FY 2016 Results Presentation

27 April 2017

ORASCOM
CONSTRUCTION

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Financial Highlights

- **FY 2016 earnings emphasize the health of the Group's long-term businesses**
  - *Main focus in 2016 was on operations*
  - *Capitalized on backlog quality and size to focus on cost reduction and bottom line*

- **Substantial backlog size and mix that fully support the Group's revenue and profitability targets**
  - *Backlog excluding 50% share in BESIX of USD 5.3 billion as of 31 December 2016 and new awards of USD 3.8 billion in FY 2016*
  - *The Group typically aims for 18 months of revenue visibility in MENA and 12 months in USA*

- **Revenue of USD 4,033.1 million, EBITDA of USD 99.0 million and net income to shareholders of USD 48.7 million in FY 2016**
  - *Additional losses at IFCo weighed neutralized strong MENA and BESIX results; IFCo started production in April 2017*
  - *Pro forma net income excluding IFCo and Natgasoline increased 50.3% to USD 299.1 million*
- **Net cash position of USD 204.1 million as of 31 Dec 2016 and operating cash flow of USD 256.3 million in FY 2016**

- **BESIX demonstrates a strong rebound and contributes USD 64.2 million to net income in FY 2016**
  - *Strongest ever set of net results reported by BESIX*
  - *Backlog of EUR 2.9 billion as of 31 December 2016 and new awards of EUR 2.1 billion in FY 2016*

Summary Financials: Strong Performance in MENA and BESIX

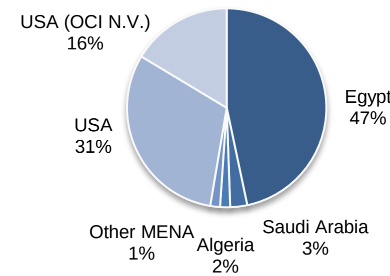
Summary Income Statement

USD million	FY 2016	FY 2015	Change	Q4 2016	Q4 2015	Change
Revenue	**4,033.1**	**3,882.4**	**3.9%**	**1,074.0**	**862.8**	**24.5%**
MENA	*2,123.7*	*2,030.2*	*4.6%*	*632.7*	*560.1*	*13.0%*
USA	*1,909.4*	*1,852.2*	*3.1%*	*441.3*	*302.7*	*45.8%*
EBITDA	**99.0**	**(302.4)**	**132.7%**	**(40.4)**	**(465.5)**	**91.3%**
MENA	*309.1*	*312.5*	*(1.1)%*	*143.4*	*121.6*	*17.9%*
USA	*(210.1)*	*(614.9)*	*65.8%*	*(183.8)*	*(587.1)*	*68.7%*
Consolidated margin	**2.5%**	**(7.8)%**	**+1,030 bp**	**(3.8)%**	**(54.0)%**	**+5,020 bp**
MENA margin	*14.6%*	*15.4%*	*(80) bp*	*22.7%*	*21.7%*	*+100 bp*
USA margin	*(11.0)%*	*(33.2)%*	*+2,220 bp*	*(41.6)%*	*(194.0)%*	*+15,240 bp*
BESIX	**64.2**	**(0.4)**	**16,150%**	**39.2**	**(13.0)**	**401.5%**
Net income attributable to shareholders	**48.7**	**(347.8)**	**114.0%**	**(26.7)**	**(411.9)**	**93.5%**
MENA	*231.0*	*175.8*	*31.4%*	*156.7*	*85.9*	*82.4%*
USA	*(246.5)*	*(523.2)*	*52.9%*	*(222.6)*	*(484.8)*	*54.1%*
Consolidated margin	***1.2%***	***(9.0)%***	**+1,020 bp**	***(2.5)%***	***(47.7)%***	***+4,520 bp***
MENA margin	*10.9%*	*8.7%*	*+220 bp*	*24.8%*	*15.3%*	*+950 bp*
USA margin	*(12.9)%*	*(28.2)%*	*+1,530 bp*	*(50.4)%*	*(160.2)%*	*+10,980 bp*

Summary Income Statement Excluding IFCo & Natgasoline

USD million	FY 2016	FY 2015	Change
Revenue	3,373.0	3,055.8	10.4%
EBITDA	326.1	330.9	(1.5)%
Margin	*9.7%*	*10.8%*	*(110) bp*
BESIX	64.2	(0.4)	16,150%
Net income attributable to shareholders	299.1	199.0	50.3%
Margin	*8.9%*	*6.5%*	*+240 bp*

