

Results as at 30 June 2009

Cairo, Egypt / September 3, 2009, 10:15 AM

## **OCI Announces US\$ 1.17 billion of New Awards during the Quarter**

### **Summary of Consolidated Results for Q2 2009:**

- Consolidated revenue grew 31.8% to US\$ 1,091.0 million (EGP 6,101.5 million) versus US\$ 827.8 million (EGP 4,598.8 million) in Q1 2009
- EBITDA increased by 6.4% to US\$ 187.0 million (EGP 1,045.8 million) versus US\$ 175.8 million (EGP 976.6 million) in Q1 2009
- Income from investments decreased by 91.6% to US\$ 1.6 million (EGP 8.9 million) in Q2 2009 versus US\$ 19.1 million (EGP 106.1 million) in Q1 2009
- Income before taxes and minority interest increased by 2.2% to US\$ 130.7 million (EGP 731.0 million) in Q2 2009 versus US\$ 127.9 million (EGP 710.5 million) in Q1 2009
- Net income decreased by 3.1% to US\$ 102.4 million (EGP 572.7 million) in Q2 2009 versus US\$ 105.7 million (EGP 587.2 million) in Q1 2009
- Consolidated revenue grew 12.0% to US\$ 1,091.0 million (EGP 6,101.5 million) versus US\$ 974.4 million (EGP 5,329.9 million) in Q2 2008
- EBITDA decreased by 27.7% to US\$ 187.0 million (EGP 1,045.8 million) versus US\$ 258.7 million (EGP 1,415.1 million) in Q2 2008
- Consolidated EBITDA margin of 17.1% and Construction Group EBITDA margin of 13.0% for Q2 2009
- Net income decreased by 58.2% to US\$ 102.4 million (EGP 572.7 million) versus US\$ 245.0 million (EGP 1,340.1 million) in Q2 2008
- Interim cash dividend of US\$ 0.80 per share to be paid out at the end of September
- Infrastructure work constitutes 62.6% of the Construction Group backlog as at H1 2009 versus 48.1% during the same period last year

### **Summary of Consolidated Results for H1 2009 Ended 30 June 2009<sup>1</sup>:**

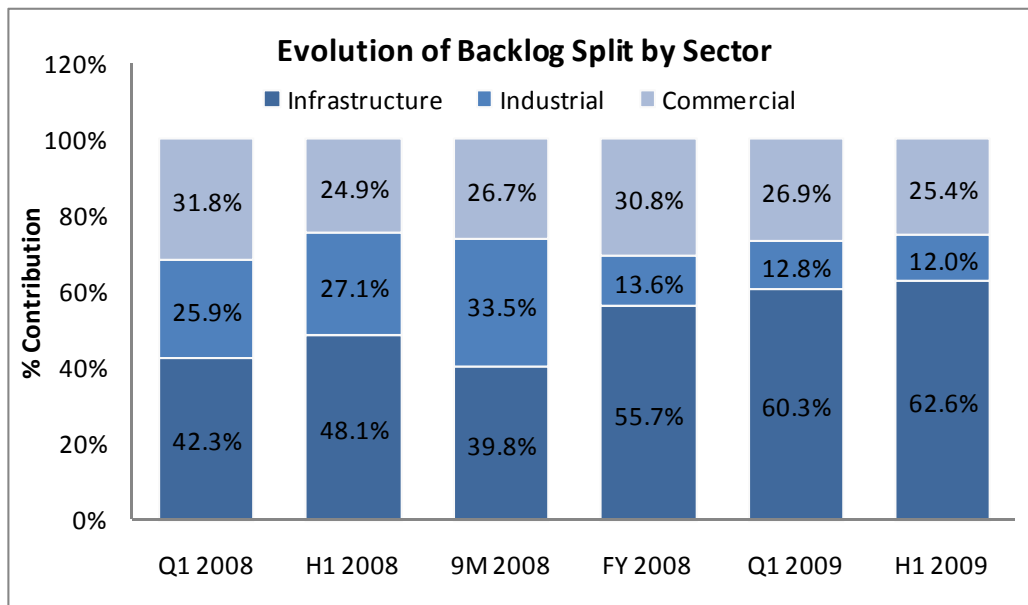
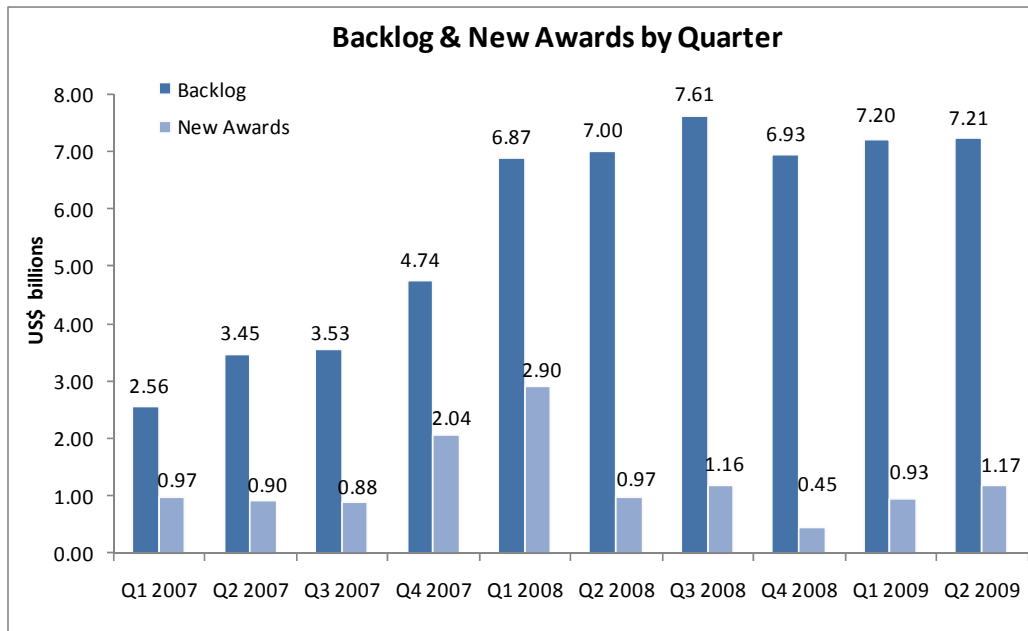
- Consolidated revenue grew 12.4% to US\$ 1,918.8 million (EGP 10,731.1 million) versus US\$ 1,707.7 million (EGP 9,340.9 million) in H1 2008.
- EBITDA decreased by 14.2% to US\$ 363.1 million (EGP 2,030.7 million) versus US\$ 423.2 million (EGP 2,314.9 million) in H1 2008
- Consolidated EBITDA margin of 18.9% and Construction Group margin of 14.0% for H1 2009
- Net income from continued operations decreased by 54.6% to US\$ 208.2 million (EGP 1,164.4 million) versus US\$ 458.6 million (EGP 2,508.5 million) in H1 2008

