

# Annual Report 2015

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# INTRODUCTION

During the year 2015 the sit ins and political tensions continued in the mining basin cities; which negatively affected company's work continuity and progress and therefore resulted in many interruptions. This generated a negative impact on all company's activities and it was unable to regain its normal activity level registered before the Tunisian revolution of January 14, 2011. In fact, its sales decreased by 55 % and its production by 63 % compared to the year 2010.

Compared to the year 2014, its production increased by 15 % and its sales by 20 %.

CPG continues working on realising its objectives to reinforce its competitive ability by increasing the quantity and quality of its product and modernising its management through:

- 1 - Providing the open cast mines with high capacity equipments to face the continuous increase in the ratio and to decrease the extraction cost and improve the output.
- 2 - Continuing the program of rehabilitating the production apparatus including wells and industrial water network by inserting techniques of control process commands in these units.
- 3 - Generalizing the flotation process in all the washing plants to increase the output.
- 4 - Concluding the project of building dikes for liquid affluent accumulation in all production sites to recuperate some of the industrial water and recycle it and to protect the environment.
- 5 - Continuing the program of cost control and energy rationalization specially by using solar energy for drying phosphates.
- 6 - Preparing the recruitment action to fulfill company needs in personnel.
- 7 - Improving the company information system by getting and developing computer applications to cover all management areas, the most important of which:
  - Develop a complete system for financial management
  - Get a suitable computer application for human resources management.

CPG continues supporting the internal and external environments by helping associations, sports and culture activities.



# BOARD OF DIRECTORS

Chairman and Managing Director :  
Mr Romdhan SOUID

MEMBERS	FUNCTION	MINISTRY OR ESTABLISHMENT REPRESENTED
Mr Romdhan SOUID	Member	Ministry of Energy and Mines
Mr Tarek ELGHOMRASNI	Member	Ministry of Energy and Mines
Mr Sadek BEN OTHMEN	Member	Ministry of Energy and Mines
Ms Amel BOUGHDIRI	Member	Ministry of Finance
Ms Sonia ELAIECHI	Member	Ministry of Investment and International Cooperation
Mr Youssef ZIDI	Member	Ministry of Environment and Sustainable Development
Mr Jalel CHWIHI	Member	Government Presidency
Mr Rabeh Makdish	Member	Ministry of Social Affairs
Ms Amel Ben Rahal	Member	Central Bank of Tunisia
Mr Abdelhafidh Abdelhamid	Member	Groupe Chimique Tunisien
Mr Mohamed RAJHI	Member	Tunisian National Society of Railways
Mr Fathi CHAFROUD	State Inspector	Government Presidency

