



Q1 2017 Results Presentation

23 May 2017



Table of Contents

Section	Page
Highlights	3
Summary Financials	4
Net Cash Position	5
Backlog Evolution and Segmentation	6
BESIX Group	9
Construction Materials and Industrial Property Portfolio	10
Financial Statements	11

Financial Highlights

- **Continuous growth in profitability, with net income to shareholders increasing 21.7% y-o-y in Q1 2017**

- *Underscores the Group's focus on operational performance across its core markets*
- *Capitalizing on current backlog quality and size to improve cost structure and profitability*

- **Consolidated backlog of USD 5.1 billion and pro forma backlog including the Group's 50% share in BESIX of USD 6.8 billion as of 31 March 2017**

- *Substantial backlog size and mix that fully support the Group's revenue and profitability targets*
- *The Group typically aims for 18 months of revenue visibility in MENA and 12 months in USA*

- **Revenue of USD 1,065.7 million, EBITDA of USD 57.1 million and net income to shareholders of USD 28.0 million in Q1 2017**

- *Y-o-y increase in revenue, EBITDA and net income of 9.5%, 17.0% and 21.7%, respectively*

- **Net cash position of USD 186.8 million as of 31 March 2017**

- **BESIX continues to provide a healthy contribution net income**

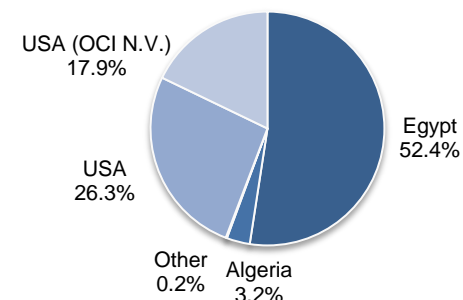
- *Backlog of EUR 3.3 billion as of 31 March 2017 and new awards of EUR 848.0 million in Q1 2017*
- *Net income contribution of USD 10.5 million in Q1 2017*

Summary Financials

Summary Income Statement

USD million	Q1 2017	Q1 2016	Change
Revenue	1,065.7	972.9	9.5%
<i>MENA</i>	<i>594.8</i>	<i>516.6</i>	<i>15.1%</i>
<i>USA</i>	<i>470.9</i>	<i>456.3</i>	<i>3.2%</i>
EBITDA	57.1	48.8	17.0%
<i>MENA</i>	<i>36.6</i>	<i>44.0</i>	<i>(16.8)%</i>
<i>USA</i>	<i>20.5</i>	<i>4.8</i>	<i>329.2%</i>
Consolidated margin	5.4%	5.0%	+40 bp
<i>MENA margin</i>	<i>6.2%</i>	<i>8.5%</i>	<i>(230) bp</i>
<i>USA margin</i>	<i>4.4%</i>	<i>1.1%</i>	<i>+330 bp</i>
BESIX	10.5	2.0	425.0%
Net income attributable to shareholders	28.0	23.0	21.7%
<i>MENA</i>	<i>12.9</i>	<i>18.9</i>	<i>(31.7)%</i>
<i>USA</i>	<i>4.6</i>	<i>2.1</i>	<i>119.0%</i>
Consolidated margin	2.6%	2.4%	+20 bp
<i>MENA margin</i>	<i>2.2%</i>	<i>3.7%</i>	<i>(150) bp</i>
<i>USA margin</i>	<i>1.0%</i>	<i>0.5%</i>	<i>+50 bp</i>