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<sup>1</sup> Consolidated financial figures presented in this press release are unaudited

**Consolidated Construction Group Backlog**

- Consolidated backlog remained flat at US\$ 7.21 billion compared to Q1 2009 and reflected a growth of 4.0% over the backlog as at 31 December 2008 and 3.0% growth over the same period last year
- New awards during the second quarter totaled US\$ 1.17 billion of which 80% was infrastructure work



### Statement from the Chief Executive Officer – Nassef Sawiris

#### Second Quarter Results

We are pleased to report that OCI had a good operating quarter despite a difficult global environment. Our second quarter revenue grew 31.8% over the previous quarter from US\$ 827.8 million to US\$ 1,091 million and EBITDA grew 6.4% from US\$ 175.8 million to US\$ 187.0 million.

Our second quarter earnings were impacted by a one off inventory write-down from Gavilon (OCI owns 18% of Gavilon) as a result of lower fertilizer prices, low volumes in the US and lower than expected performance of its grains business.

Urea average selling prices stayed constant throughout the year at US\$ 265 per tonne versus US\$ 480 per tonne during H1 2008. Revenue increases and healthy EBITDA margin from the Construction Group partially alleviated the drop of fertilizer prices compared to last year.

#### Construction Group

The Construction Group reported revenue growth of 23.7% during the second quarter over the same period last year with an EBITDA margin of 13.0%. The Construction Group also reported revenue growth of 31.6% over the previous quarter. The Group benefited from the infrastructure expansion programs in Egypt and the region announcing approximately US\$ 1.17 billion of new work during the quarter totaling US\$ 2.1 billion for H1 2009. Our consolidated Construction Backlog at the close of the quarter was US\$ 7.2 billion, reflecting a growth of 4.0% over the backlog as at 31 December 2008 and 3.0% growth over the same period last year.

The Construction Group also announced the first Public-Private-Partnership (PPP) project in Egypt on the New Cairo Wastewater plant. The 20-year concession was tendered by the Egyptian Ministry of Housing, Utilities & Urban Developments in coordination with the Ministry of Finance. The net present value of revenues to be generated during the concession period is estimated at US\$ 472 million including the Engineering, Procurement and Construction of the plant in addition to the Operations & Maintenance during the contract period. Approximately 20% of the total contract value has been booked as construction backlog. OCI chose not to book the balance which represents O&M revenue in the Construction Group backlog.

Infrastructure work awarded during the quarter comprised approximately 80% of total new orders and included including roads and general infrastructure. Our overall backlog has been reduced by approximately US\$ 200 million to reflect the cancellation of some commercial work to be undertaken by the BESIX Group in Dubai. The BESIX Group does not expect further cancellations of work. Looking ahead for the remainder of the year, the Construction Group has a healthy pipeline of potential new work.

#### Fertilizer Group

During the quarter, the Fertilizer Group commissioned Egypt Basic Industries Corporation (EBIC), a 0.7 mpta ammonia plant adjacent to Egyptian Fertilizer Company (EFC) near the Sokhna Port on the Red Sea. EBIC has already sold over 70,000 tonnes of ammonia during the quarter at an average price of US\$ 201 and over 100,000 tonnes year-to-date. Since then, the plant has achieved a stable production run rate and is operating at 105% of its name-place capacity.

Sorfert Algeria continues on track for commissioning during 2011 and was 76.4% complete as at 30 August 2009. Also during the quarter, the Fertilizer Group started marketing urea in Brazil via its agreement with Group Fertipar selling approximately 50,000 tonnes of urea valued at US\$ 14 million. The Fertilizer Group also started production of Ammonium Sulphate through its recently signed toll-manufacturing agreement.

The Fertilizer Group is well underway with its organic growth initiatives. The EFC capacity revamp/upgrade program is currently in progress and is expected to raise production capacity by 2011. The Group has earmarked US\$ 200 million of capital expenditure during 2010 for high-return organic opportunities which include the upgrade of EFC and investments in downstream products.

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**For additional information on OCI:**

[www.orascomci.com](http://www.orascomci.com)

OCI stock symbols: OCIC.CA / ORCI.EY / OCICqL / ORSD

Orascom Construction Industries (OCI)  
Nile City Towers – South Tower  
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