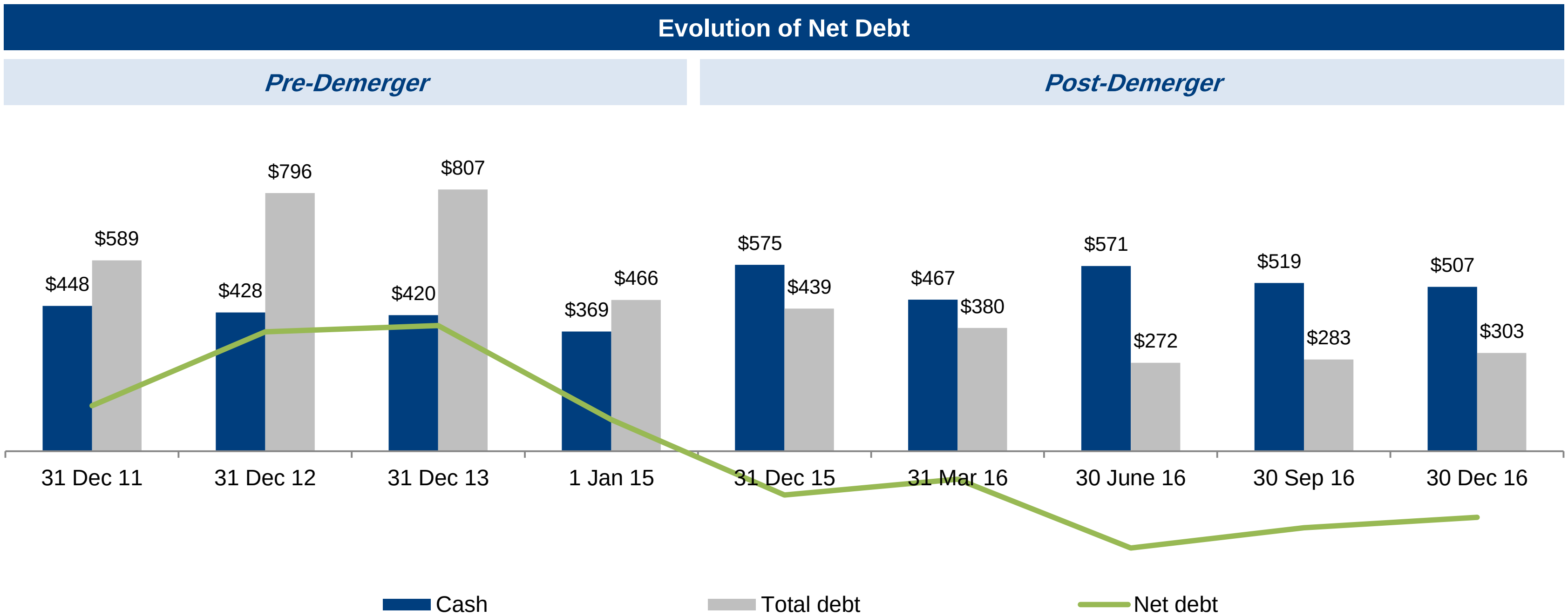
FY 2016 Revenue by Geography



Note: Financial statements and commentary on pages 14-18

Net Cash Position as of 31 December 2016

Net cash position of USD 204.1 million as of 31 December 2016



USD million	31 Dec 11	31 Dec 12	31 Dec 13	1 Jan 15	31 Dec 15	31 Mar 16	30 Jun 16	30 Sep 16	31 Dec 16
Net debt (cash)	141	368	387	97	(136)	(87)	(299)	(236)	(204)
EBITDA	291	15	48	N/A	(302)	49(1)	99(2)	139(3)	99
Total equity	1,111	431	875	804	561	531	539	580	302
ND/equity	*0.13*	*0.85*	*0.44*	*0.12*	*(0.24)*	*(0.16)*	*(0.55)*	*(0.41)*	*(0.67)*

