H1 2016 Results Presentation

24 August 2016

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Summary Financials

- **Steady progress throughout H1 2016 as the Group reported blended EBITDA margin of 5.0%, EBITDA of USD 99.1 million and net income of USD 49.4 million**
  - EBITDA margin driven primarily by the Group's performance in the MENA region
- **BESIX reported significant improvement over Q1 2016**
  - Contribution to net income of USD 7.5 million in Q2 2016
  - Standalone backlog grew 8.5% y-o-y to a recent high of EUR 3.6 billion
- **Consolidated net cash position of USD 299.0 million and operating cash flow of USD 260.8 million generated in H1 2016**
- **Backlog at USD 7.5 billion led by new awards of USD 2.2 billion in Egypt and USA**

Consolidated Income Statement						
USD million	**H1 2016**	**H1 2015**	**Change**	**Q2 2016**	**Q2 2015**	**Change**
Revenue	1,997.0	1,874.4	6.5%	1,024.1	1,016.6	0.7%
EBITDA	99.1	101.4	(2.3%)	50.3	63.5	(20.8%)
Margin	*5.0%*	*5.4%*	*(40 bp)*	*4.9%*	*6.2%*	*(130 bp)*
BESIX	9.5	11.1	(14.4%)	7.5	16.9	(55.6%)
Net income attributable to shareholders	49.4	39.8	24.1%	26.4	34.0	(22.4%)
Margin	*2.5%*	*2.1%*	*+40 bp*	*2.6%*	*3.3%*	*(70 bp)*

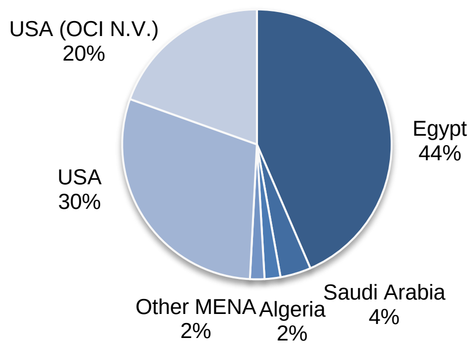
Summary Balance Sheet			
USD million	**30-Jun-16**	**31-Dec-15**	**Change**
Cash and cash equivalents	571.3	574.9	*(0.6%)*
Total debt	272.3	439.4	*(38.0%)*
Total equity	539.3	560.5	*(3.8%)*
Net debt (cash)	(299.0)	(135.5)	*(120.7%)*

Summary Income Statement by Geography

- **MENA accounted for 51% of revenue in H1 2016 led by Egypt, which represented 44% of total**
  - OCI N.V. work comprised 40% of revenue in USA in H1 2016
- **Blended EBITDA margins led by MENA performance**
  - MENA EBITDA margin of 8.8% in H1 2016 and 9.2% in Q2 2016, mainly driven by projects in Egypt
- **MENA net income margin in Q2 2016 of 3.8% in-line with 3.6% reported in Q1 2016**
- **Contribution from BESIX increased to USD 7.5 million during Q2 from USD 2.0 million in Q1 2016**

Consolidated Income Statement	H1 2016			Q2 2016		
USD million	MENA	USA	Total	MENA	USA	Total
Revenue	1,015.1	981.9	1,997.0	498.5	525.6	1,024.1
EBITDA	89.7	9.4	99.1	45.7	4.6	50.3
Margin	*8.8%*	*1.0%*	*5.0%*	*9.2%*	*0.9%*	*4.9%*
BESIX	-	-	9.5	-	-	7.5
Net income attributable to shareholders	37.8	2.1	49.4	19.1	(0.2)	26.4
Margin	*3.7%*	*0.2%*	*2.5%*	*3.8%*	*n/m*	*2.6%*