## AUDITORS

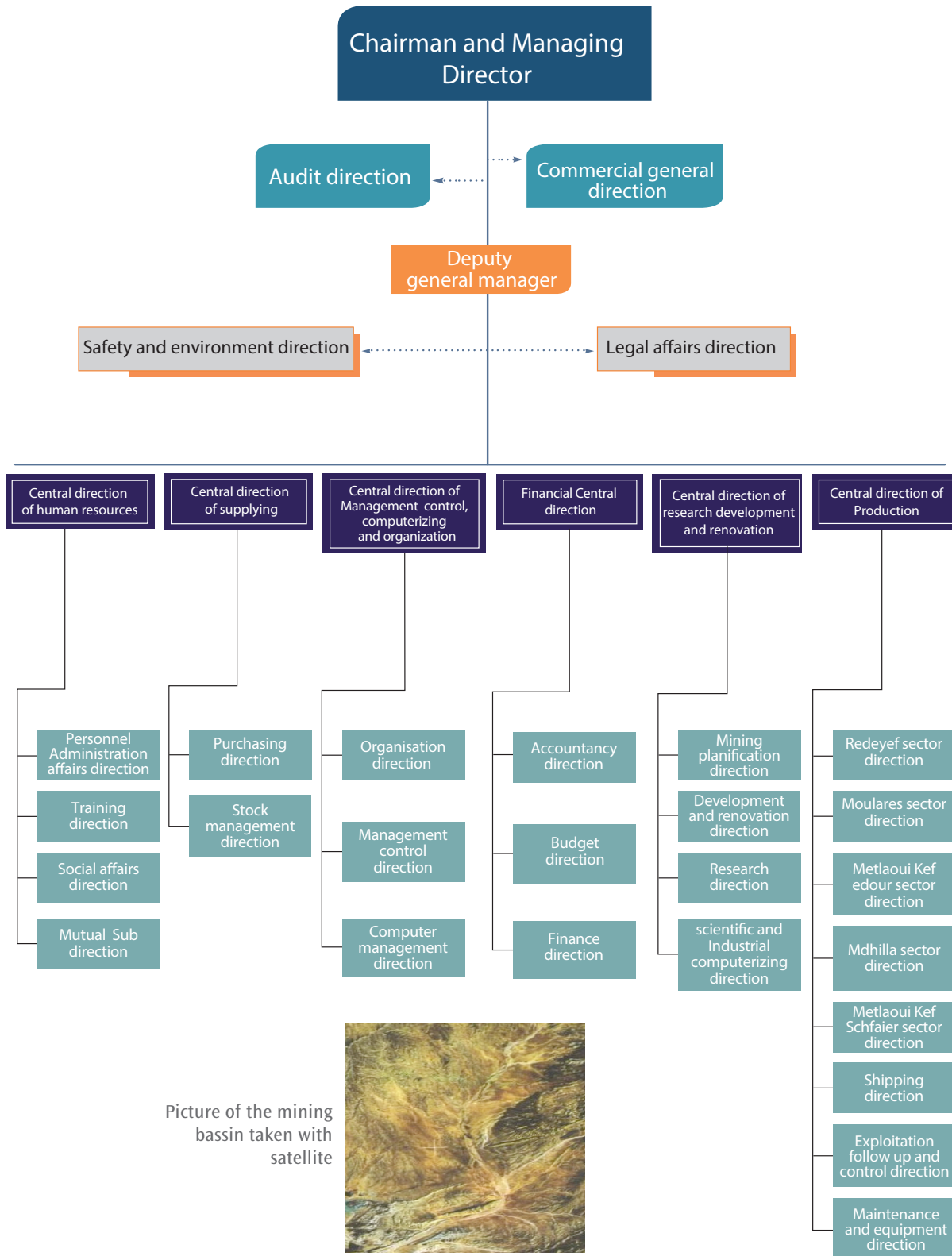
- MR. ABDERRAZAK ESWII
- MR. SAMIR LAABIDI