Q1 2017 Revenue by Geography

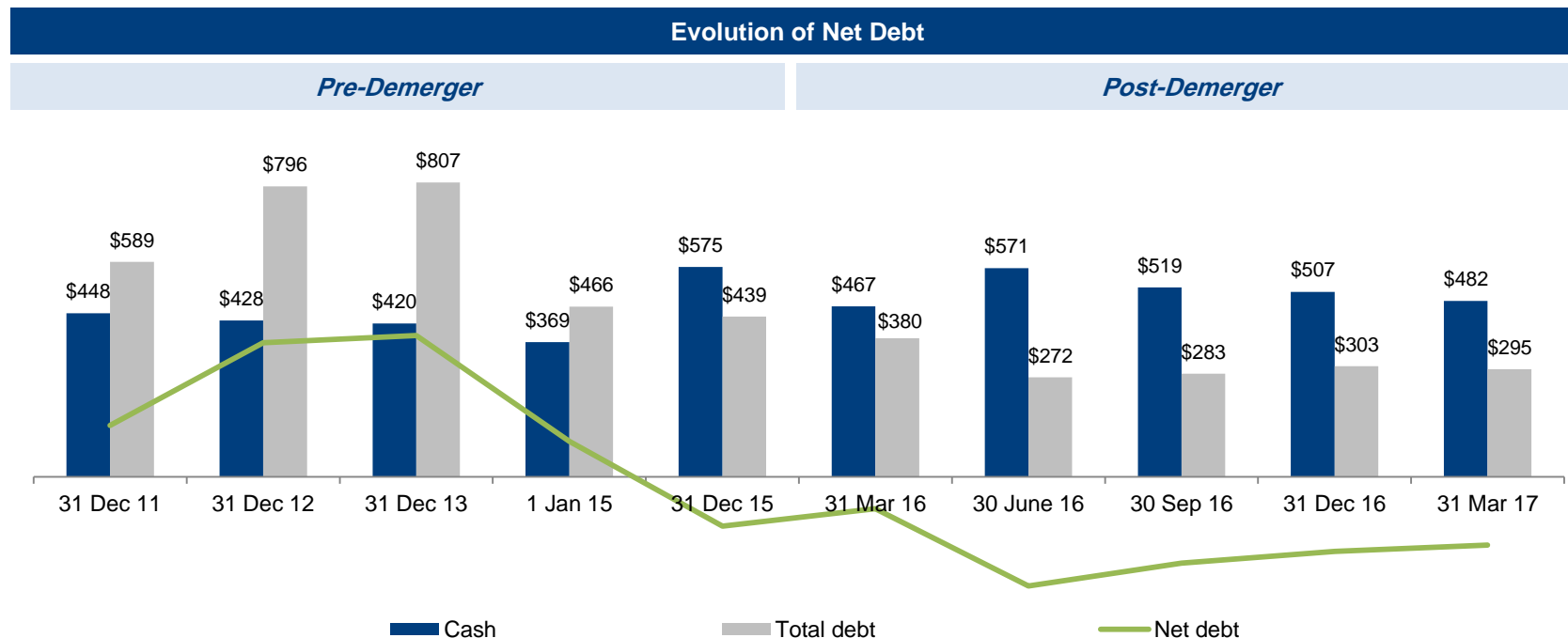


Net debt (cash)

USD million	31-Mar-17	31-Dec-16	Change
Cash and cash equivalents	481.9	506.9	(4.9)%
Total debt	295.1	302.8	(2.5)%
Total equity	339.3	302.4	12.2%
Net debt (cash)	(186.8)	(204.1)	8.5%

