

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own independent financial advice immediately from your stockbroker, bank manager, solicitor, auditor, financial, legal or tax advisor, or other appropriately authorised independent financial adviser.

This document has been prepared in connection with the Demerger of Orascom Construction Limited (the Company or Orascom Construction) from OCI N.V., which is further described in Part 3 (*“The Demerger”*) of this Prospectus, and the Egyptian Offer which is further described in Part 5 (*“The EGX Listing and the Egyptian Offer”*) of this Prospectus.

This document comprises a prospectus relating to Orascom Construction prepared in accordance with the markets rules (the Markets Rules) of the Dubai Financial Services Authority (the DFSA) made under the Markets Law 2012 (the Markets Law). This document has been filed with and approved by the DFSA and made available to the public in accordance with Rule 2.6.3 of the Markets Rules.

Shareholders and other recipients should read the whole of the text of this Prospectus and should be aware that an investment in the Company is speculative and involves a significant degree of risk. Your attention is particularly drawn to the risk factors set out in Part 2 (*“Risk Factors”*) of this Prospectus.

ORASCOM CONSTRUCTION LIMITED

(incorporated as a company limited by shares in the Dubai International Financial Centre and registered with the Dubai International Financial Centre Authority under number 1752)

Prospectus

relating to the admission to the Official List of Securities of the Dubai Financial Services Authority and to trading on NASDAQ Dubai of 105,056,927 Shares in connection with the Demerger and 12,984,565 New Shares in connection with the Egyptian Offer

The DFSA does not accept any responsibility for the content of the information included in this Prospectus, including the accuracy or completeness of such information. The liability for the content of this Prospectus lies with the Company, being the issuer of this Prospectus and other Persons (as defined in the Markets Rules), such as Experts (as defined in the Markets Rules), whose opinions are included in this Prospectus with their consent. The DFSA has also not assessed the suitability of the Securities (as defined in the Markets Rules) to which this Prospectus relates to any particular investor or type of investor. If you do not understand the contents of this Prospectus or are unsure whether the Securities to which this Prospectus relates are suitable for your individual investment objectives and circumstances, you should consult an authorised financial adviser.

NASDAQ Dubai takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents of this Prospectus.

Sponsor

EFG-Hermes UAE Limited

Joint Financial Advisors

**HSBC Bank
Middle East Limited**

**Bank of America
Merrill Lynch**

Barclays

This prospectus (**Prospectus**) relates to the admission (the **Admission**) to the official list of securities maintained by the DFSA (the **Official List**) and to trading on NASDAQ Dubai of 105,056,927 ordinary shares each with a nominal value of USD1 in the capital of the Company (**Demerger Shares**) to be issued in connection with the Demerger and 12,984,565 ordinary shares each with a nominal value of USD1 in the capital of the Company (**New Shares**) to be issued in connection with the Egyptian Offer. The Demerger Shares represent the entire issued and outstanding share capital of the Company immediately following the Demerger and the Demerger Shares and the New Shares will represent the entire issued and outstanding share capital of the Company immediately following completion of the Egyptian Offer. Each shareholder in OCI N.V. at the Demerger Record Time will receive one share in Orascom Construction for every two shares they hold in OCI N.V. Any entitlements to fractional shares will be sold in the market and the net proceeds remitted to the relevant shareholder of OCI N.V. Neither the Company nor OCI N.V. will receive any proceeds from the Demerger or the Admission. The Company will receive the net proceeds of the

Egyptian Offer. The completion of the Egyptian Offer is subject to obtaining the legitimate approvals of EFSA and the EGX. No shareholder vote following Admission is required or is being sought to authorize or effectuate the Demerger or the Egyptian Offer.

Application has been made to the DFSA and NASDAQ Dubai for admission to the Official List and to trading on NASDAQ Dubai of 105,056,927 Shares in connection with the Demerger and 12,984,565 Shares as New Shares in connection with the Egyptian Offer. These applications may be withdrawn, at any time, at the sole discretion of the Company.

The Company has applied to the Egyptian Financial Supervisory Authority (**EFSA**) and the Egyptian Stock Exchange (the **EGX**) for the Demerger Shares to be listed on the EGX. The Company has received approval of the conditional listing of the Demerger Shares on EGX, such listing being conditional only on Admission taking place (the **EGX Listing**). The EGX Listing is subject to applicable rules and regulations of the Egyptian Capital Markets Law and the Listing and Delisting Rules applicable to a listing of foreign shares on the EGX. According to the Listing and Delisting Rules, for the Demerger Shares to continue to be listed and to be admitted to trading on the EGX: (i) at least 10% of the share capital of the Company must be offered for trading on the EGX, (ii) at least 5% of the Shares must constitute “free float”, and (iii) at least 150 shareholders must acquire Shares under the Egyptian Offer, such conditions to be satisfied within a period of six months from the date of the EGX Listing (collectively the **EGX Trading Conditions**). Failure to satisfy the EGX Trading Conditions within the time period prescribed under the Listing and Delisting Rules will result in the discontinuation of the EGX Listing.

In order to meet the EGX Trading Conditions, the Company intends to issue the New Shares, representing 11% of the share capital of the Company as at the date of completion of the Egyptian Offer, to be offered through a private placement, in Egypt, to persons reasonably believed to be Egyptian QIBs or Professional High Net Worth Investors, and through a private placement to qualified institutional investors and high net worth individuals (the **Egyptian Offer**). The Egyptian Offer is subject to applicable rules and regulations of the Egyptian Capital Markets Law and the Listing and Delisting Rules applicable to a listing of foreign shares on the EGX. Application will be made for the New Shares to be admitted to listing on the EGX and for the Shares (comprising the Demerger Shares and the New Shares) to be admitted to trading on the EGX, upon completion of the Egyptian Offer. For the purposes of the Egyptian Offer, prospective investors in Egypt should refer to the private placement offering notice (the **Private Placement Offering Notice**) which has received the non-objection of EFSA and published by the Company in accordance with applicable rules and regulations in Egypt. The Private Placement Offering Notice contains details of the precise terms and conditions of the Egyptian Offer, the timetable for the Egyptian Offer and information relating to clearing and settlement of the New Shares. In reviewing this Prospectus, you should carefully consider the matters described in Part 2 (“*Risk Factors*”) of this Prospectus.

Prior to Admission, there has been no public market for the ordinary shares of the Company. Therefore, there can be no assurance that an active trading market for the Shares will develop or, if developed, that such market will be maintained. If an active trading market is not developed or maintained, the liquidity and trading prices of the Shares could be adversely affected. The ordinary shares of OCI N.V. are admitted to listing and trading on Euronext Amsterdam and will remain so following Admission. Application has been made to list the Demerger Shares under the symbol “OC” on NASDAQ Dubai and the EGX.

There will not be any conditional dealings in the Demerger Shares prior to Admission and there can be no guarantee that Admission will take effect on or about the Closing Date (as defined below), or at all. It is expected that the date on which the Demerger and Admission will become effective and that dealings in the Demerger Shares will commence on NASDAQ Dubai (the **Listing Date**) will be on or about 9 March 2015. Delivery of the Shares is expected to be made through the book entry facilities of the Central Securities Depository operated by NASDAQ Dubai on the settlement date which is expected to be on or about 9 March 2015 (the **Closing Date**). Please see Part 17 (“*Clearing and Settlement*”) of this Prospectus for further details on the settlement for the Demerger Shares. Clearing and settlement for the New Shares will be made through the book entry facilities of the Misr for Central Clearing, Depository and Registry in Egypt (**MCDR**).

The distribution of this Prospectus in certain jurisdictions may be restricted by law. Accordingly, neither this Prospectus nor any advertisement may be distributed or published in any jurisdiction except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. This Prospectus does not constitute or form part of any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, any securities or any offer or invitation to sell or issue, or any solicitation of any offer to purchase or subscribe for, such securities by any person in any circumstances in which such offer or solicitation is unlawful.

No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised by the Company or the Directors. The Company will comply with its obligation to publish a supplementary prospectus containing further updated information if so required by law or by any regulatory authority but assumes no further obligation to publish additional information.

The Demerger Shares and the New Shares are not being offered for sale in or into the United States, Australia, Canada, the Republic of South Africa, Japan or any other jurisdiction where such offering would be unlawful or restricted by local law or regulations, and this Prospectus may not be distributed in or sent or taken into, any such jurisdiction.

The Demerger Shares and the New Shares have not been and will not be registered under the US Securities Act, as amended (the US Securities Act). In addition, the New Shares are being offered and sold only outside the United States in offshore transactions pursuant to Regulation S, and are not being offered, issued, sold, delivered, or otherwise placed in or into the United States. The Demerger Shares and/or the New Shares may not be re-offered or re-sold within the United States absent registration or an exemption from, or in a transaction not subject to, the registration requirements under the US Securities Act and applicable state and other securities laws of the United States. There will be no public offer of the Demerger Shares or the New Shares in the United States. Holders of Demerger Shares or New Shares that are affiliates of Orascom Construction or OCI N.V. will be subject to limitations on their ability to freely resell the Demerger Shares or the New Shares in the United States, including certain restrictions under Rule 144 under the US Securities Act. Affiliate holders of the New Shares may not resell the New Shares without registration under the US Securities Act except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act. In addition, sales and transfers of Demerger Shares and/or New Shares will be subject to certain restrictions on transfers. See section (j) (“*Restrictions*”) of the section titled “*Important Information About This Prospectus*”) of this Prospectus. None of the US Securities and Exchange Commission, any state securities commission nor any US regulatory authority has approved or disapproved of the Demerger Shares or the New Shares or passed upon the accuracy or adequacy of this Prospectus or any document referred to herein. Any representation to the contrary is a criminal offence.