CPG

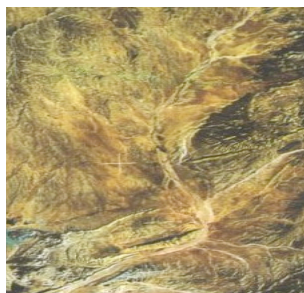


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# CPG ORGANIZATION CHART



Picture of the mining bassin taken with satellite



# CPG LOCATION MAP





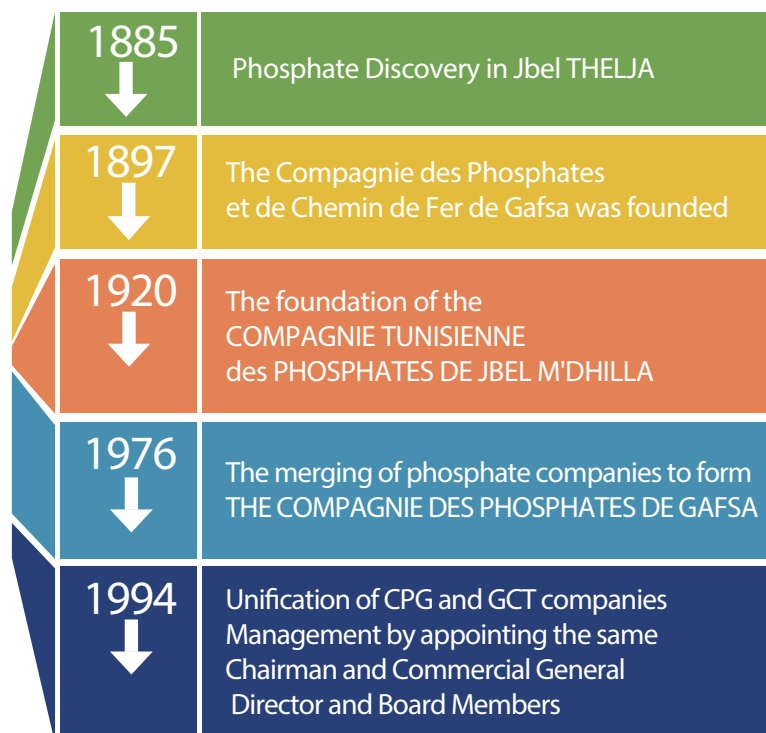
# COMPANY PROFILE

## CPG IDENTITY CARD

- Creation Year	1897
- Registered Capital (Million Dinars)	268
- Employees	6 682
- (out of which Senior Officers)	347
- Production Capacity (Million tons)	8,4
- Turnover (Million Dinars)	487
- International Producing Ranking	Fifth International Producer
- Address (Head office in Gafsa)	Cité Bayech Gafsa 2100
- Tel	(216) 76 226 022
- Fax	(216) 76 224 031
- Tunis offices	9 rue d'arabie saoudite 1002 belvedere Tunis
- Tel	(216) 71 797 296
- Fax	(216) 71 841 557
- Sfax shipping office	Rue remeda route de la plage 3018 sfax
- Tel	(216) 74 227 516
- Fax	(216) 74 296 581
- E-mail	cpg.gafsa@cpg.com.tn
- Web Site	www.cpg.com.tn



## CPG CREATION



In Gafsa mining Basin, there are 5 production sectors for phosphate extraction and treatment. The sectors extend on a distance of 80 kilometers from Mdhilla (east side) to Redeyef (west side) passing by Metlaoui and Moulares:

- ▶ Metlaoui Kef Schfaier sector
- ▶ Metlaoui Kef Eddour sector
- ▶ Mdhilla sector
- ▶ Moulares sector
- ▶ Redeyef sector



Sfax port

Open cast mines	Washing plants	Shipping
Kef schfaier Tables of Metlaoui Kef eddour central Kef eddour west Jallabia Mzinda Redeyef Moulares Om Lekhchab	Metlaoui (4 plants) Mdhilla (3 plants) Moulares (1 plant) Redeyef (1 plant) Kef eddour (1 plant)	Sfax port





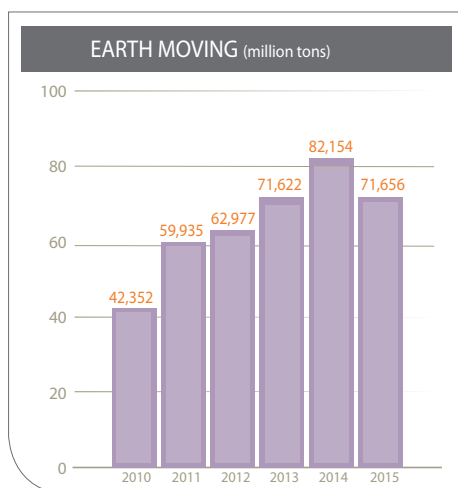
# PRODUCTION OVERVIEW

Unit: Million tons

Year	2010	2011	2012	2013	2014	2015
Earth Moving	142,352	59,935	62,977	71,622	82,154	71,656
Mining	13,227	2,935	5,074	5,569	5,233	4,118
Production	8,107	2,281	2,602	3,074	3,545	3,002
Freight	7,347	3,020	4,970	3,900	3,997	3,302

## EARTH MOVING

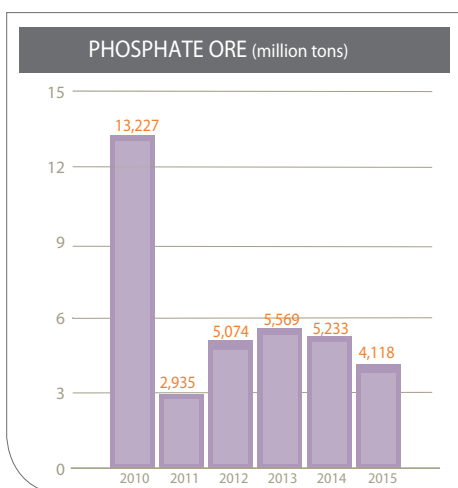
▶ The total earth moving in 2015 was 71.656 Million tons .



