

Orascom Construction Reports 21.7% Increase in Net Income in Q1 2017

Highlights

- EBITDA increased 17.0% y-o-y to USD 57.1 million and net income to shareholders rose 21.7% y-o-y to USD 28.0 million
- BESIX continues to provide a healthy contribution to net income
- Net cash position maintained at USD 186.8 million as of 31 March 2017
- Backlog of USD 5.1 billion as of 31 March 2017 and USD 6.8 billion including 50% share in BESIX

Statement from the CEO – Osama Bishai

We are pleased to report continuous growth in profitability, underscoring our focus on operational performance across all regions.

We successfully added USD 387.4 million to our backlog in MENA and U.S., highlighting our ability to acquire quality business in our core markets. Part of our new awards in Egypt includes a second water desalination plant, demonstrating our leadership in a sector we believe will experience increased demand. Furthermore, our large infrastructure work in Egypt continues to progress on-track as we simultaneously expanded operations in the roads and water sectors.

In the U.S., we are focused on improving our cost structure and market positioning to enhance profitability. Furthermore, we are working on converting existing sizeable committed work into our backlog while pursuing new construction opportunities.

Lastly, BESIX continues to build on last year's results and reported consistent performance in the first quarter of the year. We are also pleased to announce that BESIX added new awards totaling EUR 848.0 million this quarter, increasing its total backlog to EUR 3.3 billion.

Consolidated Backlog

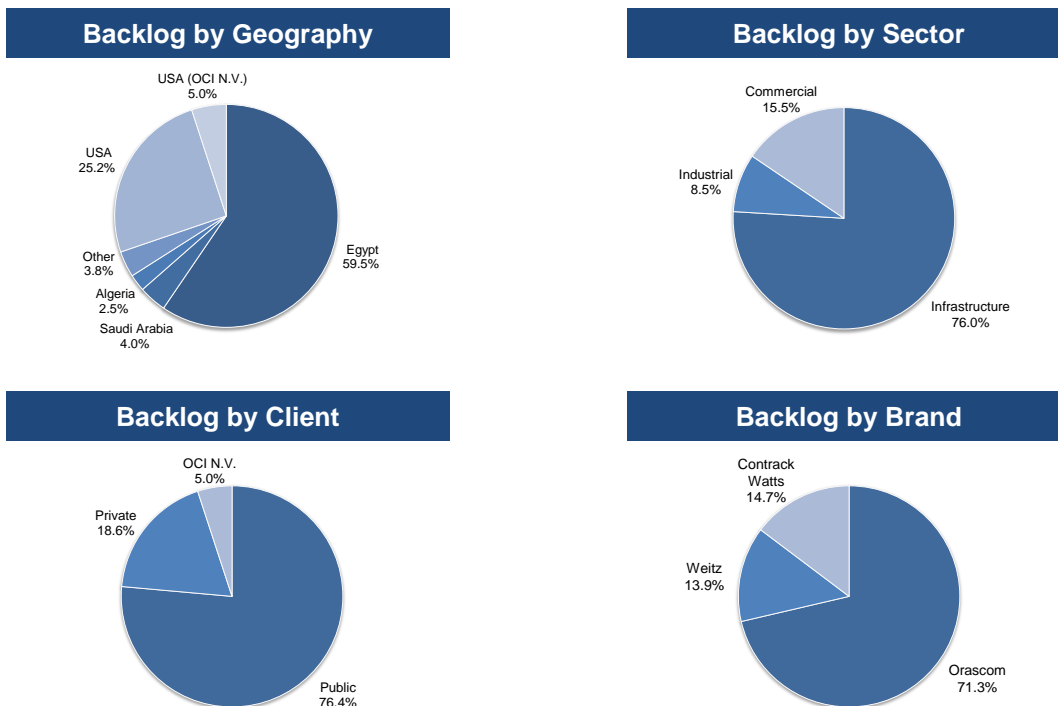
USD million	Q1 2017	Q1 2016	Change	FY 2016
Equity consolidation				
Backlog	5,098.6	6,111.5	(16.6%)	5,260.0
New Awards	387.4	510.4	(24.1%)	3,751.5
Pro forma incl. 50% share in BESIX				
Backlog	6,841.0	8,100.2	(15.5%)	6,800.8
New Awards	838.4	977.0	(14.2%)	4,914.8

Consolidated backlog excluding BESIX stood at USD 5.10 billion as of 31 March 2017, fully supporting the Group's revenue and profitability targets. Out of the 16.6% movement in backlog compared to the previous year, approximately 11% is attributable to the devaluation of the Egyptian pound.

