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## PRESS RELEASE

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### **Scancem and Narmada Cement (India) review investment plans**

**Reviewing the present cement market scenario in Asia and India, the managements of Scancem and Narmada Cement have decided not to set up a new line of 1.5 million metric tons capacity in Narmada.**

The Scancem Group had originally planned to purchase a 25 percent stake in the cement company Narmada Cement. This would have involved purchasing new stock and arranging the financing to expand Narmada's production capacity to 3.0 million metric tons.

The ongoing financial crisis in Asia has adversely affected the global markets and resulted in substantial excess capacity in the Asian cement market. The market conditions for cement in India are also not very conducive in view of adverse supply and demand equations.

Current business prospects in the region do not justify a continuation of the project at this time. However, Asia still remains an important strategic area for Scancem.

Today, Scancem is Europe's sixth largest cement and building materials company and the Group is strongly positioned in mainly the Baltic Sea and North Sea regions. The Group is a leading player in the international cement trading market with operations in the U.S., West Africa and Asia. Scancem is active in approximately 30 countries. Sales in 1997 amounted to SEK 16.1 billion and the number of employees is approximately 11,300. Scancem is listed on the Stockholm Stock Exchange.