The Demerger Shares to be issued in connection with the Demerger have not been marketed to, nor are they available for purchase by, the public in any jurisdiction in connection with the introduction of the Demerger Shares to the Official List and the admission to listing on the EGX of the Demerger Shares.

Each of the Sponsor, HSBC Bank Middle East Limited, Merrill Lynch International (Bank of America Merrill Lynch) and Barclays Bank PLC (the **Joint Financial Advisors**) and EFG-Hermes Promoting and Underwriting, is acting solely for the Company and no one else in connection with the Demerger and Admission and will not regard any other person (whether or not a recipient of this document) as a client in relation to the Demerger and Admission and will not be responsible to anyone other than the Company for providing the protections afforded to clients of the respective Sponsor, the Joint Financial Advisors and EFG-Hermes Promoting and Underwriting nor for providing advice in connection with the Demerger, Admission or the Egyptian Offer or any other matter referred to in this document.

Prospectus dated 8 March 2015

IMPORTANT INFORMATION ABOUT THIS PROSPECTUS

Shareholders in OCI N.V. and potential investors in the Company are expressly advised that an investment in the Shares and/or the New Shares entails certain risks and that they should therefore carefully review the entire contents of this Prospectus. Furthermore, before making an investment decision with respect to any Shares and/or the New Shares, potential investors should consult their stockbroker, bank manager, lawyer, auditor or other financial, legal and tax advisers and carefully review the risks associated with an investment in the Shares and/or the New Shares and consider such an investment decision in light of the potential investor's personal circumstances.

(a) Nature of information in this Prospectus

Shareholders in OCI N.V. and potential investors in the Company should only rely on the information contained in this Prospectus, and any supplement thereto and any document incorporated by reference into this Prospectus.

This Prospectus describes the businesses and assets of the Company as though they were its businesses and assets for all of the historical periods described. However, the Company is a newly formed entity that has not conducted any operations prior to the incorporation of the Company and instead such businesses and assets have been transferred to it immediately prior to the Demerger.

References in this Prospectus to the historical assets, liabilities, businesses or activities of the businesses or the businesses in which the Company has interests are intended to refer to the historical assets, liabilities, businesses or activities as they were conducted or held by OCI N.V. prior to the Demerger.

Following the Demerger and Admission, the Company will be an independent publicly traded company, and OCI N.V. will have no continuing ownership in the Company. The historical special purpose combined financial information of the Company contained in this Prospectus is not necessarily indicative of the Company's future financial position, future results of operations or future cash flows, nor does it reflect what the financial position, results of operations or cash flows of the Company would have been had we been operated as a stand-alone company during the periods presented.

Potential investors should not assume that the information in this Prospectus is accurate as of any date other than the date of this Prospectus. No person is or has been authorised to give any information or to make any representation in connection with the Demerger or Admission or the Egyptian Offer, other than as contained in this Prospectus or the Private Placement Offering Notice or any supplemental prospectus or supplemental offering notice in respect of the Egyptian Offer. If any information or representation not contained in this Prospectus is given or made, the information or representation must not be relied upon as having been authorised by the Company, or any of its affiliates. The delivery of this Prospectus at any time after the date hereof will not, under any circumstances, create any implication that there has been no change in the Company's affairs since the date hereof or that the information set forth in this Prospectus is correct as of any time since its date.

(b) Responsibility statement

The Company and its Directors, whose names appear in section 13.2 of Part 13 ("*Management and Employees*") of this Prospectus, accept responsibility for the information contained in this document and declare that, having taken all reasonable care to ensure that such is the case, the information contained in this Prospectus is, to the best of their knowledge, in accordance with the facts and contains no omission likely to affect its import. To the best of the knowledge and belief of the Company and its Directors, this Prospectus complies with the requirements of Part 2 of the Markets Law and Chapter 2 of the Markets Rules.

(c) Approval of this Prospectus

This Prospectus has been approved by the DFSA (as the competent authority in the Dubai International Financial Centre (the **DIFC**)) as an "Approved Prospectus" pursuant to Article 14 of the Markets Law as well as Section 2.6.2 of the Markets Rules and has been filed with the DFSA. It is not a prospectus for the purposes of Section 12(a)(2) or any other provision of, or any rule under, the US Securities Act.

(d) Potential conflicts of interest

EFG-Hermes UAE Limited is the Sponsor. It (and/or its affiliates) is the global co-ordinator and a joint bookrunner in respect of the Egyptian Offer. HSBC Bank Middle East Limited, Bank of America Merrill Lynch and Barclays Bank PLC are the Joint Financial Advisors in respect of Admission. They and/or their respective affiliates have in the past engaged, and may in the future, from time to time, engage in investment banking, financial advisory, commercial banking, and ancillary transactions in the ordinary course of their business with the Company or any parties related to the Company, in respect of which they may, in the future, receive fees and commissions, and in respect of which sharing of information is restricted for reasons of confidentiality by internal procedures or by rules and regulations, including those issued by the DFSA or EFSA. As a result of these transactions, these parties may have interests that may not be aligned, or could possibly conflict with the interests of investors and the Company.

(e) Presentation of financial and other information

Financial Statements

The Company is the holding company of a group that includes the significant subsidiaries, joint ventures, associates and affiliates (held directly or indirectly by the Company) (the **Group**) as at the date of this Prospectus, as set out in Section 19.3 of this Prospectus. The Company was incorporated on 18 January 2015, and did not exist prior to that date. As a result, the Company's financial history does not cover the construction business of OCI N.V., as the Company only acquired control of such business after its incorporation. Consequently, the special purpose combined financial statements of the Group included in this Prospectus are an approximation of what the Company's financial results of operations, financial position and cash flows might have been had the Company operated as the ultimate holding company of such business during the periods presented. The special purpose combined financial statements present only the historical financial information of those entities historically owned or controlled by OCI N.V. that will be part of the Group at the time of the Admission. In order to assist investors in making an informed assessment of the assets and liabilities of the Company, this Prospectus includes special purpose combined audited financial statements of the Group for the financial years ended 31 December 2011, 2012 and 2013 and special purpose combined reviewed consolidated financial statements of the Group for the nine months ended 30 September 2014 (together, the **Financial Statements**). The special purpose combined financial statements of the Group for the nine months ended 30 September 2013 are presented for comparative purposes only and are unaudited.

Unless otherwise indicated, financial information relating to the Group as at and for the years ended 31 December 2011, 31 December 2012 and 31 December 2013, and as at and for the nine months ended 30 September 2013 and 2014, presented in this Prospectus:

- is presented in USD; and
- has been prepared in accordance with IFRS.

Under the "carve-out" basis of presentation, the special purpose combined financial statements of the Group include certain allocations for various expenses, including corporate administrative expenses incurred by OCI N.V. or companies not belonging to Orascom Construction Limited and an allocation of certain assets and liabilities historically maintained by OCI N.V. or companies not belonging to Orascom Construction Limited, and an allocation of income and expenses related to such assets and liabilities. These include corporate overhead allocations, pension expenses and liabilities and other post-employment benefit expenses.

OCI N.V. has applied retroactively a charge out for corporate expenses for management accounting purposes and in its segments reporting based on 85% fertilizers and chemicals and 15% for engineering and construction based on a complexity factor and the level of management attention. These corporate costs include costs and remuneration such as those related to the Board of Directors, legal, treasury, corporate governance, communications, investor relations and internal audit and other consultancy fees incurred by OCI N.V.

Total costs of approximately USD 4.2 million, USD 3.3 million, USD 3.0 million, USD 5.4 million and USD 3.6 million have been considered for allocation to these special purpose combined financial statements for the years ended 31 December 2013, 2012 and 2011, and for the nine months ended 30 September 2014 and 2013 respectively.

The Company believes the assumptions underlying the special purpose combined financial statements to be a reasonable reflection of the utilization of services provided by OCI N.V. However the costs Orascom Construction Limited would have incurred or will incur as a separate stand alone group may be higher or lower than the cost allocations reflected in these combined financial statements. As such, the combined financial statements may not necessarily reflect the financial positions, results of operations or cash flows that Orascom Construction Limited might have in the past, or might have in the future, if Orascom Construction Limited had existed as a separate, stand alone business during the periods presented.

Rounding

Certain figures contained in this Prospectus, including financial information, have been subject to rounding adjustments. Accordingly, in certain instances the sum of the numbers in a column or row of a table contained in this Prospectus may not conform exactly to the total figure given for that column or row. Any financial information in this Prospectus is unaudited, unless explicitly indicated otherwise.

Currency

In this Prospectus, the following currency terms are used:

- **EGP or Egyptian Pound** means the Egyptian Pound, being the lawful currency of Egypt;
- **USD or US Dollar** means the US Dollar, being the lawful currency of the United States; and
- **EUR or Euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

Unless otherwise indicated, US Dollar equivalents of Egyptian Pound and Euro amounts quoted in this Prospectus have been converted at the following exchange rates:

	<u>Average 2013</u>	<u>Average 2012</u>	<u>Average 2011</u>	<u>Closing 2013</u>	<u>Closing 2012</u>	<u>Closing 2011</u>
Euro	1.3284	1.3041	1.4028	1.3761	1.3190	1.2957
Egyptian Pound	0.1455	0.1651	0.1684	0.1439	0.1571	0.1657

	<u>Average during the nine month period ended 30 September 2014</u>	<u>Average during the nine month period ended 30 September 2013</u>	<u>Closing as at 30 September 2014</u>	<u>Closing as at 31 December 2013</u>
Euro	1.3555	1.3175	1.2646	1.3761
Egyptian Pound	0.1416	0.1457	0.1399	0.1439

Source: Bloomberg

Backlog

This Prospectus includes details of the backlog of the Company. Backlog is the total value of awarded, signed and on-going contracts which have not yet been completed. These figures are unaudited, have not been verified by a third party, and are based solely on the Company's calculations.

