

## NEWS RELEASE

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### 2006 ANNUAL RESULTS

#### Summary of Results:

- Consolidated revenue grew 47%, EBITDA rose 69% and net income increased 59%
- Consolidated Revenue of \$2,865.3 million (LE 16,475.2 million), FYE 2005, \$1,953.0 (LE 11,366.6 million)
- Consolidated Earnings before interest, tax, depreciation and amortization (EBITDA) of \$ 778.9 million (LE 4,478.6 million), FYE 2005, \$461.3 million (LE 2,684.9 million)
- Consolidated EBITDA margin increase of 360bp to 27.2%
- Consolidated operating margin increase of 340 bp to reach 23.2%
- Consolidated Net Income of \$464.5 million (LE 2,670.7 million), FYE 2005, \$292.1 million (LE 1,700.2 million)
- Earnings Per Share of \$ 2.30 (LE 13.22) , FYE 2005, \$1.49 (LE 8.65)
- Dividend Per Share of \$0.96 (LE 5.50), FYE 2005, \$0.34 (LE 2.00)
- Cash Flow from Operations of \$678.9 (LE 3,903.6 million), FYE 2005, \$289.6 million (LE 1,685.4 million)
- Return on Equity of 41%, (FYE 2005, 47%)
- Net Debt/EBITDA of 1.78, (FYE 2005, 2.04)

#### Summary of Fourth Quarter '06 Performance:

- Consolidated Revenue of \$788.4 million (LE 4,533.1 million), FYE 2005, \$532.0 million (LE 3,096.3 million)
- Consolidated EBITDA rose 70% to \$192.0 million (LE 1,104.1, FYE 2005, \$112.6 million (LE 657.2 million)
- Consolidated Net Income of \$ 114.0 million (LE 655.4 million), FYE 2005, \$73.1 million (LE 425.7 million)
- Consolidated EBITDA Margin increased 318 bp to reach 24%



## **Operating Highlights by Division:**

### Cement Group

- Cement Group EBITDA grew 49% during 2006
- Egyptian Cement Company contributed 56% of Cement Group EBITDA
- Algerian Cement Company contributed 39% of Cement Group EBITDA
- Cement Group sold 13.9 million tonnes during 2006, up 38%
- Total cement capacity reached 21 million tonnes at the close of 2006
- Growth driven by healthy pricing and strong organic volume growth
- Solid increase in aggregates reserves and ready-mix concrete capabilities in Europe
- Tasluja Cement (N. Iraq), Pakistan Cement and OCI Cimento (Turkey) plants partially contributed for the first time to results during 2006

### Construction Group

- Construction revenue grew 47% and net income increased 135% during 2006
- Construction Group EBITDA margin remained healthy during 2006 at 14%
- Construction Group contributed 75% of consolidated revenue, 58% of consolidated EBITDA and 43% of consolidated net income
- Backlog as of 31 December 2006 stood at \$2.2 billion
- Construction Group recorded \$2.6 billion in new contract awards during 2006

### **Nassef Sawiris, Chief Executive Officer said:**

Orascom Construction Industries has had another excellent year propelled by strong demand for both our cement products and construction services. Our Cement Group successfully added 7 million tons of new production capacity during the year and expects to add another 10 million tons of capacity during the next 6 months. In October, we increased our presence in Spain through the acquisition of 50% of Grupo GLA, one of the largest independent aggregates and ready-mix concrete producers in the country. We also expanded our ready-mix and aggregates operations in Egypt and Algeria. Our Construction Group continues to perform well while playing a key role in identifying new high-return investment opportunities in both natural gas-based industries and infrastructure concessions. Our equity investments in two greenfield fertilizer producers in Egypt and Algeria should generate substantial returns in the years to come. Demand for natural gas-based fertilizers is surging due to not only global consumption growth but also increased demand for agricultural commodity-based fuels such as corn-based ethanol. Looking ahead, we will continue to invest our free cash flow in our growth strategy with a clear view of delivering the highest returns to shareholders.



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**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 tons. 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 tons. 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)**

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