

## NEWS RELEASE

### **OCI Expands into New Middle East Cement Market**

#### ***OCI Cement Group to establish a 2 million tonnes per year greenfield cement plant in North West Syria***

**Cairo, Egypt - 2 May 2007:** Orascom Construction Industries (OCI) has announced that it has established Syrian Cement Company, which will construct a greenfield cement plant in Northwest Syria with a production capacity of 2 million tonnes per year. OCI owns 75% of the new company with the remaining shares held by Mas Economic Group, headed by Mr. Ferras Tellas, a prominent local businessman. The new plant will primarily cater to the domestic market which is in deficit and the production capacity may be increased to 3 million tonnes at a later date. During 2006, Syria consumed a total of 6.2 million tonnes of cement of which 2 million tonnes were imported from surrounding regional markets. OCI expects to be one of the first private sector cement producers in Syria. The plant will be located near the City of Aleppo also known as Halab which is approximately 25 km from the Turkish border and 500 km north of Damascus. The investment cost for this new greenfield plant is expected to reach approximately US\$ 440 million (for 3 million tonnes of capacity). With the addition of this new greenfield the OCI Cement Group will have a total production capacity of 39 million tonnes in 2009.

OCI Chief Executive Officer, Nassef Sawiris commented "The Syrian cement market is expected to witness around 8-10% annual growth in cement consumption over the next several years. Syria represents a fast growing economy with good population demographics making it an attractive market for OCI. We expect our greenfield plant to be operational by late 2009."

Mr. Sawiris added "OCI has 18 million tonnes of new capacity under construction and expects to commission 10 million tonnes of capacity during the next six months in Northern Iraq, Algeria and United Arab Emirates. 2007 will be a transformational for OCI."

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**For additional information CONTACT:**

Investor Relations Department:

Hassan H. Badrawi - Director  
Sarah Makiya  
Omar Darwazah  
Tel: +202 2461 1039/1036  
Fax: +202 2461 9409  
Email: [hassan.badrawi@orascomci.com](mailto:hassan.badrawi@orascomci.com)

**Orascom Construction Industries**

Orascom Construction Industries (OCI) is a leading cement producer and construction contractor active in emerging markets. Based in Cairo, we employ more than 40,000 people in over 20 countries. Working together with our employees, business partners and customers, we are helping to build the future in developing countries around the world.

As a cement producer, we own and operate cement plants in Egypt, Algeria, Turkey, Pakistan, northern Iraq, and Spain which have a combined annual production capacity approaching 21 million tonnes. Our new investments in northern Iraq, Turkey, Nigeria, Algeria, the United Arab Emirates and Saudi Arabia will increase our annual production capacity to 36 million tonnes. Our Cement Group exports primarily from Egypt to customers in more than 30 countries including the USA, Europe, Africa and the Middle East. We produce and distribute aggregates and ready-mix concrete in Spain, Egypt and Algeria. We also manufacture cement bags in Egypt and Algeria.

As a contractor, we provide engineering procurement and construction services on large, complex and demanding industrial, commercial, water/sewage, transportation, telecommunications, maritime, tourism and railway projects for private and public customers principally in the Middle East, Africa and Central Asia. Our Construction Group is active in over 100 projects in more than 20 countries. Through partnerships with industry leaders, we also manufacture fabricated steel products as well as architectural curtain walling and window systems. As part of our long-term strategy to create a sustainable flow of construction opportunities, we also have investments in natural gas industries, including fertilizers and in infrastructure concessions including a port operator and an industrial park developer.

**For additional information on OCI: [www.orascomci.com](http://www.orascomci.com)**

Orascom Construction Industries (OCI)  
Nile City Towers – South Tower  
2005A Corniche El Nil, Cairo, Egypt  
Tel: +202 2461 1111, Fax: +202 2461 9400,  
OCI stock symbols: OCIC.CA / ORCI EY / OCICqL / ORSD LI