The volume and timing of executing the work in our backlog is important to us in anticipating our operational and financing needs, and our ability to execute our backlog is dependent on our ability to meet such operational and financing needs. References to backlog in the Prospectus do not however constitute a profit forecast or estimate.

Backlog is calculated as an aggregate of the remaining work to be completed in the relevant construction period for each contract. Backlog is not subject to a present value discount. Backlog is computed based on facts known and assumptions deemed appropriate at the computation date. Backlog is calculated as per our best estimate of the remaining contractual value of a project as at computation date, and is generally conservatively calculated to include signed contracts and in some instances direct orders. The Company may decide to include or exclude any projects in the backlog it deems necessary to accurately reflect estimated revenue visibility. Historically, our prudent calculation of backlog has resulted in minimal changes to reported figures from date of announcement. Our definition of backlog may not necessarily be the same as that used by other companies engaged in activities similar to ours. As a result, the amount of our backlog may not be comparable to the backlog reported by such other companies.

Backlog calculation is based on, and is affected by a number of factors. Amounts in different currencies comprising the backlog at a given date are converted to US Dollar at the closing exchange rate on that date as per the balance sheet rate used in the financial statements of the relevant reporting period. Percentages of completion of our contracts are based on estimates provided by local project managers. New awards, changes in contract values, variation orders and change orders on a given contract are only included on the backlog if they are agreed and signed on the backlog date. Contingencies that could affect the realization of our backlog as future revenue or cash flows include contract termination or suspension, project delays or cancellations resulting from weather conditions, other project deferrals or delays, scope adjustments, foreign exchange rate movement, force majeure, legal impediments, default by our customers, external market factors and economic or other factors beyond our control. Consequently, backlog as of any particular date may not be indicative of actual results of operations for any succeeding period. See the risk factor headed *“Risks relating to our construction business—Amounts included in our backlog may not result in actual revenue or translate into profits, and our backlog is subject to cancellation and unexpected adjustments and therefore is an uncertain indicator of future operating results”* in Part 2 (*“Risk Factors”*) of this Prospectus.

(f) Auditors

The special purpose combined consolidated financial statements of the Group as of and for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 have been audited by KPMG Egypt. KPMG Dubai has been appointed by the Company and its subsidiaries as the statutory auditor of the Company.

(g) Incorporation by reference

The articles of association of the Company (the **Articles of Association**) are incorporated in, and form part of, this Prospectus and can be obtained free of charge on the Company’s website at www.orascom.com.

Prospective investors should only rely on the information that is provided in this Prospectus or incorporated by reference into this Prospectus. No other documents or information, including the contents of the Company’s website at www.orascom.com or of websites accessible from hyperlinks on that website, or websites of the Company’s subsidiaries, joint ventures or associates, form part of, or are incorporated by reference into, this Prospectus and Shareholders should not rely on such information.

(h) Forward-looking statements

Certain statements contained in this Prospectus that are not historical facts are “forward-looking statements”. This Prospectus contains forward-looking statements in a number of places, including in Part 1 (*“Summary”*), Part 2 (*“Risk Factors”*), Part 5 (*“The EGX Listing and the Egyptian Offer”*), Part 7 (*“Industry Overview”*), Part 8 (*“Business”*), Part 9 (*“Selected Financial Information”*) and Part 10 (*“Operating and Financial Review”*), which are based on the Company’s beliefs and projections and on information currently available to the Company. These forward-looking statements are subject to a number of risks and uncertainties, many of which are beyond the Company’s control and all of which are based on the Company’s current beliefs and expectations about future events. Forward-looking statements are typically identified by the use of forward-looking terminology such as “believes”, “expects”, “may”, “will”, “could”, “should”, “intends”, “estimates”, “plans”, “continues”, “assumes”, “anticipates”, “risks”, “positioned”, “annualised”, “goal”, “target” or “aim” or the negative thereof or other variations thereof or comparable terminology, or by discussions of strategy that involve risks and uncertainties.

Forward-looking statements involve inherent risks and uncertainties and speak only as of the date they are made. The Company undertakes no duty to and will not necessarily update any of the forward-looking statements in light of new information or future events, except to the extent required by applicable law. A number of important factors could cause actual results or outcomes to differ materially from those expressed in any forward-looking statement as a result of risks and uncertainties facing the Company and its subsidiaries and no assurance can be given that such future results will be achieved or that actual events or results will not materially differ from such forward-looking statements. Such risks, uncertainties and other important factors include, among others, the following:

- the impact of current economic conditions in various markets in which we operate;
- unexpected adjustments in our backlog;
- the impact of competition;
- failure to realise the anticipated benefits of the Demerger;
- the possible inadequacy of our joint venture or consortium partners;
- failure to succeed in future bids;

- our ability to retain and attract key management and personnel;
- fluctuations in currency and interest rates;
- the inability to conclude our projects due to delays or exceeding our budget;
- reliance on third-party contractors and suppliers;
- delays or defaults in client payments;
- the political and economic conditions of the countries in which we operate;
- the effects of catastrophic events, including natural disasters, adverse weather conditions, unexpected geological or other physical conditions, terrorist acts or war;
- our exposure to potential liabilities arising from claims against us, including warranty claims;
- changes to the regulatory regimes and operating conditions in the industries and markets in which we operate; and
- other factors discussed in more detail in Part 2 (“*Risk Factors*”) of this Prospectus.

These risks and others described in Part 2 (“*Risk Factors*”) of this Prospectus are not exhaustive. Should one or more of these risks or uncertainties materialise, or should any underlying assumptions prove to be incorrect, the Company’s actual financial condition or results of operations could differ materially from those described in this Prospectus as anticipated, believed, estimated or expected. The Company urges investors to read Part 1 (“*Summary*”), Part 2 (“*Risk Factors*”), Part 7 (“*Industry Overview*”), Part 8 (“*Business*”), Part 9 (“*Selected Financial Information*”) and Part 10 (“*Operating and Financial Review*”) of this Prospectus for a more complete discussion of the factors that could affect the Company’s future performance and the industries in which the Company operates.

None of the Company, its Directors, the Sponsor, the Joint Financial Advisors or EFG-Hermes Promoting and Underwriting can give any assurance or accept any liability for the accuracy of the opinions set forth herein or as to the actual occurrence of any predicted developments. Accordingly, Shareholders should not rely on the forward-looking statements in this Prospectus and Shareholders are strongly advised to read this Prospectus in its entirety.

All subsequent written or oral forward-looking statements attributable to the Company, or persons acting on its behalf, are expressly qualified in their entirety by the cautionary statements contained throughout this Prospectus. As a result of these risks, uncertainties and assumptions, Shareholders should not place reliance on these forward-looking statements and should specifically consider the factors identified in this Prospectus that could cause actual results to differ.

Shareholders and potential investors should note that the contents of these paragraphs relating to forward-looking statements are not intended to qualify the statements made to sufficiency of working capital in this Prospectus.

(i) Enforcement of civil liabilities

The Company is a company limited by shares incorporated in the DIFC in the Emirate of Dubai, the UAE. Our presence outside the United States and the United Kingdom may limit your legal recourse against us. Many of the Company’s directors and executive officers are citizens or residents of countries other than the United States and the United Kingdom. All or a significant portion of the assets of such persons and of the Company are located outside the United States and the United Kingdom. As a result, you may not be able to effect service of process within the United States or the United Kingdom upon us or our Board of Directors or senior management or to enforce US or UK court judgments obtained against us or our Directors and executive officers in jurisdictions outside the United States and the United Kingdom, including actions under the civil liability provisions of US securities laws or the laws of any state or territory within the United States. In addition, it may be difficult for you to enforce, in original actions brought in courts in jurisdictions outside the United States and the United Kingdom, liabilities predicated upon US or UK securities laws.

Under DIFC law, parties to a contract may select the law which will govern their contractual relations and the DIFC courts will give effect to such choice of law to the extent they have jurisdiction. Foreign entities are able to bring civil proceedings in the DIFC courts against a legal entity or person subject to the laws of the DIFC in relation to matters subject to the jurisdiction of the DIFC laws, or the device of law selected

by the parties, would apply and a judgment of the DIFC court would be enforceable in the DIFC and the UAE subject to certain statutory limitations.

The DIFC courts may not, depending on the subject on application thereto of the DIFC international law, however, entertain an action brought in the DIFC on the basis of any breach of a statute of any jurisdiction other than the DIFC, including without limitation, any action for a violation of United States federal securities laws or the laws of any state or territory within the United States.

Investors may have difficulties in enforcing judgments of English or US courts against the Company or members of its Board of Directors or senior management in the courts of the DIFC because the mechanism for enforcement of foreign judgments by the DIFC courts is as yet untested. Investors may also have difficulties in enforcing judgments of the DIFC courts and arbitration awards ratified by the DIFC courts against the Company or members of its Board of Directors or senior management in jurisdictions outside the DIFC because the mechanism for enforcement of judgments and awards issued by the DIFC courts in jurisdictions outside the DIFC is as yet untested.