H1 2016 Revenue by Geography

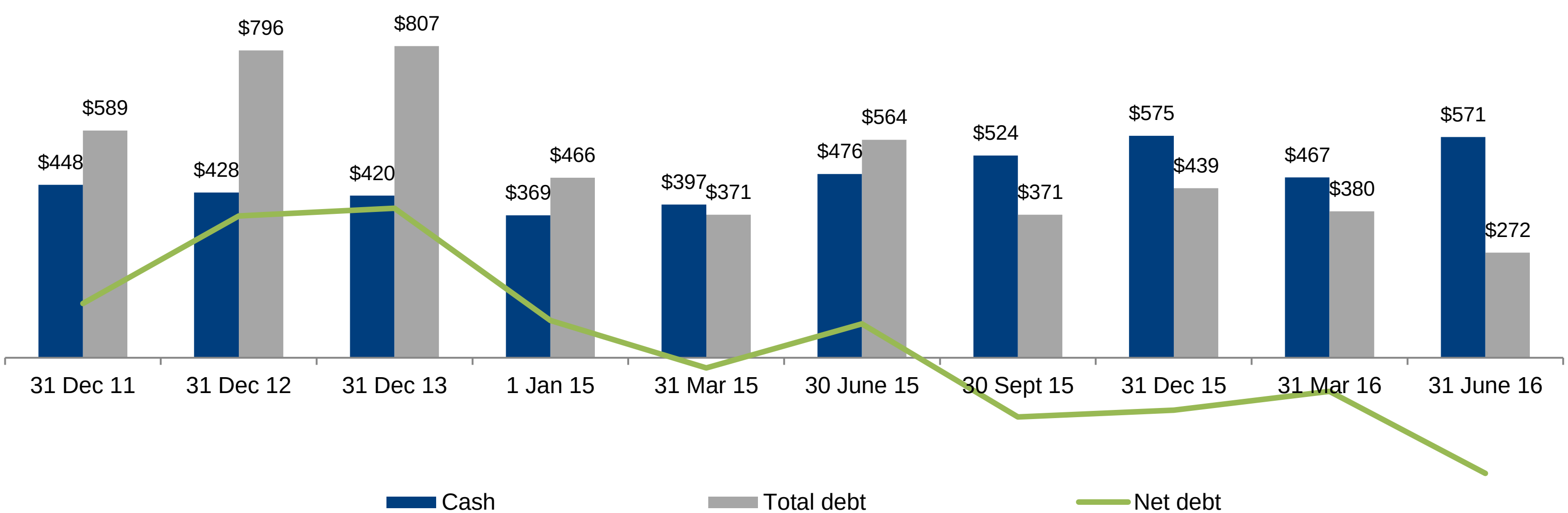


Net Cash Position as of 30 June 2016

Net cash position of USD 299.0 million as of 30 June 2016

Evolution of Net Debt

Pre-Demerger | *Post-Demerger*



USD million	31 Dec 11	31 Dec 12	31 Dec 13	1 Jan 15	31 Mar 15	30 Jun 15	30 Sep 15	31 Dec 15	31 Mar 16	30 Jun 16
Net debt	141	368	387	97	(26)	88	(153)	(136)	(87)	(299)
EBITDA	291	15	48	N/A	38(1)	102(2)	163(3)	(302)	49(4)	99(5)
Total equity	1,111	431	875	804	935	950	961	561	531	539
ND/equity	*0.13*	*0.85*	*0.44*	*0.12*	*(0.03)*	*0.09*	*(0.16)*	*(0.24)*	*(0.16)*	*(0.55)*

