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Orascom Construction Reports Backlog of USD 7.5 Billion and Net Income of USD 26.4 Million in Q2 2016

Highlights

- Backlog of USD 7.5 billion as of 30 June 2016 led by USD 2.2 billion in new awards during Q2 2016
- Revenue of USD 1,024.1 million, EBITDA of USD 50.3 million and net income of USD 26.4 million in Q2 2016
- Revenue of USD 1,997.0 million, EBITDA of USD 99.1 million and net income of USD 49.4 million in H1 2016
- Net cash position of USD 299.0 million as of 30 June 2016 and operating cash flow of USD 260.8 million generated in H1 2016
- BESIX's standalone backlog reaches another high of EUR 3.6 billion, resulting in pro forma backlog including the Group's 50% share in BESIX of USD 9.5 billion

Statement from the CEO – Osama Bishai

The second quarter highlights our steady progress maintained throughout the first half of 2016. We are pleased with the timely execution of our sizable projects that continue to drive our financial performance this year. In parallel, we signed a number of key contracts that have propelled our backlog to a new high, providing us with significant visibility as we continue to selectively pursue new work.

Furthermore, our current backlog reflects our position as an integral player in the development of Egypt's infrastructure. While the power sector in Egypt led our MENA backlog growth last year, our varied skillset and strong market presence have allowed us to capitalize on increased spending across other sectors.

Saudi Arabia remains a challenging market, but we continue to take prudent measures to limit our exposure there. Our focus in all MENA markets remains on quality projects where we have a competitive edge and are comfortable in the source of funding.

Our US subsidiaries, Weitz and Contrack Watts, are contributing healthily to our backlog, signing over \$320 million in new awards during the second quarter excluding committed work. We continue to focus on enhancing this segment including potential investment opportunities.

BESIX has made a successful comeback in 2016, reporting higher backlog and improved profitability. We are also pleased to partner with BESIX on a new award for an LNG-receiving jetty in Ain El Sokhna, Egypt.

Consolidated Backlog

USD million	H1 2016	H1 2015	Change	Q2 2016	Q2 2015	Change
Equity consolidation						
Backlog	7,538.0	7,194.7	4.8%			
New Awards	2,731.6	3,270.2	(16.5%)	2,221.7	2,557.0	(13.1%)
Pro forma incl. 50% of BESIX						
Backlog	9,517.7	9,025.8	5.4%			
New Awards	3,550.7	4,011.6	(11.5%)	2,574.4	2,984.4	(13.1%)

Consolidated backlog grew 4.8% to USD 7.5 billion. The Group concluded another strong quarter of new awards by signing contracts worth USD 2.2 billion mostly in Egypt and the USA. While new awards are lower compared to the previous year, which included Burullus and New Capital power plants, the current backlog level highlights the Group's consistent order intake over a number of quarters.

MENA

Orascom added a number of strategic projects during Q2 2016. The Group is part of a joint venture currently building three tunnels stretching across the Suez Canal, and cemented its involvement in the Cairo Metro program where it is also well positioned for new phases. Furthermore, the Group is executing new road projects and is collaborating with BESIX on a new LNG-receiving jetty in Ain El Sokhna.

USA

Weitz and Contrack Watts's backlog in the US is up 15% compared to the level on 30 June 2015. Weitz in particular maintains its strong order intake momentum and is positioned to convert sizable committed work into backlog over the coming quarters, while Contrack Watts is poised to add additional work particularly in the Pacific Rim.

The Group continues to make significant progress at Iowa Fertilizer Company (IFCo) and Natgasoline. Completion of testing and pre-commissioning of the ammonia plant at IFCo is still planned for September while Natgasoline is currently at peak construction and is making excellent progress towards completion targets.

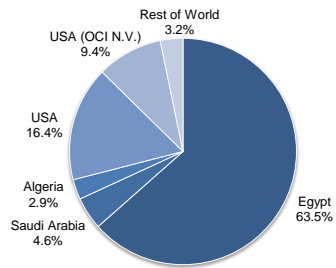
BESIX Group

Pro forma backlog including OC's 50% share in BESIX rose 5.4% to USD 9.5 billion, as BESIX's standalone backlog grew 8.5% to another high of EUR 3.6 billion.

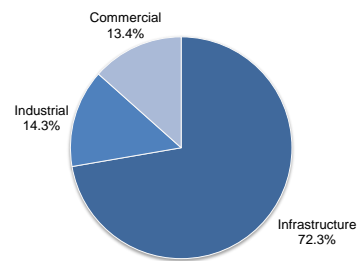
BESIX maintained strong order intake throughout the year, signing new contracts amounting to approximately EUR 1.5 billion during H1 2016. These new awards span across a number of sectors in the Middle East and Europe including marine, water treatment, infrastructure and high-end commercial. In addition, BESIX and OC commenced work on a new award in Egypt, marking the third project on which both companies are currently collaborating.

Backlog by Segment – Equity Consolidation

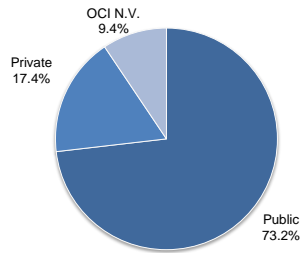
Backlog by Geography



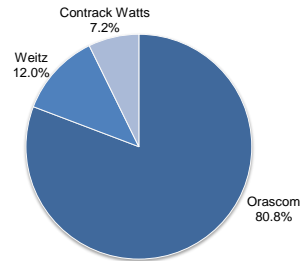
Backlog by Sector



Backlog by Client



Backlog by Brand



Summary Financial Results:

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%)
<i>Margin</i>	5.0%	5.4%	(40 bp)	4.9%	6.2%	(130 bp)
BESIX	9.5	16.9	(43.8%)	7.5	18.2	(58.8%)
Net income to shareholders	49.4	39.8	24.1%	26.4	34.0	(22.4%)
<i>Margin</i>	2.5%	2.1%	+40 bp	2.6%	3.3%	(70 bp)

USD million	H1 2016			Q2 2016		
	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
<i>Margin</i>	8.8%	1.0%	5.0%	9.2%	0.9%	4.9%
BESIX	-	-	9.5	-	-	7.5
Net income to shareholders	37.8	2.1	49.4	19.1	(0.2)	26.4
<i>Margin</i>	3.7%	0.2%	2.5%	3.8%	n/m	2.6%

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	532.0	560.5	(5.1%)
Net debt (cash)	(299.0)	(135.5)	(120.7%)

Revenue increased 6.5% over the previous year to USD 1,997.0 million in H1 2016 and remained flat y-o-y during Q2 2016. EBITDA margin in the MENA region was healthy at 8.8% and 9.2% in the first half and the second quarter of 2016, respectively, highlighting steady progress in Egypt.

Contribution from BESIX improved to USD 7.5 million in Q2 2016 compared to USD 2.0 million in Q1 2016. Group net income increased 24.1% y-o-y increase in H1 2016.

The Group settled a sizable portion of its debt in Egypt, resulting in a net cash position of USD 299.0 million, and generated operating cash flow of USD 260.8 million during the first half of 2016.



Press Release

About Orascom Construction Limited

Orascom Construction Limited 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. 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.