Net Cash Position as of 31 March 2017

Net cash position of USD 186.8 million as of 31 March 2017

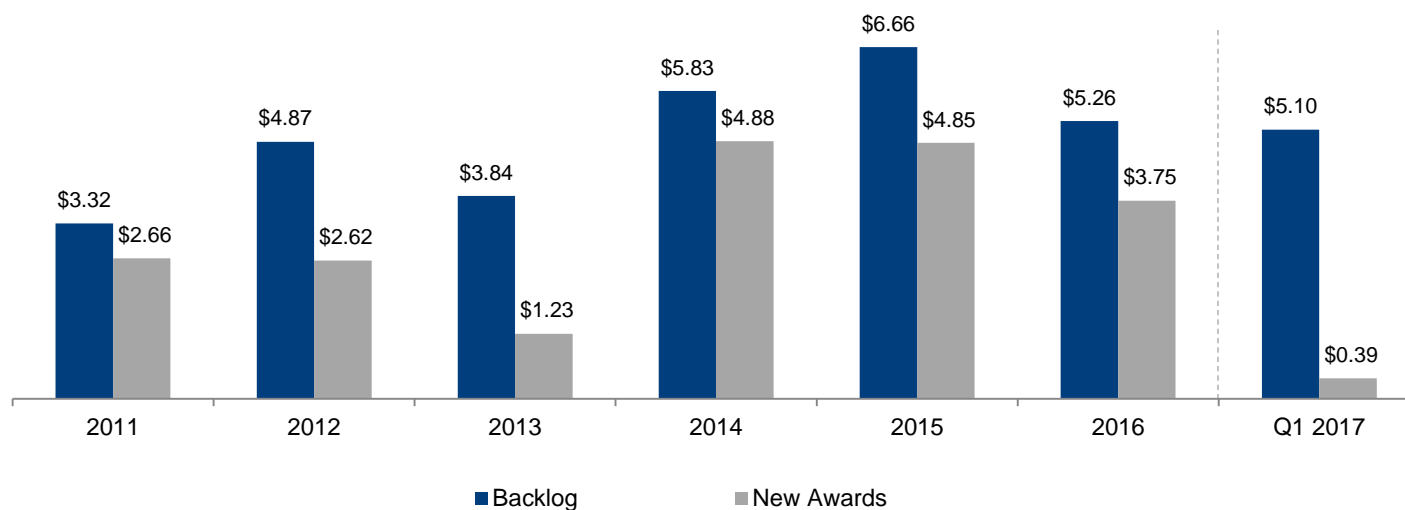


USD million	31 Dec 11	31 Dec 12	31 Dec 13	1 Jan 15	31 Dec 15	31 Mar 16	30 Jun 16	30 Sep 16	31 Dec 16	31 Mar 17
Net debt (cash)	141	368	387	97	(136)	(87)	(299)	(236)	(204)	(187)
EBITDA	291	15	48	N/A	(302)	49 ⁽¹⁾	99 ⁽²⁾	139 ⁽³⁾	99	57 ⁽⁴⁾
Total equity	1,111	431	875	804	561	531	539	580	302	339
ND/equity	0.13	0.85	0.44	0.12	(0.24)	(0.16)	(0.55)	(0.41)	(0.67)	(0.55)

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

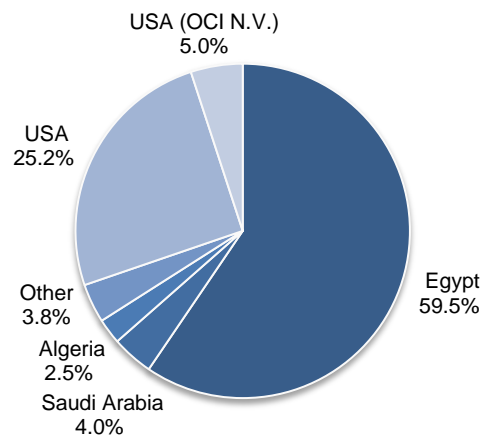
Backlog excluding BESIX stood at USD 5.1 billion as of 31 March 2017



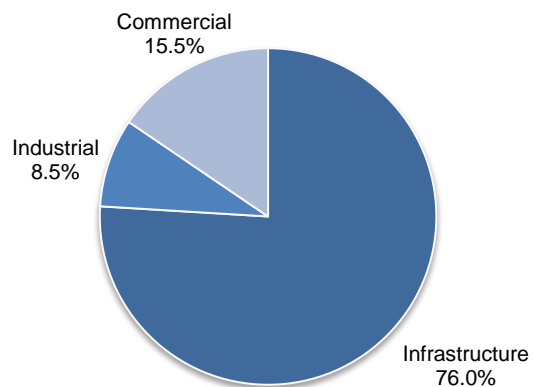
- Pro forma backlog including the Group's 50% share in BESIX of USD 6.8 billion as of 31 March 2017 and consolidated backlog of USD 5.1 billion
- Orascom continues to expand presence in key infrastructure segments in Egypt:
 - Q1 2017 new awards include a second water desalination plant and increased scope in the expansion of Egypt's road network
- Weitz signed in Q1 2017 USD 164 million of private commercial projects in its core US markets