(1) Q1 2016 EBITDA; (2) H1 2016 EBITDA; (3) 9M 2016 EBITDA

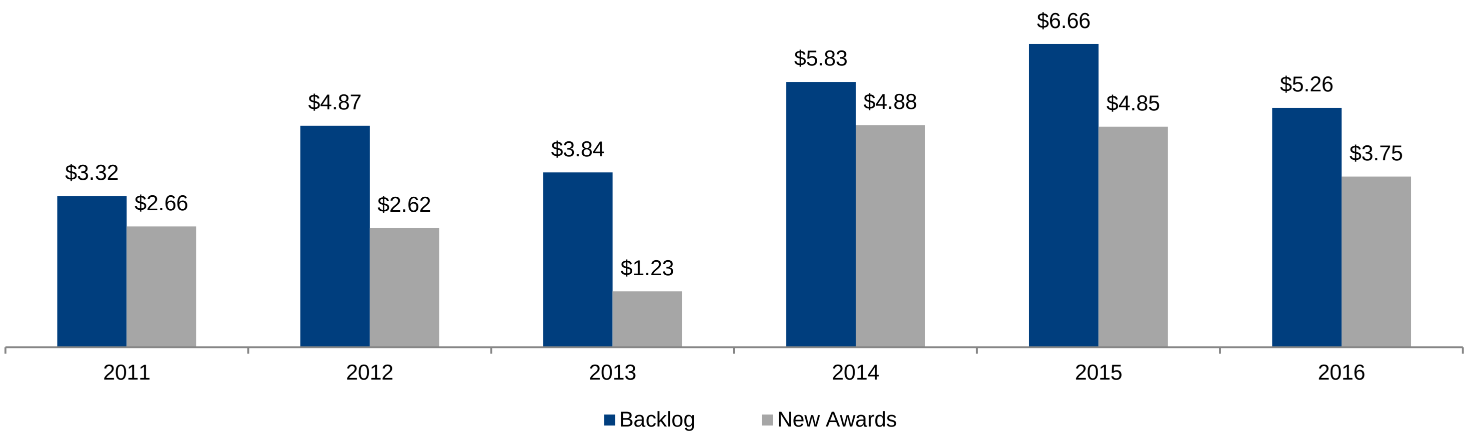
Healthy Consolidated Backlog Level

Current backlog size and quality fully supports the Group's revenue and profitability targets

Focus on pursuing quality projects where the Group has a competitive edge and is confident in the source of funding

Growing US backlog to complement MENA operations and provide additional value

Backlog Excluding BESIX Stood at USD 5.3 Billion as of 31 Dec 2016

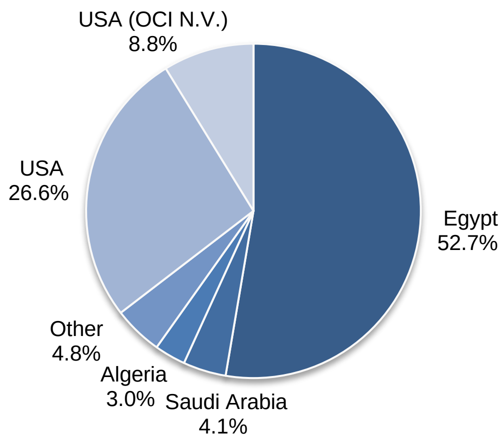


- Pro forma backlog including the Group's 50% share in BESIX of USD 6.8 billion as of 31 Dec 2016 and consolidated backlog of USD 5.3 billion
  - Current backlog reflects movement of c.15% from the previous year due to changes in the USD value of projects denominated in EGP
- FY 2016 new awards of USD 3.8 billion signed in Egypt, Algeria and USA
- MENA new awards highlights include Cairo Metro Phases 3 and 4B, Suez Canal Tunnels, roads in Egypt, industrial/infrastructure work in Algeria and Dubai Expo 2020 infrastructure
- USA new awards comprised mainly of infrastructure work in the Pacific Rim for Contrack Watts and commercial projects across Weitz's core markets

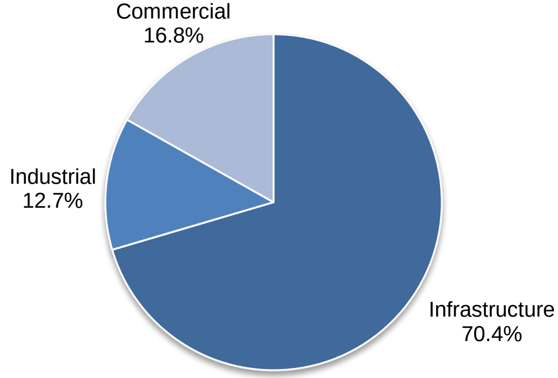
Note: Backlog/new awards chart excludes BESIX/JV's accounted for under the equity method and intercompany work

