



Press Release

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ZAMIL STEEL CLINCHES SR 41 M / USD 11M CONTRACT FOR NGL PLANT AT HAWIYAH IN EASTERN REGION OF SAUDI ARABIA

Zamil Steel's Structural Steel Business Unit, the leading fabricator and supplier of structural steel products in the Middle East, was awarded recently a SR 41 million / USD 11 million contract for the supply of steel works to the Natural Gas Liquids (NGL) plant under construction in Hawiyah.

Saudi Aramco has awarded this giant landmark project to JGC Corporation of Japan. The Hawiyah Plant projected handling capacity will be 4 billion standard cubic feet per day (scfpd) to make it the world's largest facility of its kind. It will provide NGL feed stock to petrochemical complexes in Jubail, in the Eastern Province, and Rabigh in the Western Province, as well as supply gas to Riyadh power plant in the central region of the Kingdom of Saudi Arabia.

Ayman Kanaan, General Manager, Structural Steel Business Unit explained that the scope of work includes manufacturing and supply of pipe racks and other process structures. "We have successfully teamed up with JGC on numerous infrastructure and major industrial projects in the past for Saudi Aramco. We expect to begin shipments in March 2006 and complete our deliveries in November 2006".

Zamil Steel has been extensively involved with multinational companies in supplying structural steel components for power plants, oil and gas facilities, desalination plants and aluminum and steel factories in the Gulf region.

"We foresee increased activity in giant industrial projects over the next few years. Zamil Steel has positioned itself very well to engage with multi national companies involved in the oil related extensive expansion program. We have enhanced our expanded production facilities with highly advanced manufacturing equipment to offer innovative building solutions to the construction sector, as well as efficient services to our many repeat clients," stated Adnan Al Mansour, Executive Vice President, Zamil Steel.

About Hawiyah Natural Gas Liquids (NGL) Recovery Program:

The Hawiyah NGL Recovery Program will produce an additional 310,000 barrels of ethane and NGL products per day through the Hawiyah NGL Plant near the Ghawar Field and the Ju'aymah Fractionation Plant near Ras Tanura, which is undergoing expansion. The project is expected to be completed in 2008. The Hawiyah NGL and related facilities consist of three NGL recovery trains, product surge and shipping facilities, utilities, tank and process control system.

About Zamil Steel Industries (www.zamilsteel.com)

Founded in 1977, Zamil Steel (ZS) is a global leader in the manufacture of pre-engineered steel buildings and the Middle East's premier supplier of structural steel products and process equipment, transmission and telecommunications towers. Zamil steel operates a joint venture between Zamil Industrial Investment Company and Steel Plus, a subsidiary of Canam Manac Group, Canada, to design and fabricate open web steel joists and floor decks.

ZS manufactures a total 250,000 MT of fabricated steel per annum of low rise and high rise steel buildings and structures for diverse industrial, commercial, agriculture, aviation, entertainment and military applications and support of infrastructure and development projects. Zamil Steel's products are sold in more than 75 countries through an international network of dedicated sales and representative offices, certified builders, agents and distributors.

Zamil Steel's main factories are based in Dammam, Saudi Arabia. Additional factories are located in Egypt and Vietnam. More than 500 engineers are employed in its engineering departments in Saudi Arabia, Jordan, Egypt, Vietnam and India.

ZSI is one of three sector businesses of Zamil Industrial Investment Company.

About Zamil Industrial Investment Company

Zamil Industrial Investment Company (ZIIC) was founded in 1998. It is headquartered in Dammam, Kingdom of Saudi Arabia, and employs more than 5,500 people in 50 countries. As an international manufacturing and fabrication group, it provides leading air conditioning, pre-engineered steel buildings, structural steel products, process equipment, transmission and telecommunications towers, open web joists and decks, and architectural glass processing solutions to meet the requirements of the global construction industry through its three sector businesses: Zamil Air Conditioners (www.zamilac.com), Zamil Steel Industries (www.zamilsteel.com) and Zamil Glass Industries (www.zamilglass.com).

For the year ended 31 December 2004, ZIIC posted turnover of SAR 1.97 billion/USD 525 million, a growth of 26% over 2003. Post Zakat earnings per share also grew by 40% to SAR 10/USD 2.67, up from SAR 7.17/USD 1.91 during the same period in 2003. Shareholders' equity grew by 13.2% to SAR 494.9 million/USD 132 million. Export sales accounted for SAR 889.9 million/USD 237.3 million representing a 62.5% growth over 2003. ZIIC exports to more than 75 international markets and derives 45% of its revenues from outside Saudi Arabia.

Total turnover during the first half of 2005 was SAR 1.2 billion/USD 318 million, an increase of SAR 259 million/USD 69 million over the same period in 2004. Shareholders' equity increased by 16.5% to SAR 528.5 million/USD 141 million compared to the first half in 2004. Net profits after Zakat contributions grew by 51% to SAR 53 million/USD 14 million over the equivalent period in 2004. Post Zakat earnings per share grew to SAR 7.6/USD 2.0. Exports during the first half of 2005 were at SAR 424 million/USD 113 million.

ZIIC shares are actively traded on the Saudi Stock Market. More information can be found at www.ziic.com.

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