Calcareous stratum

## MINING

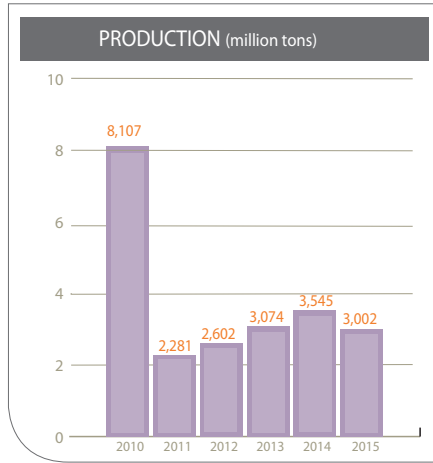
▶ In 2015, the amount of excavation was 4.118 Million tons .



Mdhilla opencast mine

### PRODUCTION

The amount of marketable phosphate produced in 2015 was 3.002 Million tons.



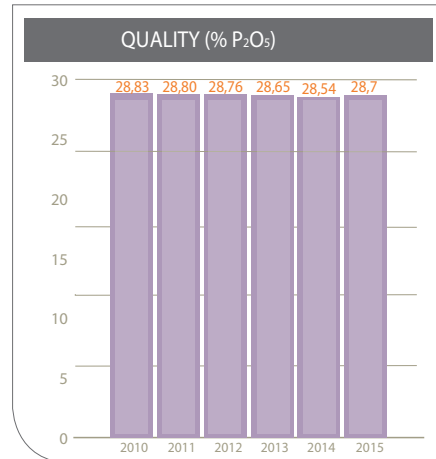
Mdhilla washing plant

### QUALITY

CPG has been always emphasizing on the reliability and credibility of its phosphate to have a final product responding to stringent quality standards.

During the last years, quality has shown a continuous stability between 28.50 and 29.00 P<sub>2</sub>O<sub>5</sub>. This was thanks to the regular follow up acquired by involving laboratories and research center. This mainly concerns:

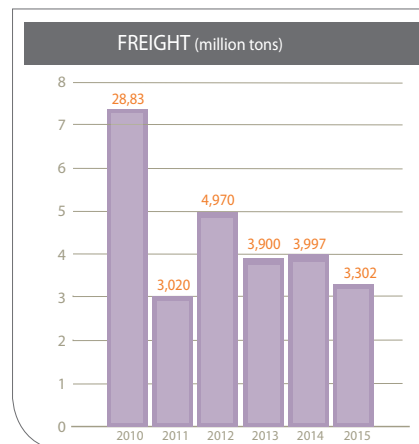
- a. The necessity of layers selection in the extraction
- b. Taking more phosphate samples and at all levels
- c. A precise follow up of phosphate quality in all production steps
- d. Involve all the personnel with phosphate quality improvement
- e. Improve the methods for layers homogeneity of phosphate levels



Research center in Metlaoui

### FREIGHT

In 2015, the quantity of marketable phosphate delivered (by rail transportation) was 3.302 Million tons.