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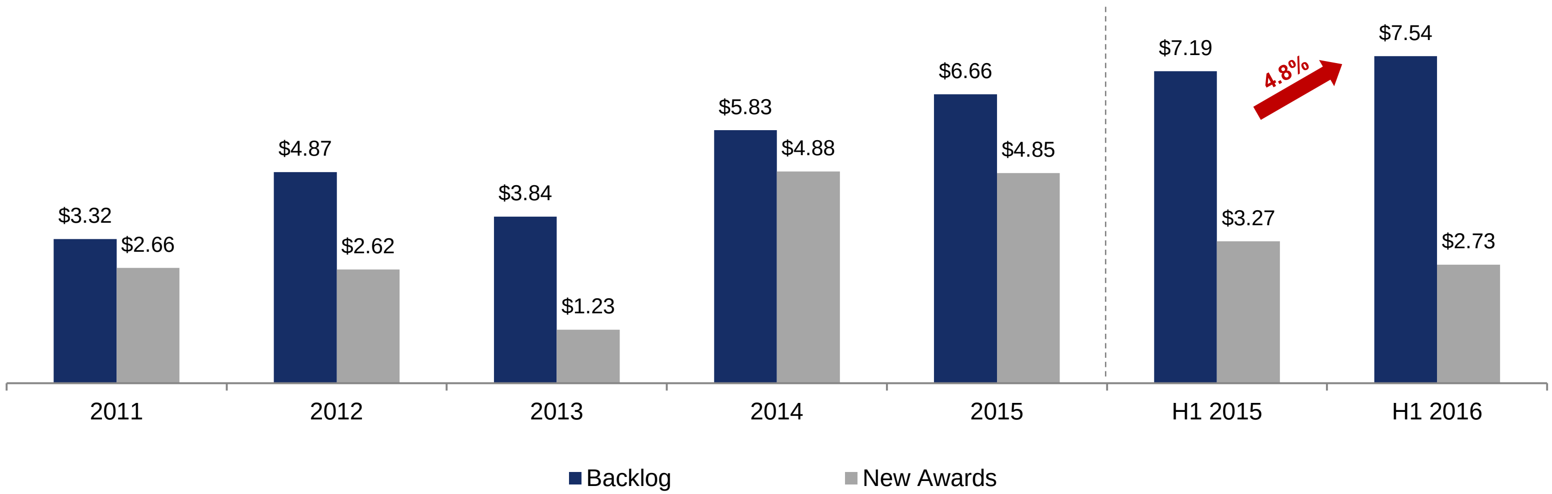
(1) Q1 2015 EBITDA; (2) H1 2015 EBITDA; (3) 9M 2015 EBITDA; (4) Q1 2016 EBITDA; (5) H1 2016 EBITDA

Consolidated Backlog Grew 4.8% to USD 7.5 Billion

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 incremental value

Backlog Excluding BESIX Increased 4.8% in H1 2016

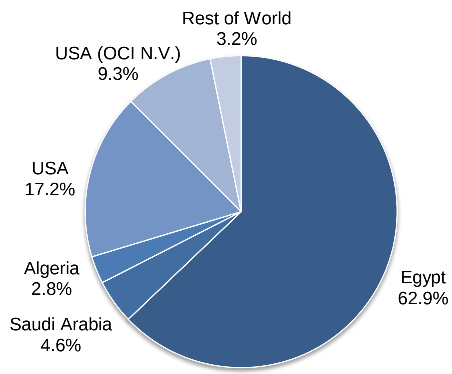


- Pro forma backlog including the Group's 50% share in BESIX increased 5.4% to USD 9.52 billion as of 30 June 2016
- Consolidated backlog at USD 7.5 billion, providing sufficient future revenue and profitability coverage
- Q2 2016 new awards of USD 2.2 billion signed in Egypt and USA
  - New infrastructure projects in Egypt includes Suez Canal tunnels, Cairo metro and roadwork
  - Approximately USD 320 million in new awards by Weitz and Contrack Watts
- Weitz and Contrack Watts' combined backlog is up 17% y-o-y with a focus to further increase their contribution

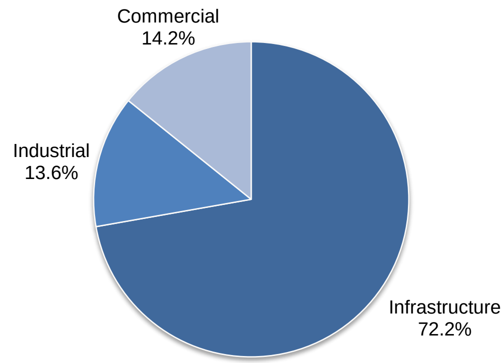
Note: Backlog excludes BESIX/JV's accounted for under the equity method and intercompany work

