



Press Release

Ohorongo celebrates Roof Wetting

Preheater tower one of highest buildings in Namibia

In a historic roof wetting ceremony on the 4th of February, Ohorongo Cement celebrated the realization of the final height of the preheater concrete structure. Parallel to the other buildings on site, the tower was raised on a 3.400m³ large foundation with 120 workers active 24hours a day. A total of 5.300m³ of concrete and 1.400 tonnes of steel were processed. Overall, it took a little more than 9 months to complete the raw structure of the tower. With an eventual final height of 109 meters, the Ohorongo preheater tower will be amongst the highest buildings in Namibia.

To attend this special event, Mr. Eduard Schleicher, head of the owning family of Schwenk Zement KG, travelled from Germany to Sargberg near Otavi. Also present at the roof wetting ceremony were the Prime Minister, Honourable Nahas Angula, as well as the Ministers of the Ministries of Lands & Resettlement, Labour & Social Welfare, Mines & Energy and Works and Transport & Communication. German Federal Minister for Economic Co-operation and Development, Dirk Niebel, also attended the function together with the Ambassador of Germany, Egon Kochanke, and the Ambassador of the European Union, Elizabeth Pape. Further amongst the guests were the Honourable Peter Katjavivi and Mr Harald Pupkewitz, to mention just a few of the dignitaries.

Construction of the plant commenced almost exactly one year ago on the 29th of January 2009, when Honourable President Hifikepunye Pohamba during the historic ground breaking ceremony gave the symbolic starting signal for constructing Namibia's only cement plant. After completion, with a production capacity of 4400 bags of cement per hour, the factory will produce more than double of Namibia's demand for cement of 700 000 tonnes.

Managing Director Hans-Wilhelm Schütte used this opportunity to thank everybody involved for their contributions to the project. 'A special thanks to all our employees, workers and contractors. Even the best project is worthless without the people that attend to it and foster and promote it', so Schütte. He also expressed his gratitude for the input by Ohorongo's own employees. According to Schütte, the recruitment process is well underway: 'Our recruitment will develop along the way with additional momentum in the next six months and we are looking

forward to qualify and train many Namibians in order for them to work and produce cement in their cement plant'.

The turn key contract of constructing the actual cement plant was awarded to Polysius AG – a daughter company of Thyssen Krupp. This internationally renowned organisation has a long history of co-operation with Schwenk Zement. All works not directly related to the plant such as the roads, workshops, administrative building and canteen were awarded to Namibian contractors. In addition, all outsourced services such as security are also provided by Namibian service providers only. Overall the investment is in excess of 2.5 billion N\$, which makes it the highest German private investment in Namibia.

Chairman of Ohorongo, Gerhard Hirth, indicated that the long term financing for this major project was finalised in November last year. Up to that date, the Schwenk family provided the cash flow for the entire project. In this context Hirth stated the following: 'Thanks to the confidence and the courage of our company, in particular of our owning family, we were in the position to start and finance the project even before the contractual work with the financing banks had been finalised. Due to this, we can celebrate this roof wetting today; otherwise, as it would have been normal, we would have had only the chance to announce the start of the project today.' He also indicated, that the question of ownership of the plant location was concluded. An agreement was reached between Ohorongo and farm owner Bartholomeus Tjivikua to purchase the 1010 hectares of land on which the plant and quarry is situated. The transaction was concluded during October 2009.

The benefits for Namibia do not end with this initial investment. In the future, the benefit of the project will continue in terms of additional employment opportunities. Direct employment is estimated to lie at a final figure of 300 employees, although employment that will be created through outsourced requirements and secondary businesses will exceed 2000 additional workplaces in Namibia. This will especially be advantageous to the Otavi and larger Otjozondjupa region.

The Prime Minister, Honourable Nahas Angula, identified the Ohorongo Cement project as important factor in the advancement of Vision 2030: 'The significance of the investments made here in Otavi by the Schwenk Group is not only significant in its magnitude, but its significance also lies in its reflection of Namibia as a viable and conducive economic environment for future potential foreign investors.'

For the past year, Ohorongo made headlines also for their social projects in Otavi and the surrounding region. In co-operation with the SUPPORT Group, a Germany based NGO, the Ohorongo Otavi Community Trust concentrated especially on the upgrading of the Otavi Health Clinic. Besides being renovated, the clinic received hospital beds and other equipment in value exceeding one million N\$. Other projects include the painting and overall refurbishment of the Otavi playground. In progress is the establishment of an 'Albino Corner', where people affected by albinism will receive specialised treatment. Moreover, a further consignment of specialised hospital equipment is on its way from Europe to Namibia.

The commissioning of the Ohorongu Cement plant is scheduled for the end of this year, with the active sale and marketing of cement to commence in the first quarter of 2011. The markets Ohorongu's sales teams target for their product are Namibia and southern Angola.

The tradition of celebrating the occasion when the raw structure of a building is complete and the structure's final height is achieved is quite common especially in the Scandinavian countries, but also in Polynesia and North America. Moreover, in the steel industry topping-out is a widespread custom, especially to commemorate workers that had accidents during construction.

Date 04 February 2010