Freight by train



# COMMERCIAL PERFORMANCES

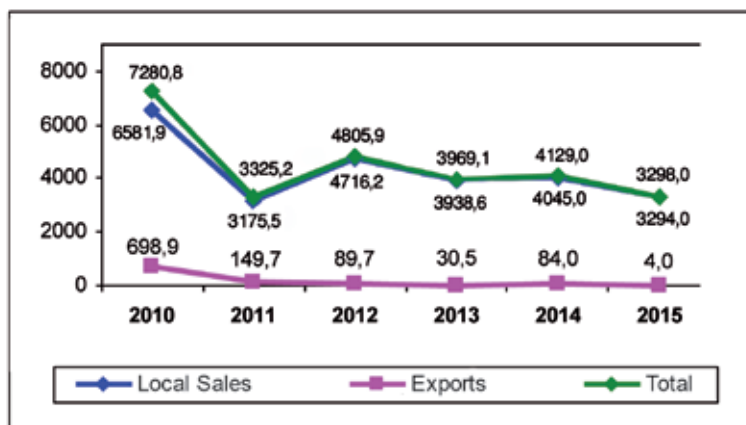
In 2015, phosphate sales totalled 3,298 Million tons.

## SALES VOLUME

Unit: 1000 T

Year	2010	2011	2012	2013	2014	2015	% CHANGE
Local Sales	6582	3175	4716	3939	4045	3294	-19
Exports	699	150	90	30	84	4	-95
Total	7281	3325	4806	3969	4129	3298	-20

## SALES EVOLUTION (1000 tons)

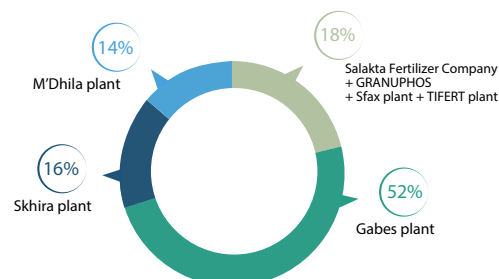


## LOCAL SALES EVOLUTION PER CUSTOMER

Unit: 1000 T

Year	2010	2011	2012	2013	2014	2015
Gabes plants	3761	1700	2741	2071	2109	1695.458
Sfax plant	536	341	448	339	311	93.485
Skhira plant	1365	692	918	549	500	538.116
Mdilla plant	844	415	567	649	588	456.160
GRANUPHOS	53	41	32	24	17	0
TIFERT plant	-	-	-	293	489	479.529
Salakta Fertilizer Company	21.9	20	10	13	31	0

## YEAR 2015



# HUMAN RESOURCES



Equipment maintenance

## MANPOWER

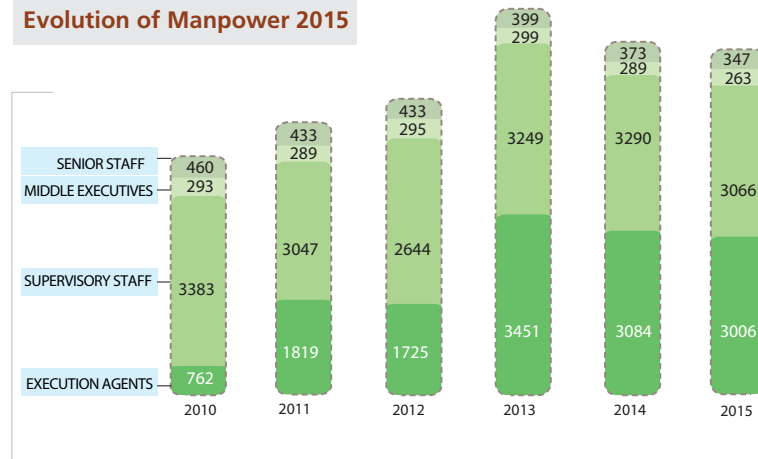
In 2015, the employees totalled 6682.

Year	2010	2011	2012	2013	2014	2015
Execution agents	762	1819	1725	3451	3084	3006
Supervisory Staff	3383	3047	2644	3249	3290	3066
Middle executives	293	289	295	299	289	263
Senior Staff	460	433	433	399	373	347
<b>Total</b>	<b>4898</b>	<b>5588</b>	<b>5097</b>	<b>7398</b>	<b>7036</b>	<b>6682</b>

### Evolution of Manpower 2015



Research center in Metlaoui



## EVOLUTION OF TOTAL WAGES BILL

The total wages bill amounted 192,955 Million dinars in 2015.