Strategic Backlog Diversification

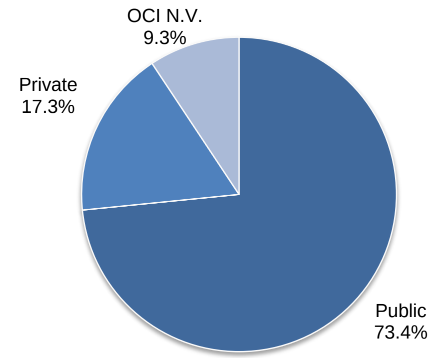
Backlog by Geography



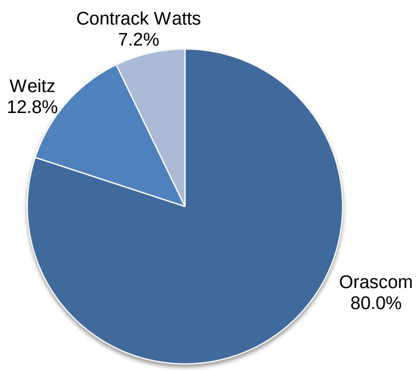
Backlog by Sector



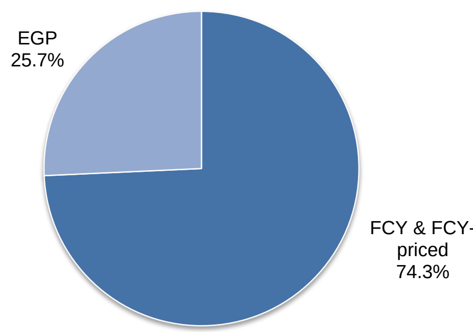
Backlog by Client



Backlog by Brand



Backlog by Currency



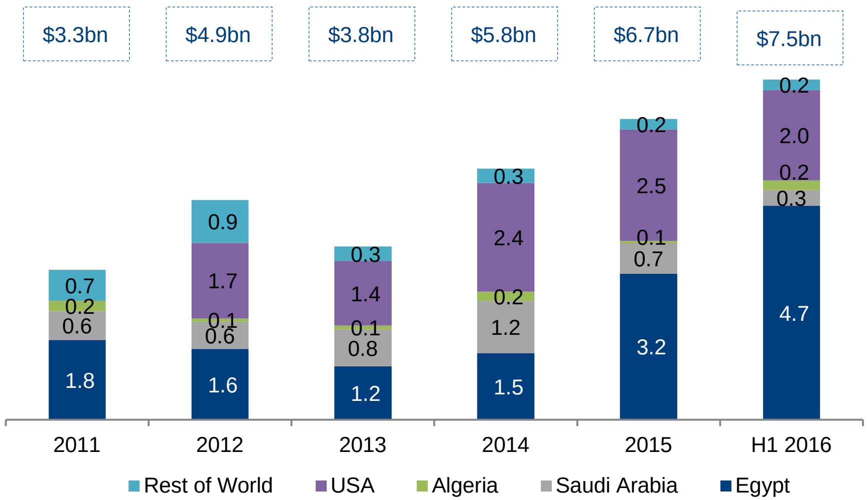
EGP Devaluation

- 74% of the Group's total backlog is in FCY or priced in FCY
  - c.41% of backlog in Egypt is in EGP
  - FCY and FCY-priced backlog outweigh FCY costs in Egypt
- The Group also incorporates cost escalation clauses in the majority of Egypt contracts to protect against potential cost inflationary pressures

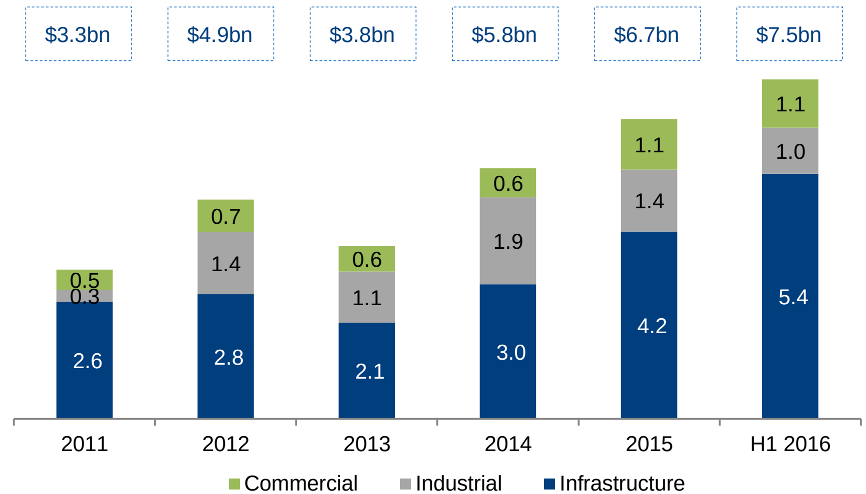
Note: Backlog breakdown as of 30 June 2016; backlog excludes BESIX/JV's accounted for under the equity method and intercompany work