Backlog Diversification

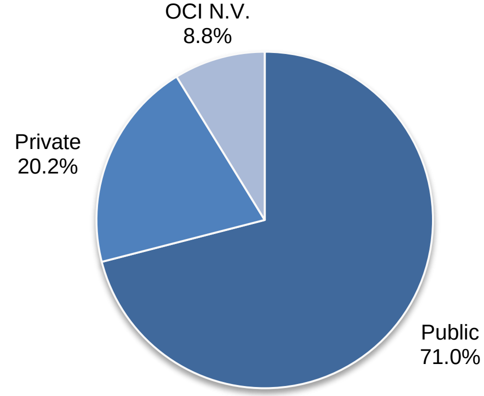
Backlog by Geography



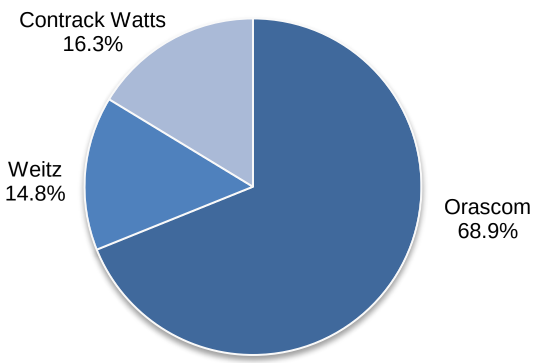
Backlog by Sector



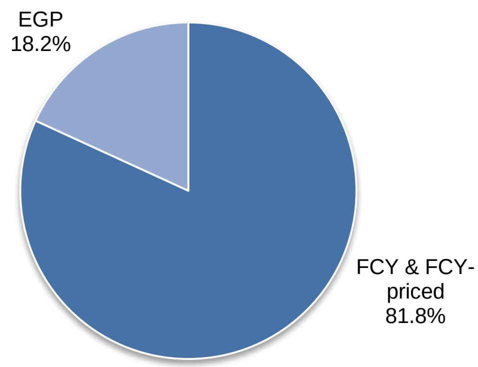
Backlog by Client



Backlog by Brand



Backlog by Currency



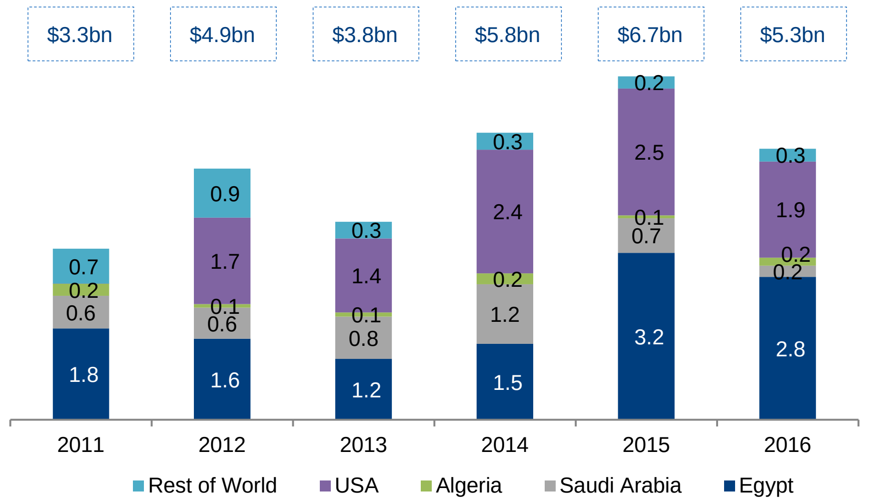
Currency Exposure

- 82% of the Group's total backlog is in FCY or priced in FCY
  - c.35% of backlog in Egypt is in EGP
  - FCY and FCY-priced backlog outweigh FCY costs in Egypt
- The Group incorporates cost escalation clauses in most EGP contracts to protect against potential cost inflationary pressures

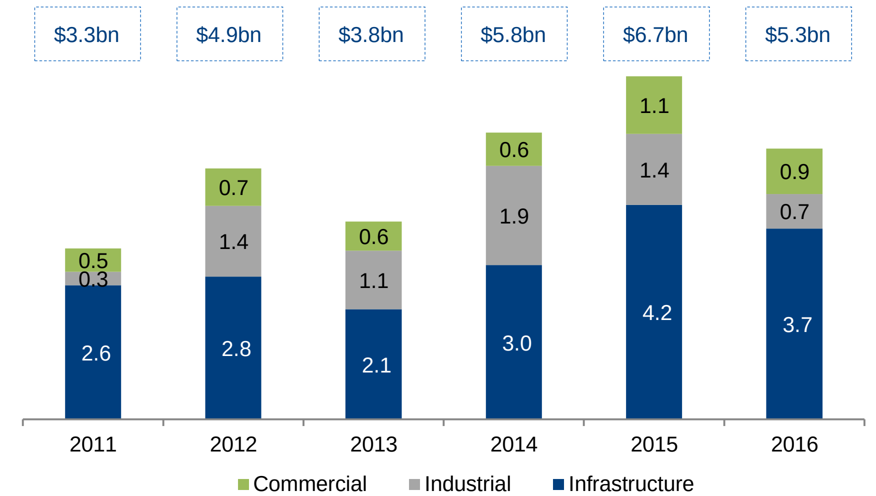
Note: Backlog breakdown as of 31 December 2016; backlog excludes BESIX/JV's accounted for under the equity method and intercompany work