(j) Restrictions

General

The Demerger, Admission, the distribution of this Prospectus, any related materials and the making of an offer by way of the Demerger, Admission, the EGX Listing or the Egyptian Offer may in certain jurisdictions other than the DIFC, including, but not limited to, the United States, be restricted by law.

The content of this Prospectus is not to be considered or interpreted as legal, financial or tax advice. Persons into whose possession this Prospectus or any related materials comes should inform themselves about (including, without being limited to, consulting their professional advisers) and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction. The Company does not accept or assume any responsibility or liability for any violation by any person of any such restrictions.

United States

The New Shares are being offered and sold only outside the United States in offshore transactions pursuant to Regulation S, and are not being offered, issued, sold, delivered, or otherwise placed in or into the United States.

The Demerger Shares and the New Shares have not been and will not be registered under the US Securities Act and may not be re-offered or re-sold within the United States, absent registration except in certain transactions exempt from, or not subject to, the registration requirements of the US Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the US Securities Act.

Persons receiving this Prospectus or such other documents must not distribute or send them in, into or from the United States, or use such mails or any such means, instrumentality or facilities for any purpose directly or indirectly in connection with the Transaction.

Holders of Demerger Shares or New Shares that are affiliates of Orascom Construction or OCI N.V. will be subject to limitations on their ability to freely resell the New Shares in the United States, including certain restrictions under Rule 144 under the US Securities Act. Affiliate holders of the New Shares may not resell the New Shares without registration under the US Securities Act except pursuant to an applicable exemption from, or in a transaction not subject to, the registration requirements of the US Securities Act.

European Union

In relation to each Member State which has implemented the Prospectus Directive (each, a **Relevant Member State**) no offer to the public of Demerger Shares or New Shares has been made nor will it be made in any Relevant Member State.

For the purposes of this provision, the expression an “offer to the public” in relation to any Demerger Shares or New Shares in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any Demerger Shares or New Shares to be offered so as to enable an investor to decide to purchase any Demerger Shares or New Shares, as the same

may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State and includes any relevant implementing measure in each Relevant Member State.

United Arab Emirates

This Prospectus is not intended, and does not, constitute a financial promotion, an offer, sale or delivery of shares or other securities under the laws of the UAE outside of the DIFC. Admission has not been approved or licensed by the SCA, the UAE Central Bank, or any other regulatory authority in the UAE outside of the DIFC.

Egypt

This Prospectus does not constitute an offer or invitation for any person to subscribe for or purchase Shares in Egypt.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale or distribution of securities in Egypt (other than the New Shares pursuant to the Private Placement Offering Notice which has received the non-objection of EFSA) and, accordingly, this Prospectus has not been submitted to, reviewed or approved by EFSA or the EGX.

No Shares have been offered or sold, or will be offered or sold, to the general public in Egypt except to (1) “Egyptian QIBs” and (2) “Professional High Net Worth Investors” within the meaning of the Capital Markets Law 95 for 1992, its Executive Regulations and EFSA’s Directives on private placements issued by EFSA Board of Directors decision No. 31 of the year 2002. “Egyptian QIBs” are those institutional investors having one of the following (i) a minimum asset book value of EGP20 million; (ii) a minimum equity book value of EGP10 million; (iii) a minimum investment in securities (excluding securities related to the Egyptian Offer) of EGP5 million as of date of the placement; or (iv) a license to operate in the field of securities and permitted to acquire securities within its objects. A “Professional High Net Worth Investor” is an individual investor having one of the following (i) assets with a minimum value of EGP2 million; (ii) a minimum annual income of EGP500,000; (iii) a minimum bank savings account balance of EGP500,000; (iv) as of the placement date, securities in two joint stock companies (excluding through the Egyptian Offer) with a minimum value of EGP2 million.

(k) Third-party information

Information concerning our industry and competitors cited to third parties (including through subscription services) in this Prospectus (**Third Party Information**) has been sourced from parties we believe to be independent. We have relied on the accuracy of Third Party Information without independent verification. We confirm that Third Party Information has been accurately reproduced and that as far as we are aware and able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

(l) Market data

Unless the source is otherwise stated, the market information included in this Prospectus is derived from the Company’s own estimates, assessments, adjustments and judgments and has not been verified by an independent third party. Market information included in this document is, therefore, unless otherwise attributed to a third party source, to a certain degree subjective. While the Company believes that its own estimates, assessments, adjustments and judgments are reasonable and that the market information prepared by the Company approximately reflects the industry and the markets in which it operates, there is no assurance that the Company’s own estimates, assessments, adjustments and judgments are the most appropriate for making determinations relating to market information or that market information prepared by other sources will not differ materially from the market information included in this Prospectus. Where third party information has been used, the source of such information has been identified. There can be no assurance that any prospects or other forward-looking information set out in market information will be realised or confirmed, as there could be unforeseen events or other risk factors, or changes in market conditions in the construction market.

Certain market data and certain industry forecasts used in this Prospectus, including statistics in respect of the Company’s markets and their respective macro-economic data, market position, and other industry data including, without limitation, in Part 1 (“*Summary*”), Part 7 (“*Industry Overview*”), Part 8 (“*Business*”)

and Part 10 (“*Operating and Financial Review*”) of this Prospectus, has been extracted from official and industry sources.

Such information, data and statistics may be approximations or estimates or use rounded numbers. Where information has been sourced from a third party, this information has been accurately reproduced and as far as the Company is aware and is able to ascertain from information published by that third party, no facts have been omitted which would render the reproduced information inaccurate or misleading. In addition, the Company has identified the source of the information in the relevant section of this Prospectus. The Company notes that these independent sources do not accept liability for the accuracy of any such information.

In particular, the Company has cited the International Monetary Fund (IMF), the United Nations Department of Economic and Social Affairs Population Division (DESA), the World Economic Forum’s 2014 Global Competitiveness Report, the Engineering News Record (ENR), MEED Insight and MEED Projects, and other third party sources which, in each case, are independent sources. The Company confirms that this information has been accurately reproduced and that as far as the Company is aware and is able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Proprietary data provided by MEED Projects and MEED Insight was purchased at a nominal fee.

In addition, some of the information contained in this document has been extracted from the official data of Egyptian and other government agencies, including the Central Bank of Egypt, the Saudi Arabian Monetary Agency, the Saudi Arabian Ministry of Finance, the US Energy Information Administration and the US Census Bureau. The official data published by Egyptian, regional and local and other governments are substantially less complete or researched than those of Western countries. Official statistics may also be produced on different bases than those used in Western countries. Any discussion of matters relating to Egypt and other jurisdictions in this Prospectus is, therefore, subject to uncertainty due to concerns about the completeness or reliability of available official and public information. The veracity of some official data released by the Egyptian and other governments may be questionable. The Company notes that neither these independent sources nor the Sponsor nor the Joint Financial Advisors nor EFG-Hermes Promoting and Underwriting accept liability for the accuracy of any such information, and Shareholders are advised to consider such information with caution.

In this Prospectus, certain statements are made regarding the Company’s competitive position and market leadership. The Company believes these statements to be true based on market data and industry statistics regarding the competitive position of certain of the Company’s competitors.

The methodology followed by the Company for determining market position may not be consistent with or comparable to the methodology used by competitors in assembling, analysing or computing market data. The Company’s competitors may also define their markets differently. Market data and statistics are inherently predictive and subject to uncertainty and not necessarily reflective of actual market conditions.

(m) General note

The contents of this Prospectus are not to be construed as legal, business or tax advice. This Prospectus is for information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Investors should consult their own legal adviser, financial adviser or tax adviser for advice.

Investors should only rely on the information contained in this Prospectus, and any supplement thereto, and any document incorporated into this document by reference. Without limitation to the foregoing, reliance should not be placed on any information in announcements released by any members of the Group prior to the date hereof, except to the extent that such information is repeated or incorporated by reference into this Prospectus. No person has been authorised to give any information or make any representations other than those contained in this Prospectus and, if given or made, such information or representations must not be relied upon as having been so authorised. Subject to the applicable laws and regulations, the publication of this Prospectus shall not, in any circumstances, create any implication that there has been no change in the affairs of the Group or the Company since the date of this Prospectus or that the information in it and incorporated by reference herein is correct as of any subsequent date.

References to **we** and **our** are to the Company and, where the context requires, the Group.

Prospective holders of Demerger Shares or New Shares must rely upon their own examination of the Company set out in this Prospectus, including the merits and risks involved in holding Demerger Shares or

New Shares. Recipients of this Prospectus should exclusively rely on the information contained in this Prospectus, and any supplement thereto, and any document incorporated into this document by reference. None of the Company, the Sponsor, the Joint Financial Advisors or EFG-Hermes Promoting and Underwriting has authorized anyone to provide any person with information different from that contained in this Prospectus. The Sponsor, the Joint Financial Advisors and EFG-Hermes Promoting and Underwriting make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this Prospectus, and nothing contained in this Prospectus is, or shall be relied upon as, a promise or representation by the Sponsor or the Joint Financial Advisors or EFG-Hermes Promoting and Underwriting or their respective affiliates or advisors. The Sponsor, the Joint Financial Advisors and EFG-Hermes Promoting and Underwriting are acting for the Company in relation to the Admission and for no one else and will not be responsible to anyone other than the Company for providing the protections afforded to their respective clients or for providing advice in relation to the Admission or the contents of this Prospectus or any transaction, arrangement or matter referred to herein. You agree to the foregoing by accepting delivery of this Prospectus. The information contained in this Prospectus is accurate only as at the date of this Prospectus, regardless of the time of delivery of this Prospectus or of any of the Demerger Shares or New Shares.