Backlog Evolution

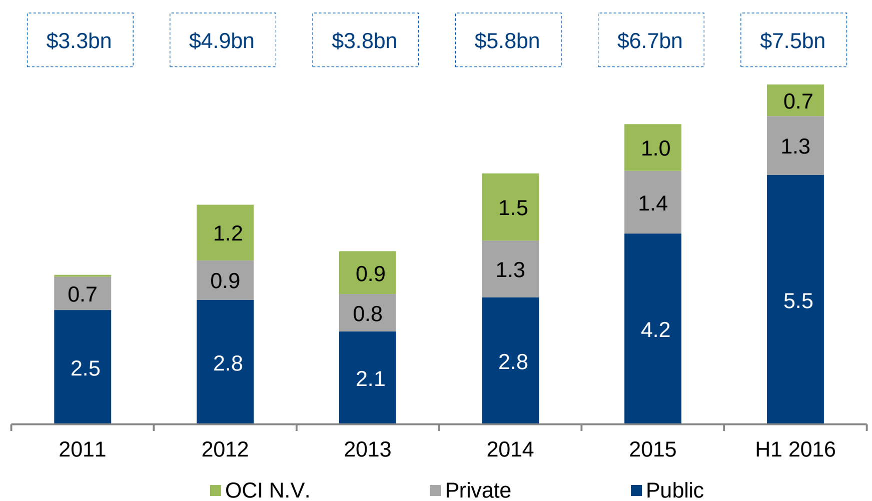
Backlog by Geography



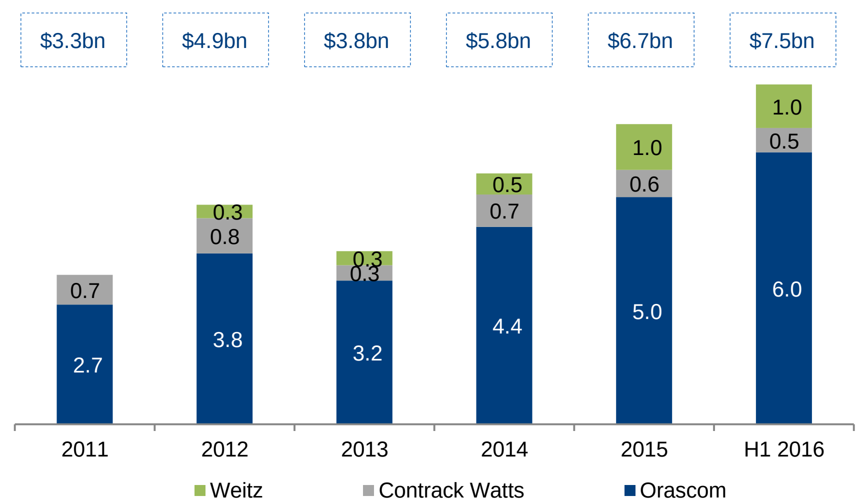
Backlog by Sector



Backlog by Client



Backlog by Brand



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

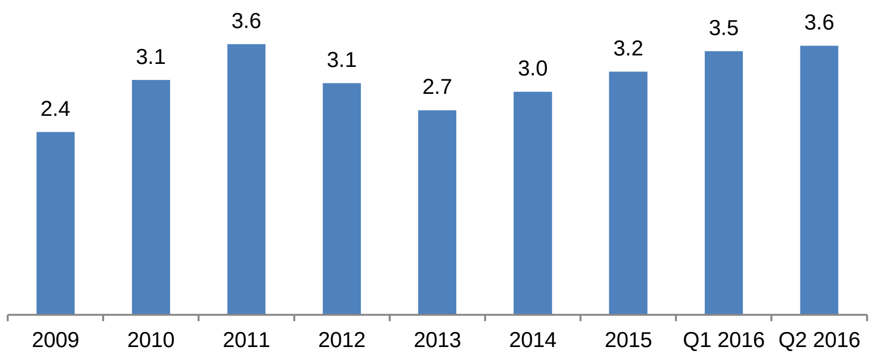
BESIX: Standalone Backlog Grew 9% to EUR 3.6 Billion

Increase in BESIX's standalone backlog to a recent high of EUR 3.6 billion

H1 2016 new awards of EUR 1.5 billion in MENA and Europe across several sectors

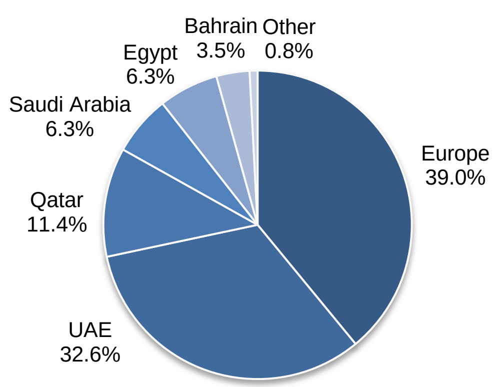
BESIX book value represents 56% of Orascom's total equity value of USD 539.3 million

Standalone Backlog Evolution (EUR billion)

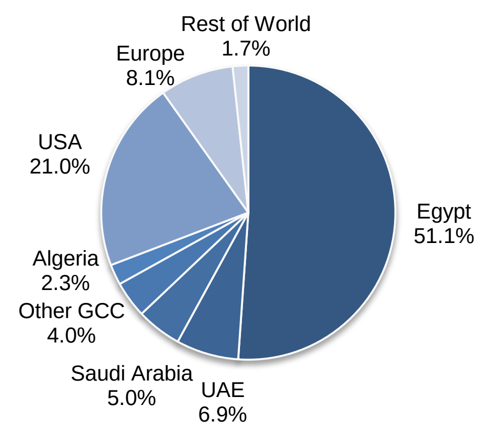


USD million	OC	50% of BESIX	Pro Forma
Revenue	1,997.0	607.3	2,604.3
EBITDA	99.1	19.7	118.8
Net Income[(1)]	39.9	9.5	49.4
Net Debt (Cash)	(299.0)	26.6	(272.4)
Backlog	7,538.0	1,979.7	9,517.7
New Awards	2,731.6	819.2	3,550.7

Standalone Backlog by Geography (EUR billion)



Pro Forma Backlog – Consolidating 50% of BESIX



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

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%
- **H1 2016 revenue:** USD 40 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%
- **H1 2016 revenue:** USD 5 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%
- **H1 2016 revenue:** USD 10 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%
- **H1 2016 revenue:** USD 1 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%
- **H1 2016 revenue:** USD 45 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%
- **H1 2016 revenue:** USD 5 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%
- **H1 2016 revenue:** USD 5 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%
- **H1 2016 revenue:** USD 33 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

Legal Update

Golden Pyramids Plaza / City Stars Project Arbitration

- The Group and its partner, Consolidated Contractors International Co. SAL, were awarded a positive outcome against Golden Pyramids Plaza for the City Stars project in Egypt
- The claim related to the value of additional work performed, extension of time for all delays, return of the improperly liquidated bonds, and payment for outstanding re-measurement items
- A gain of USD 38.4 million was booked in Q4 2015 for awarded damages and the Group is committed to collect this sum in 2016

SIDRA Medical Research Center arbitration

- The Group is part of an ongoing arbitration case against the Qatar Foundation for Education, Science & Community Development
- The arbitration relates to the design & build of Sidra Medical & Research Center in Doha, Qatar
- The project was under construction by a 55/45 consortium of OHL and Contrack
- Arbitration is developing in a positive way