Backlog Evolution

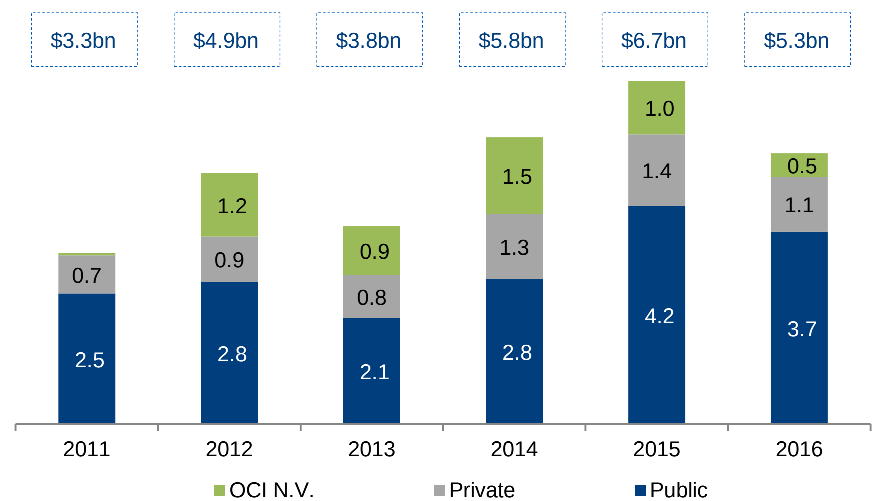
Backlog by Geography



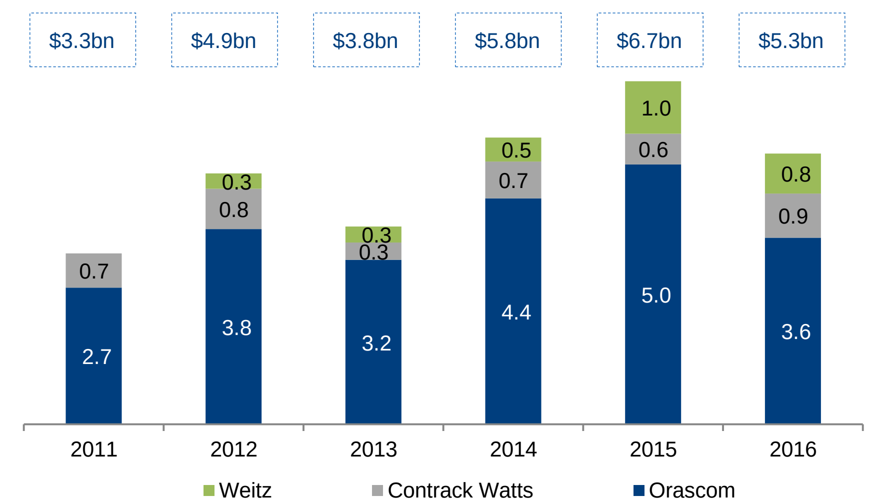
Backlog by Sector



Backlog by Client



Backlog by Brand



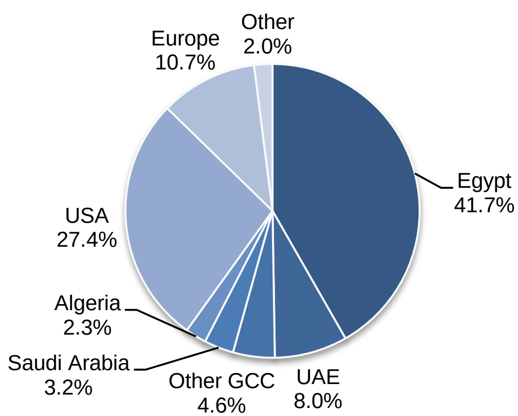
Note: Backlog excludes BESIX/JV's accounted for under the equity method and intercompany work

BESIX: Resilient Turnaround in 2016

- Recorded strongest ever set of net results
- Net income contribution to Orascom of USD 64.2 million in FY 2016 compared to negative USD 0.4 million in FY 2015
- BESIX book value of USD 346.6 million in Orascom’s non current assets on the balance sheet
- Orascom and BESIX recently jointly delivered landmark projects in UAE and Egypt and were awarded in Q4 2016 a contract for the Dubai Expo 2020 infrastructure program,

USD million	OC	50% of BESIX	Pro Forma
Revenue	4,033.1	1,313.2	5,346.3
EBITDA	99.0	90.4	189.4
Net Income[(1)]	(15.5)	64.2	48.7
Net Debt (Cash)	(204.1)	(181.3)	(376.5)
Backlog	5,260.0	1,540.8	6,800.8
New Awards	3,751.5	1,163.3	4,914.8

Pro Forma Backlog by Geography Including 50% of BESIX



Product Terminal Hub, Egypt – OC/BESIX JV

LEGOLAND® Dubai, UAE – OC/BESIX JV

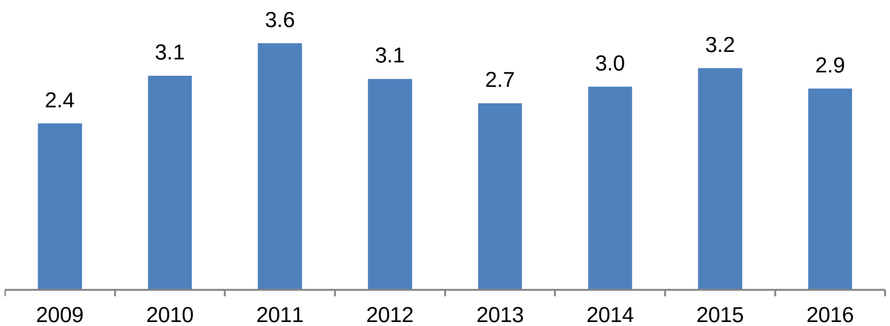
Mall of Egypt – OC/BESIX JV

Note: BESIX is recorded as an equity investment in OC’s financial statements
(1) Net income attributable to shareholders; OC net income excludes contribution from BESIX

