

Results as at 30 June 2012

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**OCI Beaumont Starts Methanol Production and Fertilizer Group Announces  
Greenfield Expansion in North America**

**Summary of Consolidated Results for Q2 2012<sup>1</sup>:**

- Consolidated revenues decreased 8.5% to US\$ 1,348.5 million (EGP 8,147.8 million) versus US\$ 1,473.5 million (EGP 8,760.1 million) in Q2 2011
- EBITDA decreased 19.2% to US\$ 291.5 million (EGP 1,762.8 million) versus US\$ 360.7 million (EGP 2,145.1 million) in Q2 2011
- Consolidated EBITDA margin of 21.6% and Construction Group EBITDA margin of 11.0% during Q2 2012
- Net income decreased 27.7% to US\$ 119.4 million (EGP 722.7 million) versus US\$ 165.2 million (EGP 985.4 million) in Q2 2011

**Summary of Consolidated Results for H1 2012:**

- Consolidated revenues decreased 3.9% to US\$ 2,627.9 million (EGP 15,869.1 million) versus US\$ 2,735.1 million (EGP 16,143.4 million) in H1 2011
- EBITDA decreased 21.3% to US\$ 547.3 million (EGP 3,306.0 million) versus US\$ 695.3 million (EGP 4,104.0 million) in H1 2011
- Consolidated EBITDA margin of 20.8% and Construction Group EBITDA margin of 11.0% during H1 2012
- Net income decreased 42.6% to US\$ 213.3 million (EGP 1,289.9 million) versus US\$ 371.3 million (EGP 2,191.7 million) in H1 2011

**Consolidated Construction Group Backlog**

- Consolidated backlog as at 30 June 2012 stood at US\$ 5.89 billion reflecting a decrease of 9.2% over the backlog as at 31 March 2012 and an increase of 12.6% over the same period last year
- New awards totaled US\$ 285 million during the quarter
- Infrastructure and industrial work constitute 69.6% of the Construction Group backlog as at 30 June 2012

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

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

Our second quarter results have shown improvement over the previous quarter. EBITDA and net income grew 14.0% and 27.0% respectively on the back of higher selling prices for ammonia which increased 33.4% over the previous quarter. However, during the quarter net income was impacted by a high effective tax rate due to higher contribution from our European operations. In addition, we continue to incur startup costs on Sorfert Algeria and OCI Beaumont with no corresponding contribution to the bottom line in the second quarter. Also, net income did not reflect investment income from the Gavilon Group, LLC as the business has been reclassified as an investment held for sale.

Droughts in the United States have reduced yields of all major crops resulting in tight inventory levels for corn and wheat which has led to higher prices. As a result of the drop in yields and the need to increase acreage, we expect strong demand for fertilizer products in the upcoming harvesting season and we expect prices to remain firm for the remainder part of the year.

The Fertilizer Group has made good progress on the commissioning of its capacity expansions in the United States and Algeria and continues on-track with its debottlenecking initiatives in Egypt and the Netherlands.

In the United States, OCI Beaumont's ammonia and methanol lines are now fully operational and the plant is producing ammonia at the designed capacity of 250 thousand tons per annum. The methanol line was started late July and is now producing at a stable rate. The plant has a design capacity of 750 thousand tons per annum and produced and sold 63 thousand tons of ammonia during the second quarter.

In Egypt, Egyptian Fertilizer Company (EFC) completed the necessary stoppage required for its debottlenecking initiative. EFC's Line II has been successfully commissioned post-upgrade and has generated a 20% increase in production capacity.

In Algeria, Sorfert Algeria has successfully produced 48 thousand tons of urea from Line I and expects to start exporting later this month. Line II will enter testing phases in October after various mechanical works are completed. We expect both lines to achieve full production by the end of Q4 2012 and the plant is slated to achieve commercial potential starting the first quarter of 2013.

As part of our strategy to grow our presence in North America, we announced that the Fertilizer Group will build a new Greenfield nitrogen fertilizer production plant in southeast Iowa to supply customers in the U.S. corn belt. The new plant will be located in Wever, within Lee County near the Mississippi River. The total investment cost is estimated to be US\$ 1.4 billion and will be funded with a combination of equity and a tax-exempt bond issuance.

Iowa Fertilizer Company (IFCo), the new wholly owned subsidiary of the Fertilizer Group, will be the first world scale natural gas-based fertilizer plant built in the United States in nearly 25 years and will help reduce the country's dependence on imported fertilizers which exceeds 15 million metric tons of ammonia, urea and urea ammonium nitrate (UAN) annually. The Iowa Economic Development Authority (IEDA) unanimously approved a comprehensive state financial incentive package expected to provide tax relief in the order of US\$ 100 million for the project.

In addition, the OCI Construction Group yesterday announced that it will acquire the Weitz Company a general construction contractor based in Des Moines, Iowa. The acquisition of Weitz will allow the OCI Construction Group to be strategically positioned to undertake a variety of commercial, industrial and infrastructure opportunities in the United States.

Weitz will also provide the OCI Construction Group with a solid base to play a major role in the construction of greenfield industrial projects developed by OCI. In addition, the federal business line of Weitz will be combined with Contrack International to expand its geographical reach into the Pacific Rim and Guam resulting in valuable synergies. Weitz is ranked among the top 50 in Engineering News Record's (ENR) Top 400 Contractors list. The company generated US\$ 681.5 million of revenue in 2011 and prior to the recent economic downturn generated revenues in excess of US\$ 1.5 billion. The company reported a backlog of US\$ 787.7 million as at 30 June 2012.

The Construction Group reported a 9.2% decline in backlog over the previous quarter and the backlog as at the end of the second quarter stood at US\$ 5.89 billion. New work secured during the second quarter totaled US\$ 285.3 million and US\$ 1.13 billion during the first half. The Group is increasing its focus on Saudi Arabia and Iraq's infrastructure programs and expects to book several awards from these markets later this year.

On the corporate level, we continue to work closely with the General Authority for Investment (GAFI) on the planned demerger of the company's construction business from its fertilizer business. GAFI has finalized its independent audit of the valuation methodology used to determine the split of assets and liabilities between the Construction and Fertilizer Groups. At present, all major regulatory approvals have been achieved and we expect to complete the demerger during the fourth quarter.

### OCI Beaumont



### Sorfert Algeria



For additional information contact:

#### OCI Investor Relations Department:

Omar Darwazah  
Email: [omar.darwazah@orascomci.com](mailto:omar.darwazah@orascomci.com)

Erika Wakid  
Email: [erika.wakid@orascomci.com](mailto:erika.wakid@orascomci.com)

Hassan Badrawi  
Director

Tel: +202 2461 1036/0727/0917  
Fax: +202 2461 9409

#### For additional information on OCI:

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

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Orascom Construction Industries (OCI)  
Nile City Towers – South Tower  
2005A Corniche El Nil  
Cairo, Egypt