Backlog Diversification

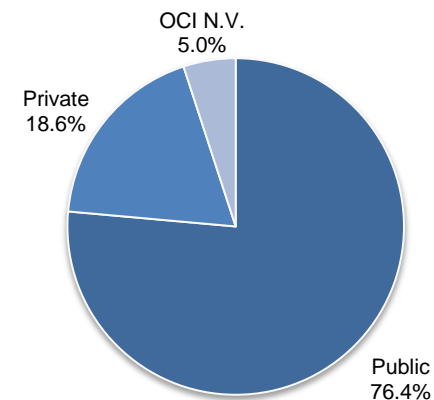
Backlog by Geography



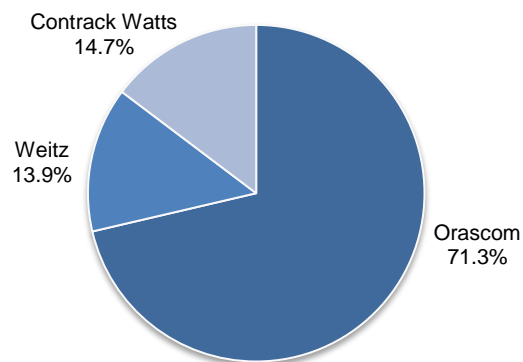
Backlog by Sector



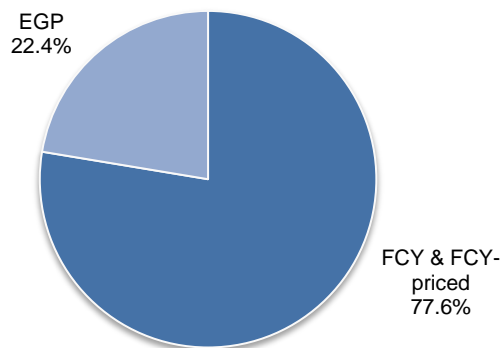
Backlog by Client



Backlog by Brand



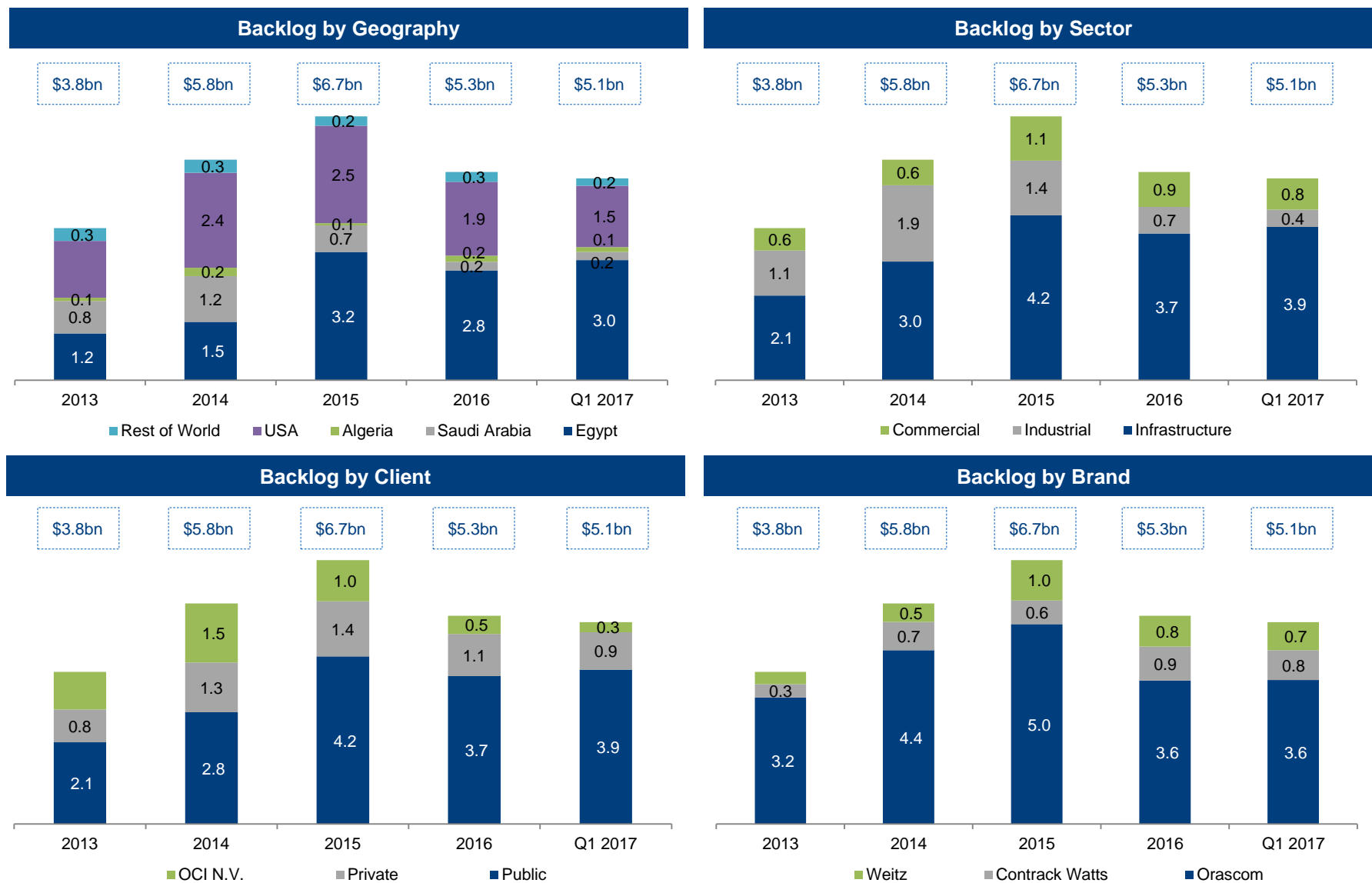
Backlog by Currency



Currency Exposure

- 78% of the Group's total backlog is in FCY or priced in FCY
 - c.38% 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

Backlog Evolution

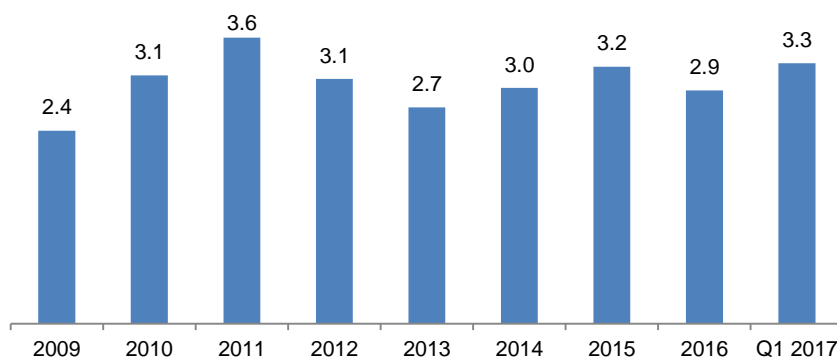


Note: Backlog excludes BESIX/JV's accounted for under the equity method and intercompany work

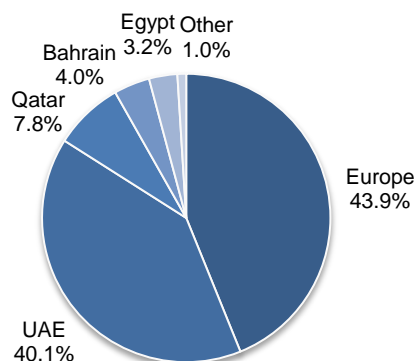
Pro Forma Snapshot Including BESIX