Unit: Million TND

DESIGNATION	2010	2011	2012	2013	2014	2015
Total Wages Bill (Social Charges Contributions Excluded)	96.222	112.864	120.871	145.436	147.864	153.858
Social Charges Contributions	36.932	28.083	35.591	37.441	39.028	39.097
<b>TOTAL</b>	<b>133.154</b>	<b>140.947</b>	<b>156.462</b>	<b>182.877</b>	<b>186.892</b>	<b>192.955</b>



## TRAINING

During the last years, training has been given special attention and CPG continues its concern with filling company needs in all fields of training. In 2015, the number of training days reached 58010 for 1440 participations among whom there are 105 vparticipations for senior staff



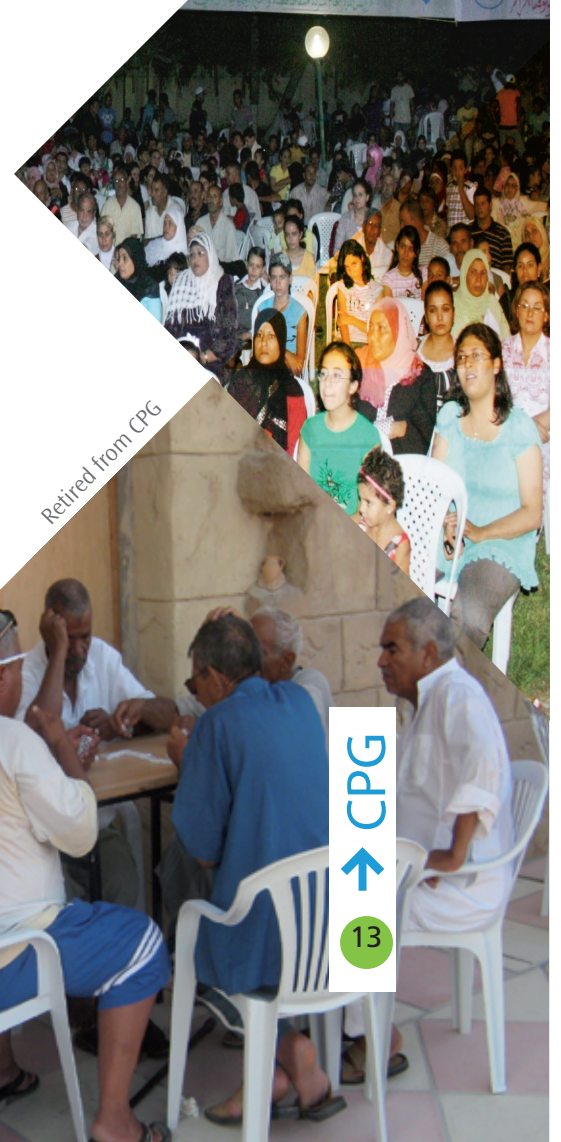
Employees training in the field of maintenance

DESIGNATION	2010	2011	2012	2013	2014	2015
Participants	1779	785	418	2748	1456	1440
Training days	99722	8414	6473	103180	34798	58010
Training costs (MD)	7.7	1.8	0.335	22.418	5.170	7.424
% Training cost / gross salary	5.8	1.3	0.2	12.3	2.77	3.85

Knowledge day in Mdhilla

## SOCIAL ROLE

In 2015, CPG continued to be socially responsible for its environment and preserved the social role it has been playing in the region for many years including development and sports organisations. It also takes care of retired people and those who have had work accidents. The company has allocated 60 M.D to Gafsa's development program of which 8 M.D have been consumed in 2015.