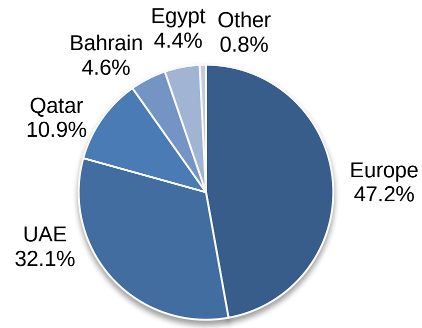
BESIX: Diversified Backlog in MENA and Europe

- Standalone backlog of EUR 2.9 billion and new awards of EUR 2.1 billion in FY 2016
  - Decline compared to last year due to withdrawal from projects in Saudi Arabia
  - Already identified additional projects in MENA and Europe to be included in 2017
- Recently completed projects in MENA include works for the Dubai Canal while new ones include Jebel Ali wastewater treatment plant, Dubai Expo2020 infrastructure (in a JV with Orascom) and World Cup-related work in Qatar
- Delivered projects in Europe include OVT Utrecht railway station in The Netherlands, Docks Bruxsel (new shopping center along the Brussels canal) and the Wilfried Martens building (new office building for European Parliament)

BESIX Standalone Backlog Evolution (EUR billion)



BESIX Standalone Backlog by Geography




Dubai Canal, UAE


OVT Utrecht Station, The Netherlands


Fjordverbindelsen Roskilde (carriageway), Demark

Note: BESIX is recorded as an equity investment in OC's financial statements

Complementary Construction Materials and Property Management Portfolio

Subsidiaries currently benefitting from increased construction and industrial activity

Operational synergies with Orascom and BESIX

NSF National Steel Fabrication

- **Ownership:** 100%
- **FY 2016 revenue:** USD 92 million
- Founded in 1995, manufactures and supplies fabricated steel products in Egypt and North Africa
- Operates four facilities plants in Egypt and Algeria, two of which are the largest in MENA
- Total capacity of 120k per year
- Increased demand from power and industrial projects including OC's recent large power plant projects

ALICO

- **Ownership:** 100%
- **FY 2016 revenue:** USD 17 million
- Established in 2000, manufactures and installs glass, aluminum and architectural metal works
- Provides services in projects across its core markets, often in conjunction with Orascom Construction and BESIX
- Operates facility in Egypt with a capacity of 250k sqm, supplying primarily Egypt and North Africa

CONTRACK FM

- **Ownership:** 100%
- **FY 2016 revenue:** USD 19 million
- Founded in 2004 and currently Egypt's premier facility and property management services provider
- Hard and soft facility management in commercial, hospitality and healthcare
- Clients include Nile City Towers, Smart Village, Fairmont Nile City and Capital Business Park

SIDC

- **Ownership:** 60.5%
- **FY 2016 revenue:** USD 2 million
- Established in 1998
- Owner and developer of an 8.8 million square meter industrial park located in Ain Sokhna, Egypt
- Provides utility services for light, medium and heavy industrial users in Ain Sokhna, Egypt
- Sold a total of 500k sqm in Q4 2015 for a total of EGP 195 million; a third of the land is still vacant

UHC

- **Ownership:** 56.5%
- **FY 2016 revenue:** USD 100 million
- Holds 50% stakes in BASF Construction Chemicals Egypt, Egyptian Gypsum Company and A-Build Egypt
- A group of companies that manufacture diversified building materials, construction chemicals and specializing contracting services
- Subs operate from 4 plants in Egypt and Algeria, supplying products primarily in Egypt and North Africa

United Paints & Chemicals

- **Ownership**: 56.5%
- **FY 2016 revenue:** USD 9 million
- Established in 1997, UPC owns DryMix, Egypt's largest manufacturer of cement-based ready mixed mortars in powdered form used by the construction industry
- Capable of producing 240k metric tons of productand
- Supplies products to clients in Egypt and North Africa

National Pipe Company

- **Ownership:** 40%
- **FY 2016 revenue:** USD 8 million
- Manufactures precast/pre-stressed concrete cylinder pipes and pre-stressed concrete primarily
- The two plants located in Egypt supply Egypt and North Africa
- Annual production capacity of 86 km of concrete piping

scib Paints

- **Ownership:** 14.7%
- **FY 2016 revenue:** USD 72 million
- Manufactures up to 70k kilolitres of decorative paints and industrial coatings primarily for the construction industry
- Founded in 1981 and operates two plants in Egypt,
- Supplies products to clients in Egypt and North Africa