- BESIX continues to provide the targeted net income contribution
- Increase in BESIX's standalone backlog to EUR 3.3 billion while new awards reached EUR 848.0 million in Q1 2017
- Standalone net cash position of EUR 238 million as of 31 March 2017
- BESIX book value of USD 361.7 million in Orascom's non current assets on the balance sheet

Standalone Backlog Evolution (EUR billion)

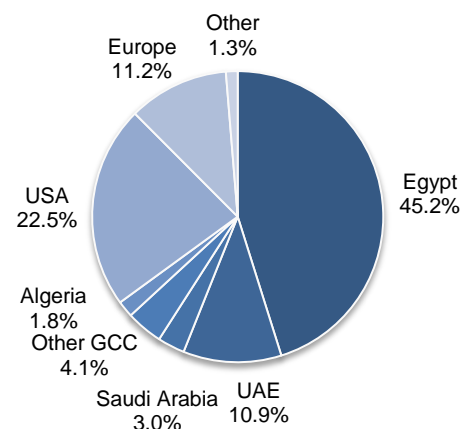


Standalone Backlog by Geography



USD million	OC	50% of BESIX	Pro Forma
Revenue	1,065.7	247.2	1,312.9
EBITDA	57.1	9.5	66.6
Net Income ⁽¹⁾	17.5	10.5	28.0
Net Debt (Cash)	(186.8)	(126.5)	(313.3)
Backlog	5,098.6	1,742.4	6,841.0
New Awards	387.4	450.9	838.4







