

Our Strategy in action



Expansion of operations in Egypt

Gaining and increasing a presence in a number of markets gives the opportunity of sales growth and diversifies risk across multiple regional markets.

In 2008 TITAN **doubled the size of its operations in Egypt** by acquiring Lafarge's share in Lafarge-Titan Egyptian Investment, a 50/50 joint venture. The company, renamed TITAN Cement Egypt, owns two cement plants, Beni Suef Cement Co. and Alexandria Portland Cement Co., both located near heavily populated areas: Cairo and Alexandria. The two plants' combined annual cement production capacity is approximately 3.3 million tonnes.

The new organizational structure of our operations has come at a time when TITAN Cement Egypt is called upon to cope with increasing domestic demand, driven by the robust growth of the construction sector, as well as with intense competition, as new capacities rapidly come on stream.

In 2008 investment in the construction of the second production line at the Beni Suef Cement Plant progressed

according to plan. The new line is designed according to best available technologies in cement manufacturing and will result in improved environmental performance and reduced thermal and electrical energy consumption (vertical raw mill, bag filter, calciner, cooler). With the new line, which will commence operation in the last quarter of 2009, TITAN Cement Egypt's annual production capacity will reach nearly 5 million tonnes, marking an almost 50% increase of our presence in this growing, **emerging market.**

The Egyptian cement market has been growing steadily over the last few years. In 2008 cement consumption is estimated to have reached about 38.7 million tonnes. Strong demand for cement is largely fuelled by the strong liquidity from the Gulf States despite the current financial crisis. The Egyptian government's recent announcement that it will invest EGP30 billion (approx. €4 billion) for infrastructure and construction projects further underpins a strong future outlook.

For further information please refer to p.36