Note: Revenue figures represent 100% of each unit's revenue

Financial Statements

Income Statement

USD million	FY 2016	FY 2015	Q4 2016	Q4 2015
Revenue	4,033.1	3,882.4	1,074.0	862.9
Cost of sales	(3,841.0)	(4,093.7)	(1,100.2)	(1,305.5)
Gross profit	**192.1**	**(211.3)**	**(26.2)**	**(442.6)**
Margin	*4.8%*	*(5.4%)*	*(2.4%)*	*(51.3%)*
Other income	16.1	53.9	10.9	39.7
SG&A expenses	(164.2)	(198.2)	(37.8)	(73.4)
Results from operating activities	**44.0**	**(355.6)**	**(53.1)**	**(476.3)**
EBITDA	99.0	(302.4)	(40.4)	(465.5)
Margin	*2.5%*	*(7.8%)*	*(3.8%)*	*(54.0%)*
Financing income & expenses				
Finance income	94.5	27.5	59.6	7.1
Finance cost	(61.9)	(48.8)	(18.4)	(0.8)
Net finance cost	**32.6**	**(21.3)**	**41.2**	**6.3**
Net loss arising from a b/s comb.	-	(12.2)	-	-
Income from associates (net of tax)	68.5	5.0	37.8	(12.6)
Profit before income tax	**145.1**	**(384.1)**	**25.9**	**(482.6)**
Income tax	(92.1)	49.7	(50.6)	78.4
Net profit	**53.0**	**(334.4)**	**(24.7)**	**(404.3)**
Profit attributable to:				
Owners of the company	48.7	(347.8)	(26.7)	(411.9)
Non-controlling interests	4.3	13.4	2.0	7.6
Net profit	**53.0**	**(334.4)**	**(24.7)**	**(404.3)**

Results Commentary

Revenue:

- Revenue increased 3.9% y-o-y in FY 2016 and 24.5% in Q4 2016
- MENA accounted for 53% of total revenue in FY 2016, primarily driven by the execution of large infrastructure projects in Egypt. Weitz and Contrack Watts accounted for 31% of total

EBITDA

- MENA continued strong performance, recording EBITDA margin of 14.6% and 22.7% in FY and Q4 2016, respectively
- Additional losses at IFCo impacted gross profit and EBITDA
- Pro forma EBITDA excluding IFCo and Natgasoline of USD 326.1 million in FY 2016 and pro forma EBITDA margin of 9.7%

Net financing cost:

- Higher interest income and lower interest expense in FY 2016
- Net FX gain of USD 27.8 million in FY 2016

Income from associates:

- BESIX contribution rose to USD 39.2 million in Q4 2016 from USD (13,0) million in Q4 2015, and USD 64.2 million in FY 2016 from USD (0.4) million in FY 2015

Tax rate:

- High effective tax rate of 63.5% primarily due to taxable profits in MENA and losses in USA

Net income

- Net income to shareholders of USD 48.7 million in FY 2016 compared to negative USD 347.8 million the previous year
- Pro forma net income excluding IFCo and Natgasoline increased 50.3% to USD 299.1 million from USD 199.0 million

Note: Based on audited financials; full financial statements are available on the corporate website and annual report

Balance Sheet

USD million	31 Dec 2016	31 Dec 2015
ASSETS		
Non-current assets		
Property, plant and equipment	158.4	280.2
Goodwill	13.8	13.8
Trade and other receivables	16.2	33.0
Investment in associates and joint ventures	371.4	339.4
Deferred tax assets	81.6	102.0
Total non-current assets	**641.4**	**768.4**
Current assets		
Inventories	167.4	203.4
Trade and other receivables	1,076.3	1,194.9
Contracts work in progress	449.2	485.4
Current income tax receivables	0.6	8.9
Cash and cash equivalents	506.9	574.9
Total current assets	**2,200.4**	**2,467.5**
TOTAL ASSETS	**2,841.8**	**3,235.9**

Results Commentary

Non-current assets

- PPE of USD 158.4 million, with net additions of USD 91.7 million in FY 2016
- Decrease in PPE compared to Dec 2015 is primarily attributable to the EGP devaluation, with exchange rate-related movements of USD 155 million
- Goodwill relates to the acquisition of Weitz in December 2012 and of Alico in April 2015
- Investment in associates includes BESIX at a value of USD 346.6 million
- Deferred tax asset includes carry loss forward in USA where the Group expects to realize via future profits in 2016-2019

Current assets:

- Trade and other receivables in Dec 2016 include USD 538 million in accounts receivables, USD 244.7 million in retentions and USD 114.2 million in supplier advance payments
- 65% of accounts receivables as of 31 Dec are not yet due
- Contracts work in progress decreased 45% compared to 30 Sept 2016
- Contracts work in progress should be viewed along with advance payments and billings in excess on construction contracts