Appendix

Financial Statements

Income Statement

USD million	H1 2016	H1 2015	Q2 2016	Q2 2015
Revenue	1,997.0	1,874.4	1,024.1	1,016.6
Cost of sales	(1,844.5)	(1,733.8)	(953.0)	(932.1)
Gross profit	**152.5**	**140.6**	**71.1**	**84.5**
Margin	*7.6%*	*7.5%*	*6.9%*	*8.3%*
Other income	4.3	5.7	2.4	3.5
SG&A expenses	(85.6)	(74.1)	(37.9)	(39.4)
Results from operating activities	**71.2**	**72.2**	**35.6**	**48.6**
EBITDA	99.1	101.4	50.3	63.5
Margin	*5.0%*	*5.4%*	*4.9%*	*6.2%*
Financing income & expenses				
Finance income	30.7	7.7	7.9	2.0
Finance cost	(43.4)	(27.5)	(18.5)	(16.2)
Net finance cost	**(12.7)**	**(19.8)**	**(10.6)**	**(14.2)**
Net loss arising from a business combination	-	(12.2)	-	(12.2)
Income from associates (net of tax)	14.1	16.5	7.6	18.2
Profit before income tax	**72.6**	**56.7**	**32.6**	**40.4**
Income tax	(24.1)	(12.0)	(10.0)	(5.2)
Net profit	**48.5**	**44.7**	**22.6**	**35.2**
Profit attributable to:				
Owners of the company	49.4	39.8	26.4	34.0
Non-controlling interests	(0.9)	4.9	(3.8)	1.2
Net profit	**48.5**	**44.7**	**22.6**	**35.2**

Results Commentary

Revenue:

- H1 2016 revenue up 7% y-o-y
- 51% of H1 2016 revenue from MENA and 49% from USA

Gross profit

- H1 2016 gross profit up 8% while margin is maintained at 7.6%

Net financing cost:

- Finance income in H1 2016 and Q2 2016 includes higher interest income FX gains compared to the previous year
- Finance cost impacted by fair value loss on a yen-related derivative

Income from associates:

- BESIX contribution of USD 7.5 million to net income in Q2 2016 marks an improvement over Q1 2016

Net income

- Net income to shareholders increased to USD 49.4 million at an improved margin of 2.5% compared to H1 2015

Note: Based on reviewed financials; full financial statements are available on the corporate website

Balance Sheet

USD million	30 June 2016	31 Dec 2015
ASSETS		
Non-current assets		
Property, plant and equipment	279.3	280.2
Goodwill	13.8	13.8
Trade and other receivables	28.5	33.0
Investment in associates and joint ventures	355.2	339.4
Deferred tax assets	98.0	102.0
Total non-current assets	**774.8**	**768.4**
Current assets		
Inventories	209.2	203.4
Trade and other receivables	1,283.9	1,194.9
Contracts work in progress	628.3	485.4
Current income tax receivables	5.5	8.9
Cash and cash equivalents	571.3	574.9
Total current assets	**2,698.2**	**2,467.5**
TOTAL ASSETS	**3,473.0**	**3,235.9**

Results Commentary

Non-current assets

- PPE of USD 279.3 million, including USD 59.4 million in new additions purchased during H1 2016
- 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 302 million
- Deferred tax asset includes carry loss forward in USA where the Group expects to realize via future profits in 2016-2019

Current assets:

- Approximately 65% of the total USD 599.3 million trade receivables is not yet due
- Increase in receivables primarily due to supplier and subcontractor advance payments
- Contracts work in progress 8% lower than the value at 31 March 2016

Note: Based on reviewed financials; full financial statements are available on the corporate website