The distribution of this Prospectus may be restricted by law in certain jurisdictions. You must inform yourself about and observe any such restrictions. You must comply with all applicable laws and regulations in force in any jurisdiction in which you purchase, offer or sell Demerger Shares or New Shares or possess or distribute this Prospectus and must obtain any consent, approval or permission required for your purchase, offer or sale of Demerger Shares or New Shares under the laws and regulations in force in any jurisdiction to which you are subject or in which you make such purchases, offers or sales.

NOTICE TO UNITED STATES INVESTORS

NONE OF THE DEMERGER SHARES OR THE NEW SHARES HAVE BEEN REGISTERED WITH, OR APPROVED OR DISAPPROVED BY, THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION IN THE UNITED STATES OR ANY OTHER US REGULATORY AUTHORITY. FURTHERMORE, THE FOREGOING AUTHORITIES HAVE NOT PASSED ON OR ENDORSED THE MERITS OF THE TRANSACTION OR THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE IN THE UNITED STATES.

NOTICE TO NEW HAMPSHIRE RESIDENTS

NEITHER THE FACT THAT A REGISTRATION STATEMENT OR AN APPLICATION FOR A LICENSE HAS BEEN FILED UNDER CHAPTER 421-B OF THE NEW HAMPSHIRE REVISED STATUTES WITH THE STATE OF NEW HAMPSHIRE NOR THE FACT THAT A SECURITY IS EFFECTIVELY REGISTERED OR A PERSON IS LICENSED IN THE STATE OF NEW HAMPSHIRE CONSTITUTES A FINDING BY THE SECRETARY OF STATE OF NEW HAMPSHIRE THAT ANY DOCUMENT FILED UNDER RSA 421-B IS TRUE, COMPLETE AND NOT MISLEADING. NEITHER ANY SUCH FACT NOR THE FACT THAT AN EXEMPTION OR EXCEPTION IS AVAILABLE FOR A SECURITY OR A TRANSACTION MEANS THAT THE SECRETARY OF STATE HAS PASSED IN ANY WAY UPON THE MERITS OR QUALIFICATIONS OF, OR RECOMMENDED OR GIVEN APPROVAL TO, ANY PERSON, SECURITY OR TRANSACTION. IT IS UNLAWFUL TO MAKE, OR CAUSE TO BE MADE, TO ANY PROSPECTIVE PURCHASER, CUSTOMER OR CLIENT ANY REPRESENTATION INCONSISTENT WITH THE PROVISIONS OF THIS PARAGRAPH.

NOTICE TO EGYPTIAN RESIDENTS

This Prospectus does not constitute an offer or invitation for any person to subscribe for or purchase Shares in Egypt.

Under no circumstances shall this Prospectus constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale or distribution of securities in Egypt (other than the New Shares pursuant to the Private Placement Offering Notice which has received the non-objection of EFSA) and, accordingly, this Prospectus has not been submitted to, reviewed or approved by EFSA or the EGX.

No Shares have been offered or sold, or will be offered or sold, to the general public in Egypt except to (1) “Egyptian QIBs” and (2) “Professional High Net Worth Investors” within the meaning of the Capital Markets Law 95 for 1992, its Executive Regulations and EFSA’s Directives on private placements issued by EFSA Board of Directors decision No. 31 of the year 2002. “Egyptian QIBs” are those institutional investors having one of the following (i) a minimum asset book value of EGP20 million; (ii) a minimum equity book value of EGP10 million; (iii) a minimum investment in securities (excluding securities related to the Egyptian Offer) of EGP5 million as of date of the placement; or (iv) a license to operate in the field of securities and permitted to acquire securities within its objects. A “Professional High Net Worth Investor” is an individual investor having one of the following (i) assets with a minimum value of EGP2 million; (ii) a minimum annual income of EGP500,000; (iii) a minimum bank savings account balance of EGP500,000; (iv) as of the placement date, securities in two joint stock companies (excluding through the Egyptian Offer) with a minimum value of EGP2 million.

NOTICE TO UNITED ARAB EMIRATES RESIDENTS

The Demerger Shares and the New Shares have not been and will not be registered under the laws of the UAE. By receiving this Prospectus, the person or entity to whom it has been issued understands, acknowledges and agrees that none of the Demerger Shares, the New Shares or this Prospectus has been approved by or filed with the UAE Central Bank, the UAE Securities and Commodities Authority (SCA) or any other federal or emirate-level authority in the UAE or the regulatory authorities in any of the free zones established in the UAE (outside of the DIFC), nor has the Company received authorisation or licensing from the UAE Central Bank, the SCA or any other federal or emirate-level authority in the UAE or the regulatory authorities in any of the free zones established in the UAE (outside of the DIFC) to market or sell securities or other investments within the UAE and no such authority assumes any liability for its contents. No marketing of any financial products or services has been or will be made from within the UAE other than in compliance with the laws of the UAE and no subscription to any securities or other investments may or will be consummated within the UAE. None of the Demerger Shares or the New

Shares may be offered or sold directly or indirectly to the public in the UAE. This does not constitute a public offer of securities in the UAE in accordance with the Commercial Companies Law, Federal Law No. 8 of 1984 (as amended) or otherwise.

Nothing contained in this Prospectus is intended to constitute investment, legal, tax, accounting or other professional advice. This Prospectus is for your information only and nothing in this Prospectus is intended to endorse or recommend a particular course of action. Any person considering acquiring securities should consult with an appropriate professional for specific advice rendered on the basis of their respective situation.

NOTICE TO INVESTORS IN THE DUBAI INTERNATIONAL FINANCIAL CENTRE

The Demerger Shares and the New Shares may not be, have not been and are not being sold, subscribed for, transferred or delivered in the DIFC other than in compliance with the laws of the DIFC governing the sale, subscription for, transfer and delivery of securities. The Demerger constitutes the provision of securities to the public in and from the DIFC in accordance with the DIFC Markets Law. This Prospectus has been approved by the DFSA and is being made available to investors in the DIFC. This Prospectus is a “prospectus” for the purposes of the Markets Rules and the Markets Law of the DIFC. A copy of this Prospectus has been filed with the DFSA in accordance with the Markets Law and the Markets Rules. However, the DFSA does not accept any responsibility for the content of the information included in this Prospectus, including the accuracy or completeness of such information. The liability for the content of this Prospectus lies with the Company and such other persons named herein as accepting responsibility for the contents of this Prospectus. The DFSA has also not assessed the suitability of the Demerger Shares or the New Shares to any particular investor or type of investor and has not determined whether they are Shari’ah compliant. If you do not understand the contents of this Prospectus or are unsure whether the Demerger Shares or the New Shares are suitable for your individual investment objectives and circumstances, you should consult with your authorised financial, legal, tax or accounting advisors. Moreover, NASDAQ Dubai takes no responsibility for the contents of this Prospectus, makes no representations as to its accuracy or completeness and expressly disclaims any liability whatsoever for any loss howsoever arising from or in reliance upon any part of the contents hereof.

NOTICE TO UK AND OTHER EEA RESIDENTS

This Prospectus is only addressed to and directed at persons in member states of the European Economic Area (the **EEA**), who are “qualified investors” (**Qualified Investors**) within the meaning of Article 2(1)(e) of the Prospectus Directive (including any relevant implementing measure in each relevant member state of the EEA). In addition, in the United Kingdom, this Prospectus is only being distributed to and is only directed at (1) Qualified Investors who are investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the **Order**) or high net worth entities falling within Article 49(2)(a)-(d) of the Order or (2) persons to whom it may otherwise lawfully be communicated (all such persons together being referred to as **relevant persons**). This Prospectus and its contents should not be acted upon or relied upon (1) in the United Kingdom, by persons who are not relevant persons or (2) in any member state of the EEA other than the United Kingdom, by persons who are not Qualified Investors.

This Prospectus has been prepared on the basis that any offer of Demerger Shares or New Shares in the United Kingdom will be made pursuant to an exemption under the Prospectus Directive, as implemented in the member states of the EEA, from the requirement to produce a prospectus for offers of the Demerger Shares or the New Shares. Accordingly, any person making or intending to make any offer within the EEA of the Demerger Shares or the New Shares should only do so in circumstances in which no obligation arises for the Group to produce a prospectus for such offer. The Company has not authorised nor authorises the making of any offer of the Demerger Shares or the New Shares through any financial intermediary.

NOTICE TO SOUTH AFRICAN RESIDENTS

In the Republic of South Africa this document is distributed for information purposes on a confidential basis only to a limited number of persons falling within and in compliance with Sections 96(1)(A) to (G) of the South African Companies Act, No 71 of 2008 and does not constitute or contain an offer of securities in the Republic of South Africa or to any South African resident.

NOT FOR RELEASE, PUBLICATION OR DISTRIBUTION, IN WHOLE OR IN PART, INTO, OR FROM ANY JURISDICTION WHERE TO DO SO WOULD CONSTITUTE A VIOLATION OF THE RELEVANT LAWS OR REGULATIONS OF SUCH JURISDICTION.