Retired from CPG

CPG

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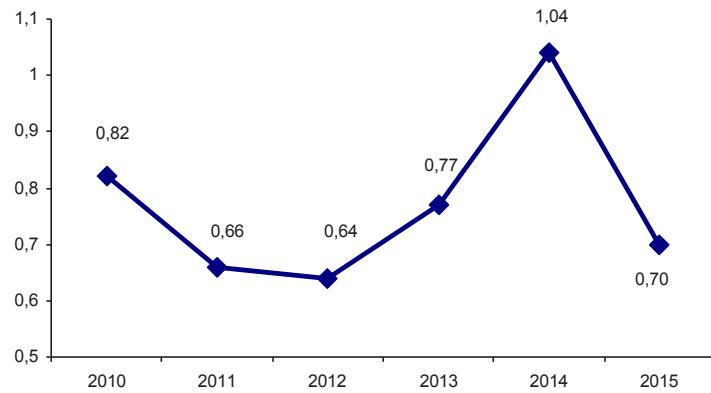


# SAFETY

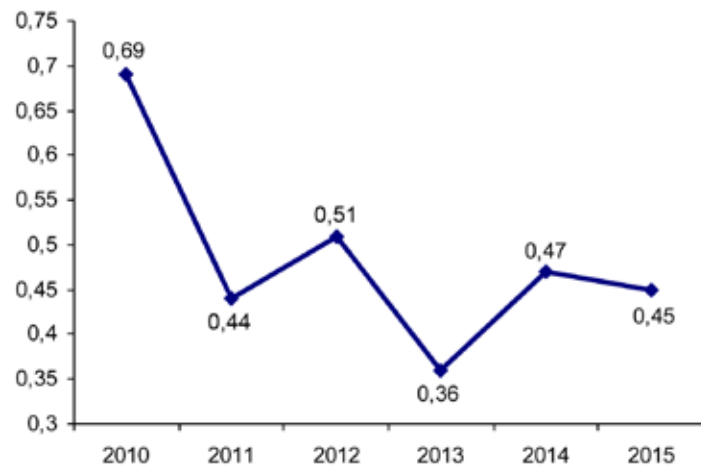
*CPG continued in its considerable role with regard to the security of its personnel and their protection from work dangers and accidents. CPG organizes many forums and training sessions in the areas of safety care.*

Year	2010	2011	2012	2013	2014	2015
Number of accidents	110	102	98	124	219	137
Frequency rate (%)	0.82	0.66	0.64	0.77	1.04	0.70
Gravity rate (%)	0.69	0.44	0.51	0.36	0.47	0.45

► Frequency rate (%)



► GRAVITY RATE (%)



# ENVIRONMENT

*With regard to environmental care, CPG is giving special attention by taking continuous actions aiming at reducing industrial pollution and developing green areas in the mining region. The main environmental projects are:*

## BUILDING DIKES FOR LIQUID EFFLUENT ACCUMULATION

This project consists in building 6 dikes in the mining bassin having different areas (30-300 hectare) to stock liquid effluents coming from washing plants and stop diverting them in the neighboring wadis.



KEF EDDOUR SLUDGE BASSIN

### • First Step:

To build the dikes in Mdhilla 3, Kef Eddour and Metlaoui plants which started into exploitation respectively in August 2005- September 2006 and November 2006. It allowed until now, the accumulation of 7 million m<sup>3</sup> per year of liquid effluents corresponding to 63% of the total quantity (11 million m<sup>3</sup>)

### • Second step:

To build the dikes in Redeyef, Moulares, Mdhilla-1 and Mdhilla-2 plants. 5 dikes are being entered into exploitation accumulating almost 80 % of liquid effluents and about 1.5 million m<sup>3</sup> of industrial water is being recycled

## TREE PLANTATION

With regard to environment protection in the mining region, CPG continued the operation of tree plantation which started in 1996 following the partnership agreement settled with region authorities in charge of environmental protection.