Including the Group's 50% share in BESIX, pro forma backlog and new awards stood at USD 6.84 billion and USD 838.4 million, respectively. BESIX alone signed a total of EUR 848.0 million during the quarter while OC added new awards totaling USD 387.4 million in Egypt and USA.

Infrastructure and industrial work continue to account for the majority of the consolidated backlog, representing 84% of total.

Backlog by Segment – Equity Consolidation



MENA

Orascom continues to expand its presence in key infrastructure segments in Egypt, adding approximately USD 224 million of new awards to the backlog in Q1 2017.

Building on its extensive role in the development of Egypt's road network, the Group's roads division added major scopes of new roads work at the end of last year and the beginning of this year under the continuous government expansion of the country's road network.

Furthermore, the Group increased involvement in the water sector in Egypt as it signed a contract to build a new water desalination plant. This adds to the Group's existing water desalination project that it started in H2 2016 and increases its competitive edge in this growing sector.

In other MENA markets, Orascom continues to study new infrastructure and industrial opportunities in its other core MENA markets. Particularly, the Group is pursuing further projects in the United Arab Emirates in partnership with BESIX.

USA

Weitz signed a total of USD 164 million during Q1 2017. These new contracts are comprised of mainly private commercial work in its core markets. Both Weitz and Contract Watts are positioned to benefit from the anticipated pick-up in the U.S. construction market. The Group also expects to convert sizable committed work into backlog over the coming months.

BESIX Group

BESIX's standalone backlog stood at EUR 3.3 billion as of 31 March 2017, marking an increase of 11.6% over the level at 31 December 2016. New awards amounted to EUR 848.0 million, in-line with the level achieved in Q1 2016. The current backlog and new awards across Europe and MENA positions BESIX to capitalize on increased activity in key markets.

Summary Financial Results:

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

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%



Press Release

The Group reported revenue, EBITDA and net income growth in Q1 2017.

Consolidated revenue increased 9.5% y-o-y to USD 1,065.7 million in Q1 2017. The MENA region accounted for 56% of total revenue, of which Egypt represented 52%, while Weitz and Contrack Watts comprised 26% of total revenue.

Consolidated EBITDA increased 17.0% y-o-y to USD 57.1 million while EBITDA margin rose 40bp to 5.4% compared to 5.0% in Q1 2016. This improvement was driven by stronger performance in the U.S. segment while the Group took a conservative approach in MENA during the first quarter.

Net income contribution from BESIX increased to USD 10.5 million in Q1 2017 compared to last year. This progress substantiates the resilient turnaround that took place in FY 2016.

Consolidated net income attributable to shareholders increased 21.7% y-o-y to USD 28.0 million. In addition, the Group's net cash position stood at USD 186.8 million as of 31 March 2017, compared to USD 204.1 million as of 31 December 2016 and USD 87.0 million as of 31 March 2016. Total equity increased 12.2% to USD 339.3 million.

About Orascom Construction Limited

Orascom Construction Limited (OC) is a leading global engineering and construction contractor primarily focused on infrastructure, industrial and high-end commercial projects in the Middle East, North Africa, the United States, and the Pacific Rim. OC has consistently ranked among the world's top contractors and was ranked number 34 on ENR's 2016 Top 250 International Contractors list. The Group also develops and invests in infrastructure opportunities, owns 50% of BESIX Group, and holds a construction materials and property management portfolio. For more information, please visit www.orascom.com

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Press Release

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Backlog and new 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.