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1. SUMMARY

SECTION A—INTRODUCTION AND WARNINGS	
Introduction and warnings	This summary should be read as an introduction to this Prospectus, and is qualified in its entirety by, and is subject to, the more detailed information appearing elsewhere in this Prospectus, including the sections headed “<i>Risk Factors</i>”, “<i>Operating and Financial Review</i>” and the special purpose combined financial statements and accompanying notes beginning on page F-1 of this Prospectus. This summary is included for convenience only and should not be considered complete. For a better understanding of our business, the Demerger and the Egyptian Offer, you should read the entire Prospectus carefully. This summary is not complete and may not contain all of the information that is important to you or you should consider before investing in the Shares or the New Shares. This Prospectus includes statements from third party providers, including information provided by MEED, which has been commissioned by the Company for the purpose of this Prospectus. Civil liability attaches only to the Company in respect of this summary (including any translation thereof) but only if this summary is misleading, inaccurate or inconsistent when read together with the other parts of this Prospectus, or it does not provide, when read together with the other parts of this Prospectus, key information in order to aid investors when considering whether to invest in the Shares or the New Shares. Any decision to invest in the Shares or the New Shares should be based on a consideration of this Prospectus as a whole and not just this summary, including the information discussed in the sections headed “<i>Operating and Financial Review</i>”, the “<i>Financial Statements</i>” beginning on page F-1 which contains the special purpose consolidated financial statements of the Company, “<i>Forward-Looking Statements</i>” and “<i>Risk Factors</i>” of this Prospectus.

SECTION B—ISSUER	
Legal and commercial name of the issuer	Orascom Construction Limited.
Domicile, legal form, legislation and country of incorporation	The Company is a company limited by shares incorporated in the DIFC on 18 January 2015, with its headquarters in the DIFC, Emirate of Dubai in the UAE.
Company overview	The Company is a newly formed holding company with no current or historical operations. The Company, together with its subsidiaries which have been transferred to it prior to the Demerger (the Group), is an international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the Middle East, Africa, the United States and Central Asia for public and private clients.

	The Group has consistently ranked among the world's top contractors and was ranked number 67 on ENR's Top 250 International Contractors list published on 25 August/1 September 2014. Orascom Construction currently operates under three business units, encompassing their respective operating and non-operating subsidiaries. The business units consist of: • Orascom: established in 1976 with origins dating back to 1950 and based in Cairo, Orascom is an engineering, procurement and construction contractor with over 60 years of construction experience targeting large industrial, commercial and infrastructure projects for public and private clients principally in the MENA region and the United States. • Contrack: established in 1985 and based in McLean, Virginia, Contrack undertakes engineering, procurement and construction services, as well as facilities operation and maintenance primarily on institutional and infrastructure projects throughout the Middle East and Central Asia. • The Weitz Company: established in 1855, Weitz is a leading general contractor, design-builder and construction manager based in Des Moines, Iowa. Weitz targets commercial, industrial, infrastructure, and plant services construction projects in the United States, and is the largest contractor in the state of Iowa. The Company also has a 50% shareholding in the BESIX Group. Established in 1909 and based in Brussels, the BESIX Group is an engineering, procurement and construction contractor and undertakes major commercial, industrial and infrastructure projects in 20 countries throughout Europe, the Middle East and northern and central Africa. The BESIX Group is accounted for as an associate company using the equity method of accounting. The Company also has certain majority and minority stake investments in manufacturers of fabricated steel products, glass curtain walling, paints and concrete pipes as well as investments in two property management companies and a waste water treatment plant concession. Other than as described above, the Company has interests in a further 13 operating subsidiaries. In connection with the Demerger, the Company (or its subsidiaries) have entered into certain agreements with a subsidiary of OCI N.V., including the Conditional Sale Agreement, the Shared Services Agreement, and the Tax Claim Agreement. See section 16.1 of Part 16 ("<i>Related Party Transactions and Conflicts of Interest</i>") of this Prospectus.
Most significant recent trends affecting the Company and the industries in which it operates	The following are the most significant recent trends affecting the Company: • Growing populations: the populations in each of the Middle East and North Africa, and in the United States, are expected to grow. These markets, in which the Group has significant operations, will continue to require large spending programs on infrastructure to meet the needs of these young and growing populations. For example, in Saudi Arabia there is an emphasis on providing social infrastructure and there have been a number of inter-regional projects announced by certain MENA countries (for example, power-links between Egypt and Saudi Arabia). • Social and political unrest: although unrest in a number of MENA countries has resulted in large-scale economic disruption, certain MENA countries have increased public investment to address the perceived social and economic inequality. In the longer term, we believe countries in the MENA region suffering instability will require extensive reconstruction investment, driving up construction activity once the situation has stabilised.

	• Infrastructure development for large regional and global events: the GCC region has announced significant spending programs for the Dubai Expo 2020 and the 2022 FIFA World Cup in Qatar. Saudi Arabia has announced several infrastructure development programs in Mecca and Medina to accommodate growing annual pilgrimage visitors. These events have also encouraged increased private spending on commercial projects, such as large retail spaces, hotels and resorts and entertainment centres. • Resurgence of private spending: Announced projects through to 2020 point to a resurgence in private industrial and commercial spending across the MENA region. In the United States, private investment has increased in the energy sector and there are promising trends in other sectors such as manufacturing, where both spending on greenfield and brownfield industrial projects are increasing.
Key strengths	We believe that we have the following key strengths: • a leading international contractor underpinned by more than a half century long heritage and a strong record of project execution; • wide variety of core construction competencies; • stable and visionary leadership and controlling Shareholders; • strong and well-established client base comprising sovereign, sovereign-backed and blue chip clients with longstanding relationships; • record level of quality backlog and strong balance sheet, now scaled to embark on next phase of growth and margin expansion; • well balanced geographic presence with strong focus on high growth markets and significant local resources; • flexible business model with the ability to share project execution risk; • growing complementary lines of business generating stable cash flows and generating new business opportunities for the Group; and • value creation track record in core markets through our project development expertise.
Group strategies	The following are our key strategies: • maintain and grow market leadership in the MENA region and continued commitment to pursuing strategic markets and geographic expansion; • establish and leverage strategic partnerships and joint ventures; • maintain revenue growth and improve profitability through project selection; • maintain a strong balance sheet and conservative financial profile; • pursue value enhancing investment opportunities in the construction and industrial spheres; • achieve operational excellence through continued commitment to quality, safety and ethical business practices; • continued growth through solid succession planning, management retention, and comprehensive employee training and development programs; and • continued focus on management strength.

Persons who, directly and indirectly, have a notifiable interest in the Company’s capital or voting rights	OCI N.V. was the sole shareholder of the Company until completion of the Demerger. On completion of the Demerger, shareholders in OCI N.V. will receive one Share in the Company for every two shares held in OCI N.V. at the Demerger Record Time pursuant to the terms of the Demerger. The following table identifies the interests of those persons who, directly or indirectly, as at 3 March 2015 (being the latest practicable date prior to the publication of this Prospectus) have an interest above 5% in the issued share capital of OCI N.V. The percentage of share capital is calculated on 210,113,854 total ordinary shares of OCI N.V. outstanding. <table><tr><th>Name of shareholder</th><th>Number of OCI N.V. shares</th><th>Class of shares</th><th>Percentage of share capital of OCI N.V.</th></tr><tr><td>Nassef Sawiris</td><td>61,652,515</td><td>Ordinary shares</td><td>29.3%</td></tr><tr><td>Onsi Sawiris</td><td>36,045,159</td><td>Ordinary shares</td><td>17.2%</td></tr><tr><td>Samih Sawiris</td><td>15,527,516</td><td>Ordinary shares</td><td>7.4%</td></tr><tr><td>Southeastern Asset Management</td><td>14,037,719</td><td>Ordinary shares</td><td>6.7%</td></tr><tr><td>W.H. Gates III</td><td>12,725,704</td><td>Ordinary shares</td><td>6.1%</td></tr><tr><td>Infrastructure & Growth Capital Fund L.P. (a fund managed by Abraaj Capital)</td><td>12,532,310</td><td>Ordinary shares</td><td>6.0%</td></tr></table> All shareholding information is disclosed to the best of the Company’s knowledge based on official filings with the AFM dated 3 March 2015. Such percentages are subject to dilution as a result of the Egyptian Offer. Immediately following completion of the Demerger and Admission, the Company considers that the Sawiris Family will exercise control, on their own or together with any person with whom they are acting in concert, over 53.9% (based on their current shareholdings in OCI N.V. and prior to the dilutive impact of the Egyptian Offer) or more of the votes to be cast on all or substantially all matters at general meetings of the Company. The Sawiris Family participated in the Egyptian Offer in order to maintain their aggregate shareholding at a minimum of 51% of the share capital of the Company.	Name of shareholder	Number of OCI N.V. shares	Class of shares	Percentage of share capital of OCI N.V.	Nassef Sawiris	61,652,515	Ordinary shares	29.3%	Onsi Sawiris	36,045,159	Ordinary shares	17.2%	Samih Sawiris	15,527,516	Ordinary shares	7.4%	Southeastern Asset Management	14,037,719	Ordinary shares	6.7%	W.H. Gates III	12,725,704	Ordinary shares	6.1%	Infrastructure & Growth Capital Fund L.P. (a fund managed by Abraaj Capital)	12,532,310	Ordinary shares	6.0%
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W.H. Gates III	12,725,704	Ordinary shares	6.1%																										
Infrastructure & Growth Capital Fund L.P. (a fund managed by Abraaj Capital)	12,532,310	Ordinary shares	6.0%																										
Different voting rights	The Company has one class of Shares with equal voting rights. There are no different voting rights as between Shareholders. The persons listed above who will hold Shares after the Demerger do not have voting rights that will differ from those of the other Shareholders.																												
Direct and indirect ownership of or control over the Company and nature of such control	Except as disclosed above, we are not aware of any person who, at the date of Admission, will have an interest as beneficial owner in Shares, directly or indirectly, which represents 5% or more of the Shares. It should be noted that the Sawiris Family, who together are expected to hold 53.9% of the Company at Admission will be able to exert significant control over the Company. This percentage is subject to dilution as a result of the Egyptian Offer. The Sawiris Family participated in the Egyptian Offer in order to maintain their aggregate shareholding at a minimum of 51% of the share capital of the Company.																												
Selected historical key financial information	The following table presents selected financial information set forth in our special purpose combined financial statements for the Group as of and for the years ended 31 December 2011, 2012 and 2013 derived from our audited special purpose combined financial statements included elsewhere in this Prospectus. The summary consolidated financial information as of and for the nine months ended 30 September 2014 and 2013 are derived from our unaudited interim condensed special purpose consolidated financial statements for those periods included elsewhere in this Prospectus. This selected financial information should be read in conjunction with the sections headed “<i>Operating and Financial Review</i>” and the “<i>Financial Statements</i>” beginning on page F-1 of this Prospectus. The Financial Statements are presented in USD with all amounts rounded to the nearest one decimal place.																												