Balance Sheet

USD million	31 Dec 2016	31 Dec 2015
EQUITY		
Share capital	117.8	118.0
Share premium	768.8	772.8
Reserves	(348.4)	(81.2)
Retained earnings	(281.3)	(325.2)
Equity to owners of the Company	**256.9**	**484.4**
Non-controlling interest	45.5	76.1
TOTAL EQUITY	**302.4**	**560.5**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	59.6	26.3
Trade and other payables	10.4	13.8
Deferred tax liabilities	6.7	7.3
Total non-current liabilities	**76.7**	**47.4**
Current liabilities		
Loans and borrowings	243.2	413.1
Trade and other payables	1,017.5	1,075.2
Advance payments	382.3	598.4
Billing in excess of construction contracts	660.8	278.4
Provisions	116.2	210.3
Current income tax payable	42.7	52.6
Total current liabilities	**2,462.7**	**2,628.0**
Total liabilities	**2,539.4**	**2,675.4**
TOTAL EQUITY AND LIABILITIES	**2,841.8**	**3,235.9**

Results Commentary

Equity

- Total equity declined by USD 258.1 million in 2016, primarily driven by the effect of currency translations on the reserve and investment balances of EGP-reporting entities following EGP devaluation
- The decrease in share capital and share premium is due to the cancellation of 280,113 treasury shares

Liabilities:

- Total debt down 31.1% compared to 31 Dec 2015
- Trade and other payables includes USD 564.5 million in accounts payable, USD 217.9 million in accrued expenses and USD 160.4 million in retentions payable to subcontractors
- Advance payments primarily relate to new projects in Egypt

Note: Based on audited financials; full financial statements are available on the corporate website and annual report

Cash Flow Statement

USD million	31 Dec 2016	31 Dec 2015
Net profit	**53.0**	**(334.4)**
Adjustments for:		
Depreciation	55.0	53.2
Interest income (including gains on derivatives)	(29.2)	(19.4)
Interest expense (including losses on derivatives)	26.9	34.1
Foreign exchange gain / (loss) and others	(30.3)	(16.5)
Share in income of equity accounted investees	(68.5)	(5.0)
Loss from acquisition of subsidiary	-	12.2
Loss (gain) on sale of PPE	(6.0)	(4.8)
Income tax expense	92.1	(49.7)
Change in:		
Inventories	36.0	(19.1)
Trade and other receivables	127.0	(263.3)
Contract work in progress	36.2	129.0
Trade and other payables	(67.8)	339.1
Advanced payments construction contracts	(216.1)	200.1
Billing in excess on construction contracts	382.4	26.9
Provisions	(94.1)	(119.2)
Cash flows:		
Interest paid	(24.4)	(34.1)
Interest received	29.2	19.4
Dividends from equity accounted investees	-	23.1
Income taxes paid	(45.1)	(8.8)
Cash flow from / (used in) operating activities	**256.3**	**201.2**

Results Commentary

Cash flow from operating activities:

- Operating cash flow increased 27% y-o-y to USD 256.3 million in FY 2016 compared to USD 201.2 million in FY 2015
- Cash flow mainly driven by the Group's operations in the MENA region and changes in working capital items
- Interest paid in FY 2016 decreased 28% y-o-y to USD 24.4 million

Note: Based on audited financials; full financial statements are available on the corporate website and annual report

Cash Flow Statement

USD million	31 Dec 2016	31 Dec 2015
Investment in subsidiary, net of cash acquired	-	(2.7)
Investment in PPE	(91.7)	(88.4)
Proceeds from sale of PPE	9.9	11.8
Cash flow from / (used in) investing activities	**(81.8)**	**(79.3)**
Proceeds from borrowings	82.1	602.7
Repayments of borrowings	(218.7)	(629.3)
Other long term liabilities	(3.4)	(19.4)
Issue of new shares (net of transaction costs)	-	168.7
Purchase of treasury shares	(8.3)	(2.4)
Dividends paid to non-controlling interest	(1.6)	(5.8)
Net cash from (used in) financing activities	**(149.9)**	**114.5**
Net increase (decrease) in cash	**24.6**	**236.4**
Cash and cash equivalents at 1 January	574.9	368.9
Currency translation adjustments	(92.6)	(30.4)
Cash and cash equivalents at 31 December	**506.9**	**574.9**

Results Commentary

Cash flow used investing activities:

- Cash flow used in investment activities in-line with previous year
- Cash outflow mainly driven by customary capex requirements in the MENA region, in-line with the Group's expectations and project requirements
- Total equipment purchased amounted to USD 91.7 million, mostly attributable to the Group's MENA operations, USD 13.6 million of which is attributable to Q4 2016

Cash flow used financing activities:

- Financing cash flow lower in FY 2016 compared to the previous year due to lower borrowings
- Proceeds from borrowings at significantly lower level compared to FY 2015
- Purchase of treasury shares relates to the buyback of 1 million shares on the EGX in October 2015; these shares were cancelled in Q1 2017

Note: Based on audited financials; full financial statements are available on the corporate website and annual report

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