Pro Forma Backlog – 50% of BESIX



Complementary Construction Materials and Property Management Portfolio

Subsidiaries currently benefitting from increased construction and industrial activity

Operational synergies with Orascom and BESIX

 <ul style="list-style-type: none"> Ownership: 100% Q1 2017 revenue: USD 14 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 	 <ul style="list-style-type: none"> Ownership: 100% Q1 2017 revenue: USD 3 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 	 <ul style="list-style-type: none"> Ownership: 100% Q1 2017 revenue: USD 3 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 	 <ul style="list-style-type: none"> Ownership: 60.5% Q1 2017 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
 <ul style="list-style-type: none"> Ownership: 56.5% Q1 2017 revenue: USD 17 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 <ul style="list-style-type: none"> Ownership: 56.5% Q1 2017 revenue: USD 2 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 product and Supplies products to clients in Egypt and North Africa 	National Pipe Company <ul style="list-style-type: none"> Ownership: 40% Q1 2017 revenue: USD 1 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 	 <ul style="list-style-type: none"> Ownership: 14.7% Q1 2017 revenue: USD 11 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

Financial Statements

Income Statement

USD million	Q1 2017	Q1 2016
Revenue	1,065.7	972.9
Cost of sales	(979.4)	(891.5)
Gross profit	86.3	81.4
<i>Margin</i>	<i>8.1%</i>	<i>8.4%</i>
Other income	1.7	1.9
SG&A expenses	(40.2)	(47.7)
Results from operating activities	47.8	35.6
EBITDA	57.1	48.8
<i>Margin</i>	<i>5.4%</i>	<i>5.0%</i>
Financing income & expenses		
Finance income	9.6	22.8
Finance cost	(9.9)	(24.9)
Net finance cost	(0.3)	(2.1)
Income from associates (net of tax)	9.0	6.5
Profit before income tax	56.5	40.0
Income tax	(25.0)	(14.1)
Net profit	31.5	25.9
Profit attributable to:		
Owners of the company	28.0	23.0
Non-controlling interests	3.5	2.9
Net profit	31.5	25.9

Results Commentary

Revenue:

- Consolidated revenue increased 9.5% y-o-y
- MENA accounted for 56% of total revenue, of which Egypt represented 52%, while Weitz and Contrack Watts comprised 26%

EBITDA

- Consolidated EBITDA increased 17.0% y-o-y while EBITDA margin rose 40bp to 5.4%
- This improvement was driven by stronger performance in the U.S. segment while the Group took a conservative approach in MENA during Q1 2017

Income from associates:

- BESIX contributed USD 10.5 million to net income in Q1 2017 compared to USD 2.0 million in Q1 2016

Taxes:

- Taxes includes a USD 10 million realized deferred tax asset in USA

Net income

- Net income to shareholders increased 21.7% y-o-y to USD 28.0 million

Balance Sheet

USD million	31 March 2017	31 Dec 2016	Results Commentary
ASSETS			
Non-current assets			Non-current assets
Property, plant and equipment	157.3	158.4	▪ PPE of USD 157.3 million, with net additions of USD 8.0 million in FY 2016
Goodwill	13.8	13.8	▪ Goodwill relates to the acquisition of Weitz in December 2012 and of Alico in April 2015
Trade and other receivables	19.1	16.2	▪ Investment in associates includes BESIX at a value of USD 361.7 million
Investment in associates and joint ventures	382.9	371.4	▪ Deferred tax asset includes carry loss forward in USA which the Group expects to realize via future profits in 2017-2019
Deferred tax assets	70.6	81.6	
Total non-current assets	643.7	641.4	
Current assets			Current assets:
Inventories	182.5	167.4	▪ Trade and other receivables in March 2017 include USD 463.6 million in accounts receivables, USD 255.8 million in retentions and USD 145.9 million in supplier advance payments
Trade and other receivables	1,042.9	1,076.3	▪ 70% of accounts receivables as of 31 March are not yet due
Contracts work in progress	509.9	449.2	▪ Contracts work in progress decreased 26% compared to 31 March 2016
Current income tax receivables	0.6	0.6	▪ Contracts work in progress should be viewed along with advance payments and billings in excess on construction contracts
Cash and cash equivalents	481.9	506.9	
Total current assets	2,217.8	2,200.4	
TOTAL ASSETS	2,861.5	2,841.8	