Orascom Construction's audited special purpose combined financial statements for the financial years ended 31 December 2011, 2012, and 2013 and unaudited special purpose financial information for the nine months ended 30 September 2014 and 2013 included in this Prospectus may not necessarily accurately reflect what Orascom Construction's actual operations, financial position, and result of operations and cash flows would have been had the construction business of OCI N.V. operated as an independent group, and they may not be indicative of Orascom Construction's future operations, financial position and/or result of operations. The selected financial information presented below has been derived from the Financial Statements.

Further, the historical financial information includes the allocation of certain OCI N.V. expenses, including changes in operations, corporate expenses, cost structure, financial and personnel needs of our business. Such expenses may not be indicative of the actual level of expense that we would have incurred if we had operated as an independent group or of the costs expected to be incurred in the future.

You should read the following summary combined financial and other information in conjunction with the sections headed "*Operating and Financial Review*" and the "*Financial Statements*" beginning on page F-1 of this Prospectus which contains the special purpose combined financial statements of the Company.

COMBINED INCOME STATEMENTS (USD millions)	For the nine months ended 30 September		For the year ended 31 December		
	2014 (reviewed)	2013 (unaudited)	2013	2012 (audited)	2011
Revenue	2,157.4	1,624.3	2,349.7	1,457.3	1,811.3
Construction cost and cost of goods sold	(2,138.4)	(1,529.4)	(2,257.4)	(1,373.6)	(1,512.1)
Gross profit	19.0	94.9	92.3	83.7	299.2
Other income	12.6	20.0	22.1	15.3	33.0
Selling, general and administrative expenses	(226.8)	(94.6)	(139.3)	(151.1)	(139.3)
Other expenses	(4.6)	(2.3)	(5.8)	(26.6)	(3.7)
Operating (loss) / profit	(199.8)	18.0	(30.7)	(78.7)	189.2
Finance income	26.0	52.9	81.9	29.3	10.2
Finance cost	(19.5)	(64.9)	(109.2)	(75.2)	(43.6)
Net finance cost	6.5	(12.0)	(27.3)	(45.9)	(33.4)
Income from associates (net of tax)	(174.9)	71.5	58.4	79.7	109.1
(Loss) / profit before income tax	(368.2)	77.5	0.4	(44.9)	264.9
Income tax	288.7	(10.7)	(0.7)	(555.8)	(56.4)
Net (loss) / profit	(79.5)	66.8	(0.3)	(600.7)	208.5

COMBINED STATEMENTS OF FINANCIAL POSITION (USD millions)	As of 30 September 2014 (reviewed)	As of 31 December		
		2013	2012 (audited)	2011
Non-current assets	687.1	1,154.0	912.9	794.0
Current assets	1,996.6	1,927.3	1,789.4	1,830.4
Total assets	2,683.7	3,081.3	2,702.3	2,624.4
Owner's net investment	726.1	815.6	380.1	1,058.7
Non-controlling interest	70.8	58.9	51.2	52.5
Total net investment	796.9	874.5	431.3	1,111.2
Non-current liabilities	71.2	292.0	323.1	50.7
Current liabilities	1,815.6	1,914.8	1,947.9	1,462.5
Total liabilities and net investment	2,683.7	3,081.3	2,702.3	2,624.4

	COMBINED CASH FLOWS (USD millions)	For the nine months ended 30 September		For the year ended 31 December		
		2014 (reviewed)	2013 (unaudited)	2013 (audited)	2012 (audited)	2011 (audited)
	Cash and cash equivalents at the beginning of the period . . .	419.7	428.0	428.0	448.1	150.7
	Net cash from/(used in) operating activities	330.7	(193.0)	(423.4)	(143.1)	475.5
	Net cash from/(used in) investing activities	(92.7)	15.1	5.0	(13.0)	35.1
	Net cash from/(used in) financing activities	(233.9)	272.8	415.5	139.2	(210.4)
	Net increase/(decrease) in cash and cash equivalents	4.1	94.9	(2.9)	(16.9)	300.2
	Effect of exchange rate fluctuations on cash held	(2.6)	(6.2)	(5.4)	(3.2)	(2.8)
	Cash and cash equivalents at the end of the period	421.2	516.7	419.7	428.0	448.1
	Source: Financial Statements					
Working capital	In the opinion of the Directors the working capital of the Group is sufficient for its present requirements; that is, for at least 12 months following the date of this Prospectus.					
Significant change	There has been no significant change in the financial or trading position of the Company since 30 September 2014, the end of the last financial period for which financial information has been published.					
Qualifications in accountants' reports	Not applicable.					
Legal proceedings	Save as set out below, neither the Company nor any of its subsidiaries is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering at least 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability: - A case is pending in relation to the decision issued against Suez Industrial Development Company for the cessation of dealings on any of its allocated plots of lands as of mid-November 2011 until the investigations, conducted by the Public Fund Prosecution and Military Prosecution and relating to the allocation and sale of lands located in the North West of the Gulf of Suez, are concluded. - A case is pending pursuant to the lawsuit filed before the Administrative Court against Egyptian Gypsum Company S.A.E., to nullify the sale contract of the company on the grounds that it is one of the companies sold under the privatization scheme. - The previous owner of The Weitz Company (Weitz) filed a variety of claims against Weitz arising out of alleged breaches of the Separation Agreement and Buy-Sell Agreements executed upon his departure from Weitz. He also filed a claim for tortious interference with contract against Orascom Construction Industries S.A.E., arising out of the same alleged breaches of the Separation Agreement and Buy-Sell Agreements. The claims were dismissed by the Court, although the previous owner may appeal prior to 11 March 2015. - A matter is pending before the UK court of arbitration in relation to the notice of termination received by the JV between OH Obrascón Huarte Lain and Contrack from the Qatar Foundation for Education, Science & Community Development for the termination of its contract of design and build of the Sidra Medical and Research Centre in Doha. - Orascom Construction Industries SAE and Consolidated Contractors International Co. SAL commenced arbitration against Golden Pyramids Plaza regarding the performance of its obligations relating to the City Stars Project under which they were awarded compensation for damages resulting from the delayed and disrupted completion of the work. The Group is awaiting receipt of its share pursuant to the award.					

SECTION C—SECURITIES	
Type and class Security identification number	Ordinary registered shares Symbol: “OC”
Currency	The Shares will be denominated in USD.
Number of Shares issued, par value per Share	On its incorporation on 18 January 2015, the Company’s initial registered paid up capital was USD 50,000 divided into 50,000 ordinary shares of USD 1 each. On 6 February 2015 the Company’s share capital was increased to USD 105,056,927 divided into 105,056,927 ordinary shares of USD 1. The consideration for the capital increase was satisfied in kind through the transfer by OCI N.V., to the Company, of its membership interest in Orascom Holding Cooperatif. Following completion of the Egyptian Offer, the Company’s share capital will be USD 118,041,492 divided into 118,041,492 ordinary shares of USD 1 each. The Company’s total authorised share capital is USD 300,000,000, comprising 300,000,000 ordinary shares of USD 1 each. The applications for the admission to trading of our Shares on NASDAQ Dubai and the EGX shall be for the whole class of the Shares.
Rights attached to the Shares	The Shares will rank equally in all respects and, after issue and delivery, will be eligible for any dividend which the Company may declare on its Shares. Each Share ranks equally for any distributions made on a winding up.
Admission to listing and trading on NASDAQ Dubai	This Prospectus was approved by the DFSA on 8 March 2015 in accordance with the Markets Law for the purposes of the admission to trading of 105,056,927 Shares (ISIN AEDFXA14NUL7) on NASDAQ Dubai in connection with the Demerger and 12,984,565 New Shares on NASDAQ Dubai in connection with the Egyptian Offer. The Shares admitted to trading on NASDAQ Dubai will be held in book-entry form. The book-entry register will be held and maintained by Link Market Services. It is expected that the admission to trading will become effective and that dealings in the Shares on NASDAQ Dubai will commence on or around 9 March 2015.
Listing on the EGX and the Egyptian Offer	The Company has received an approval from EFSA to proceed with the EGX Listing. The EGX Listing is conditional upon finalization of admission of the Demerger Shares to the Official List. Upon Admission, such approval shall be final. The EGX Listing is subject to applicable rules and regulations of the Egyptian Capital Markets Law and the Listing and Delisting Rules applicable to listing of foreign shares on the EGX. According to the Listing and Delisting Rules, continuation of the EGX Listing and trading the Shares on the EGX shall be conditional on satisfying the EGX Trading Conditions within a period of six months from the date of the approval of the EGX Listing. Failure to satisfy the EGX Trading Conditions within the time period prescribed by the Listing and Delisting Rules will result in the discontinuation of the EGX Listing. In the context of the EGX Listing, and in order to meet the EGX Trading Conditions, the Company intends to issue 12,984,565 new ordinary shares with a nominal value of USD 1 representing 11% of the Shares on completion of the Egyptian Offer (the New Shares), to be offered through a private placement, in Egypt, to persons reasonably believed to be Egyptian QIBs or Professional High Net Worth Investors, and through a private placement to qualified institutional investors and high net worth individuals (the Egyptian Offer). The Board has approved the relevant board resolutions to implement the Egyptian Offer in its board meeting held on 26 February 2015.