Tree plantation in Moulares

# ENERGY RATIONALIZATION PROGRAM

CPG continues its efforts to rationalize energy consumption by :

- ◆ Working on the improvement of equipment recovery rate
- ◆ Optimising the electric energy private network
- ◆ Using economical lamps for inside lightning and specially for outside lightning in the plants
- ◆ Using automatic mechanism for outside lightning
- ◆ Organizing the functioning of air conditioners inside administration buildings and offices
- ◆ Elaborating a study for gradual replacement of conventional electric motors by others having high energy efficiency
- ◆ Rehabilitating of dryers regulation buckling keys
- ◆ Studying substitutes for heavy fuel and reliance on solar and natural drying phosphates
- ◆ Increasing the recovery rate of mining sites engines to reduce specific energy consumption.
- ◆ Cutting down oil leaking
- ◆ Rehabilitating passages and reducing transportation distances in open cast mines



Installation of solar energy equipment in Redeyef washing plant

Given the interruptions and the bad work conditions which the company went through during the year 2015, it could not realise its expectations during this period.



# FINANCIAL PERFORMANCES

During the year 2015, the loss of CPG reached 108.404 millions dinars.

## BALANCE SHEET DATA

	ASSETS						Unit: Million TND
	2010	2011	2012	2013	2014	2015	
Non current assets (including long-term investment)	808 (489)	636 (320)	1096 (793)	843 (526)	806 (490)	718 (362)	
Current assets	767	1097	1083	1218	1164	1108	
<b>TOTAL ASSETS</b>	<b>1 575</b>	<b>1 733</b>	<b>2 179</b>	<b>2 061</b>	<b>1 970</b>	<b>1826</b>	

	LIABILITIES						Unit: Million TND
	2010	2011	2012	2013	2014	2015	
Shareholder's equity	1 049	959	1 323	1 028	1 055	947	
Non current liabilities	157	175	182	166	166	158	
Current liabilities	369	599	672	867	749	721	
<b>Total Shareholder's Equity and Liabilities</b>	<b>1 575</b>	<b>1 733</b>	<b>2 179</b>	<b>2 061</b>	<b>1 970</b>	<b>1826</b>	

	INCOME STATEMENTS DATA						Unit: Million TND
	2010	2011	2012	2013	2014	2015	
Sales revenues	783	590	957	422	515	487	
Added value	605	466	778	238	315	329	
Net income	375	187	475	24	43	- 108	

## CPG PARTICIPATIONS

CPG participates in the capital of many enterprises and the amount of these participations reached 175.2 million dinars in 2015.

The main CPG's participations are as follows:

Society	Year 2015
FRDCM	24,978
Technological Pole of Gafsa	46,400
TIFERT	78,746
Society of cement in Gafsa	0,020
GRANUPHOS	0,216
Tunisian society of mining products transportation	10,0
Society of environment and plantation in Metlaoui	2,0
Society of environment and plantation in Mdhilla	2,0
Society of environment and plantation in Moularef	2,0
Society of environment and plantation in Redeyef	2,0
Society of Sra Ouertene phosphate studies	4,750
Tunisian society of maintenance and industrial creation	2,0
Society of management of industrial and technological complex in Tozeur	0,150

↑ CPG

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# NATIONAL PROGRAM OF SWARMING

Since 2010, CPG didn't achieve any activities in relation with swarming. The number of investment projects reached 103 at the end of December 2010. CPG participates with projects ideas concerning natural substances founded in the mining bassin. CPG made a preliminary geological study about some substances with the collaboration of specialised enterprises in Tunisia and abroad. Some laboratory experiments have been made for other substances like carbonate, dolomite and marble rocks.

The swarming direction is following the activities in the different sectors and directions in order to investigate projects having direct relation with CPG activities.

## SWARMING PROJECTS

Investment Area	Number of projects	Percentage
Agriculture	12	11
Industry	20	20
services	50	48
Natural substances	10	10
Traditional industry	1	1
Textile	10	10
Total	103	100





# *TUNISIAN INDIAN PARTNERSHIP*



Storing Phosphoric acid

This project aims at producing 360 thousand tons of phosphoric acid by the transformation of 1.4 million tons of raw phosphate according to many specifications, specially reducing waste which can be harmful to the environment, rationalizing water consumption and finding the technical and technological purpose of the project.

This plant activity will take into account an environmental plan set up in accordance with the National agency of environment protection allowing the respect of Tunisian specifications for environmental protection.

This plant is totally achieved and entered into production since June 2013.





# PROJECT OM LEKHCHAB

