in Colombia and **CPI** had completed some inspections in France for the supply of the MV switchgear before shipment.

In North America **CPI** have been providing support to Italcementi in

the form of training for the operators for the new kiln line at Martinsburg.

And finally **CPI** provided commissioning assistance for a new kiln line in Mexico during the final quarter of 2008.

YOUR VIEWS

As usual, we would like to have your feedback on our newsletter—what more would you like to hear about.

What other services would you like us to tell you about; are there other ways in which we can help you with your business performance?

What else would you like to see on the new CPI website? Please feel free to contact us and let us know.

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