Balance Sheet

USD million	31 March 2017	31 Dec 2016	Results Commentary
EQUITY			Equity
Share capital	116.8	117.8	<ul style="list-style-type: none"> The decrease in share capital and share premium is due to the cancellation of 1 million treasury shares as part of EGX share buyback
Share premium	761.5	768.8	
Reserves	(334.8)	(348.4)	<ul style="list-style-type: none"> The movement in reserves relates primarily to currency translation differences
Retained earnings	(253.3)	(281.3)	
Equity to owners of the Company	290.2	256.9	
Non-controlling interest	49.1	45.5	
TOTAL EQUITY	339.3	302.4	
LIABILITIES			Liabilities:
Non-current liabilities			<ul style="list-style-type: none"> Total debt down 2.5% compared to 31 Dec 2016 and 28.7% compared to 31 March 2016 Trade and other payables includes USD 518.5 million in accounts payable, USD 253.1 million in accrued expenses and USD 167.7 million in retentions payable to subcontractors
Loans and borrowings	48.9	59.6	
Trade and other payables	11.4	10.4	
Deferred tax liabilities	6.2	6.7	
Total non-current liabilities	66.5	76.7	
Current liabilities			
Loans and borrowings	246.2	243.2	
Trade and other payables	1,007.9	1,017.5	
Advance payments	415.2	382.3	
Billing in excess of construction contracts	655.5	660.8	
Provisions	80.1	116.2	
Current income tax payable	50.8	42.7	
Total current liabilities	2,455.7	2,462.7	
Total liabilities	2,522.2	2,539.4	
TOTAL EQUITY AND LIABILITIES	2,861.5	2,841.8	

Cash Flow Statement

USD million	31 March 2017	31 March 2016	Results Commentary
Net profit	31.5	25.9	Cash flow from operating activities:
Adjustments for:			<ul style="list-style-type: none"> Operating cash outflow of USD 14.1 million partly as a result of changes in working capital items Interest paid in Q1 2017 decreased 70% y-o-y to USD 4.4 million
Depreciation	9.3	13.2	
Interest income (including gains on derivatives)	(5.7)	(4.9)	
Interest expense (including losses on derivatives)	5.5	14.7	
Foreign exchange gain / (loss) and others	0.5	(7.7)	
Share in income of equity accounted investees	(10.0)	(6.5)	
Loss (gain) on sale of PPE	(0.4)	0.1	
Income tax expense	25.0	14.1	
Change in:			
Inventories	(15.1)	(0.6)	
Trade and other receivables	29.8	(33.6)	
Contract work in progress	(60.7)	(200.6)	
Trade and other payables	(11.2)	(29.3)	
Advanced payments construction contracts	32.9	19.4	
Billing in excess on construction contracts	(5.3)	235.0	
Provisions	(36.1)	(0.1)	
Cash flows:			
Interest paid	(4.4)	(14.7)	
Interest received	5.7	4.9	
Dividends from equity accounted investees	1.0	-	
Income taxes paid	(6.4)	(17.2)	
Cash flow from / (used in) operating activities	(14.1)	12.1	

Cash Flow Statement

USD million	31 March 2017	31 March 2016	Results Commentary
Investment in PPE	(8.0)	(28.0)	Cash flow used investing activities: <ul style="list-style-type: none"> Capex in Q1 2017 lower compared to the previous year Total additions purchased amounted to USD 8.0 million
Proceeds from sale of PPE	1.1	5.2	
Cash flow from / (used in) investing activities	(6.9)	(22.8)	Cash flow used financing activities: <ul style="list-style-type: none"> Financing cash outflow lower in Q1 2017 compared to the previous year due to lower proceeds from and repayments of borrowings
Proceeds from borrowings	32.2	78.4	
Repayments of borrowings	(39.9)	(138.1)	
Other long term liabilities	1.0	1.2	
Dividends paid to non-controlling interest	-	(0.9)	
Net cash from (used in) financing activities	(6.7)	(59.4)	
Net increase (decrease) in cash	(27.7)	(70.1)	
Cash and cash equivalents at 1 January	506.9	574.9	
Currency translation adjustments	2.7	(38.1)	
Cash and cash equivalents at 31 March	481.9	466.7	

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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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