Balance Sheet

USD million	30 June 2016	31 Dec 2015
EQUITY		
Share capital	117.8	118.0
Share premium	768.7	772.8
Reserves	(128.8)	(81.2)
Retained earnings	(280.7)	(325.2)
Equity to owners of the Company	**477.0**	**484.4**
Non-controlling interest	62.3	76.1
TOTAL EQUITY	**539.3**	**560.5**
LIABILITIES		
Non-current liabilities		
Loans and borrowings	75.4	26.3
Trade and other payables	22.4	13.8
Deferred tax liabilities	7.2	7.3
Total non-current liabilities	**105.0**	**47.4**
Current liabilities		
Loans and borrowings	196.9	413.1
Trade and other payables	1,106.3	1,075.2
Advanced payments	704.5	598.4
Billing in excess of construction contracts	649.6	278.4
Provisions	148.3	210.3
Current income tax payable	23.1	52.6
Total current liabilities	**2,828.7**	**2,628.0**
Total liabilities	**2,933.7**	**2,675.4**
TOTAL EQUITY AND LIABILITIES	**3,473.0**	**3,235.9**

Results Commentary

Equity

- The decrease in share capital and share premium is due to the cancellation of 280,113 treasury shares

Liabilities:

- Total debt down 38% due to debt settlement
- Billing in excess up from USD 513.4 million on 31 March 2015 in relation to projects in Egypt
- The decrease in provisions primarily relates to projects in Egypt and USA

Note: Based on reviewed financials; full financial statements are available on the corporate website

Cash Flow Statement

USD million	30 June 2016	30 June 2015
Net profit	**48.5**	**44.7**
Adjustments for:		
Depreciation	27.9	29.2
Interest income (including gains on derivatives)	(13.4)	(2.2)
Interest expense (including losses on derivatives)	15.6	17.1
Foreign exchange gain / (loss) and others	10.5	4.9
Share in income of equity accounted investees	(14.1)	(16.5)
Loss from acquisition of subsidiary	-	12.2
Loss (gain) on sale of PPE	0.3	(2.2)
Income tax expense	24.1	12.0
Change in:		
Inventories	(5.8)	(3.9)
Trade and other receivables	(33.1)	(248.9)
Contract work in progress	(142.9)	(236.7)
Trade and other payables	24.7	163.6
Advanced payments construction contracts	106.1	(86.9)
Billing in excess on construction contracts	371.2	257.2
Provisions	(106.9)	(11.8)
Cash flows:		
Interest paid	(15.6)	(17.1)
Interest received	13.4	2.2
Income taxes paid	(49.7)	(14.1)
Cash flow from / (used in) operating activities	**260.8**	**(97.2)**

Results Commentary

Cash flow from operating activities:

- The Group generated operating cash flow of USD 260.8 million in H1 2016 compared to USD (97.2) million in H1 2015
- Cash flow mainly driven by the Group's operations in the MENA region and changes in working capital items

Note: Based on reviewed financials; full financial statements are available on the corporate website

Cash Flow Statement

USD million	30 June 2016	30 June 2015
Investment in subsidiary, net of cash acquired	-	(2.7)
Investment in PPE	(59.4)	(37.0)
Proceeds from sale of PPE	3.4	5.1
Cash flow from / (used in) investing activities	**(56.0)**	**(34.6)**
Proceeds from borrowings	49.1	406.6
Repayments of borrowings	(216.2)	(308.2)
Other long term liabilities	8.6	(9.9)
Issue of new shares (net of transaction costs)	-	168.6
Purchase of treasury shares	-	(3.8)
Dividends paid to non-controlling interest	(1.9)	(5.5)
Net cash from (used in) financing activities	**(160.4)**	**247.8**
Net increase (decrease) in cash	**44.4**	**116.0**
Cash and cash equivalents at 1 January	574.9	368.9
Currency translation adjustments	(48.0)	(8.9)
Cash and cash equivalents at 30 June	**571.3**	**476.0**

Results Commentary

Cash flow used investing activities:

- 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 59.4 million, mostly attributable to the Group's MENA operations

Cash flow used financing activities:

- Proceeds from borrowings at significantly lower level compared to H1 2015
- The Group repaid a total of USD 216.2 million during H1 2016

Note: Based on reviewed financials; full financial statements are available on the corporate website

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Backlog and new contract awards are non-IFRS metrics based on management’s estimates of awarded, signed and ongoing contracts which have not yet been completed, and serves as an indication of total size of contracts to be executed. These figures and classifications are unaudited, have not been verified by a third party, and are based solely on management's estimates.

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