	As a result of a resolution of the sole shareholder of the Company passed on 23 February 2015, the New Shares will not be offered on a pre-emptive basis. Shareholders who would continue to hold their respective Shares and prospective investors who buy Shares in the Company following Admission and prior to the consummation of the Egyptian Offer, and who do not participate in the Egyptian Offer, will accordingly experience dilution as a result of the Egyptian Offer. The completion of the Egyptian Offer is conditional on obtaining the necessary approvals from EFSA and the EGX. For the purposes of the Egyptian Offer, prospective investors in Egypt may not rely on this Prospectus and should refer to the Private Placement Offering Notice which has received the non-objection of EFSA and published by the Company in accordance with applicable rules and regulations in Egypt. Application has been made for the New Shares to be admitted to listing on the EGX and for the Shares (comprising the Demerger Shares and the New Shares) to be admitted to trading on the EGX, upon completion of the Egyptian Offer. The Shares will be listed and traded on the EGX in Egyptian Pounds. The price of those Shares trading on the EGX will move independently of those trading on NASDAQ Dubai. The Shares traded on NASDAQ Dubai will be fungible with the Shares traded on the EGX subject to the procedures of EFSA and the Central Bank of Egypt. Please refer to section 5.11 (“<i>The EGX Listing and the Egyptian Offer</i>”) of this Prospectus.
Dividend policy	The Board expects to maintain a flexible dividend policy with a view to balancing the availability of funds for dividend distribution with pursuing growth opportunities that generate solid returns. We will adjust our dividend policy from time to time based on our expected cash flows and our capital expenditure requirements.
Use of proceeds	The Company is not raising any capital or proceeds from Admission. The Company estimates the net proceeds from the Egyptian Offer, after deducting advisory and structuring fees, and estimated offering expenses payable by us, will be approximately USD 170 million. We intend to use the net proceeds from the Egyptian Offer for general corporate purposes including mainly debt settlement.
Dilution	The Demerger Shares will represent approximately 89.0% of the total enlarged share capital immediately following completion of the Egyptian Offer, on the basis of the issue of 12,984,565 New Shares pursuant to the Egyptian Offer.

SECTION D—RISKS

The following is a summary of what the Company currently believes are the essential risks associated with investing in the Company, the Group and the Shares. This list does not include all the potential risks the Group faces and consequently, prospective investors should consider carefully, together with the other information in this Prospectus, the factors and risks as described in Part 2 (“<i>Risk Factors</i>”) of this Prospectus before investing in the New Shares or trading in the Demerger Shares and/or the New Shares. If any of the following risks actually occurs, the Company’s business, prospects, financial condition or results of operations may be materially adversely affected.	
Risks relating to the countries in which the Group operates	- Continued hostilities and unrest in the Middle East and North Africa or changes in the economic, social and political environment in the Middle East and North Africa could have an adverse impact on our business. - The Group is subject to economic conditions in the MENA region and the US. - The Group does business in locations where it is exposed to a greater-than-average risk of adverse sovereign action.

	• We have substantial business in countries with primarily hydrocarbon economies and whose ability to fund infrastructure projects is materially dependent on oil and gas prices. • The majority of our business is in emerging markets which are generally subject to greater risk than more developed markets and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in the countries in which we operate. • There cannot be a guarantee of future contract awards in the businesses and jurisdictions in which the Group operates, which are a key source of future earnings and profitability levels. • We operate in a number of jurisdictions and we are subject to risks relating to international business and exposure to changing local conditions. • The Group's operations could be exposed to, and could be adversely affected by, catastrophic events, including natural disasters, terrorist attacks or war, over which we have no control. • The Group's ability to distribute dividends depends on its ability to extract dividends from its subsidiaries and equity accounted investees. • We operate in regions where corrupt behaviour exists that could impair our ability to do business in the future or result in significant fines or penalties.
Risks relating to the legal systems in which the Group operates	• In certain jurisdictions in which we operate, the developing legal system and new legislation can create an uncertain or changed environment for investment and business activity. • Failure to comply with existing laws and regulations or directives contained in the findings of government inspections, or increased governmental regulation of our operations, could result in substantial additional compliance costs or sanctions.
Risks relating to our construction businesses	• Deterioration of global market and economic conditions could have a material adverse effect on the Group's businesses, financial condition and results of operations • We may have difficulty raising additional capital in the future on favourable terms, or at all, which could impair our ability to operate our business or achieve our growth objectives. • Our business, liquidity and ability to generate cash flow may be materially and adversely affected by matters outside of our control. • Expansion of our businesses may result in unanticipated adverse consequences. • A number of significant client relationships and contacts comprise a material part of our business. • The Company's financial performance may be impaired by unanticipated increases in costs associated with its services on projects being executed. • We are exposed to risks associated with our joint ventures. • The Group, its subsidiaries, joint ventures and associates are and may continue to be involved in litigation. • We are reliant to a material extent on the income and dividends being received from our joint ventures and associates in which we do not have a controlling interest. • We rely on our joint ventures and associates to provide us with the financial information that we use in accounting for our ownership interest that we include in our disclosures and public filings.

	• Interest rate risk due to significant presence in emerging markets. • We could be affected by acrimonious employee relations, which could adversely affect our operations. • If we are unable to attract and retain qualified managers and skilled employees, we will be unable to operate efficiently, which could reduce our results of operations, cash flows and liquidity. • Our business is vulnerable to the cyclical nature of the end-markets we serve and economic downturns could reduce capital expenditures in the industries the Company serves, which may result in a decrease in demand for its services. • The construction industry is highly competitive, which may reduce our market share, reduce our margins and accordingly harm our financial performance. • Currency risk due to our geographic diversification. • Amounts included in our backlog are management estimates that may not result in actual revenue or translate into profits, and our backlog is subject to cancellation, delay and unexpected adjustments and therefore is an uncertain indicator of future operating results. • The Company's use of the percentage-of-completion accounting method for construction contracts could result in a reduction of previously recorded profits. • The Company is dependent on third-party suppliers and sub-contractors. • Disruption in the supply of raw materials or equipment could negatively impact the Group • Warranty claims resulting from our services could have a material adverse effect on the Company. • Potential inflation in local economies may affect some customers' ability to pay for our services, and it may also adversely affect the stability of the construction markets in those countries. • The Company may be affected by difficult work sites and environments, which could cause delays and result in additional costs. • We are subjected to hazards that could result in liabilities and weaken our financial condition. • Our operations and those of our equity accounted investees may impact the environment or cause exposure to hazardous substances, and our properties and those of our equity accounted investees may have environmental contamination, which could result in material liabilities. • Certain of the Group's credit facilities are repayable on demand and a simultaneous call of a significant number of such facilities and/or commitments would have a negative impact on our working capital position. • Inherent to the contracting business, the Group is exposed to performance-based risk in respect of its construction projects which can lead to our clients liquidating outstanding guarantees in relation to projects in the event that we breach the terms and conditions of the contractual agreement in relation to such projects. • There is a risk that the Company faces adverse appeal ruling in respect of a tax liability of Orascom Construction Industries S.A.E.
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Risks relating to the Demerger and Admission	• Risk that the intended demerger of Orascom Construction Industries S.A.E. is not achieved. • The Group may not realize all of the anticipated benefits of the Demerger. • The financial results of Orascom Construction after completion of the Demerger may be more volatile than those of OCI N.V. before the Demerger. • Orascom Construction's special purpose combined financial statements may not give a true and fair view of its business, result of operations and/or financial position. • In preparation for the Demerger, we have implemented a number of corporate governance and other policies, processes, systems and controls which have a limited operating history on a standalone basis. • We will be reliant on a number of contracts with OCI N.V. • Substantial sales of the Shares after the completion of the Demerger, or the prospect of such activity, could materially and adversely affect the price of the Shares. • It is not possible to predict the prices at which the Shares will be traded after the Demerger. • The Group intends to list Shares on both NASDAQ Dubai and the EGX and certain potential implications may result from the dual-listing.
Risks relating to an investment in Shares	• The Shares could be subject to price fluctuations and the market value of the Shares may not reflect the underlying asset value of the Group. • The Group's ability to pay dividends on the Shares will depend on the availability of profits and/or surplus. • Exchange rate fluctuations may affect the price of Shares or the value of any dividends paid. • Exchange rate fluctuations could cause a divergence in the price of the Shares traded on NASDAQ Dubai and the Shares traded on the EGX and could adversely affect the value of the Shares and any dividend distributions. • There is no guarantee that there will be an active trading market for the Shares. • Completion of the Egyptian Offer and commencement of trading on the EGX is conditional upon certain approvals which remain outstanding as of the date of this Prospectus. • Shareholders in the Company on or after Admission will experience dilution as a result of the consummation of the Egyptian Offer and may also be diluted in the future. • Negative market conditions or one market on which our shares are listed may affect the price of our Shares on the other market. • Certain shareholders in the United States may be unable to participate in future rights offerings. • We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various public data sources and other third party sources contained in this Prospectus. • The Sawiris Family collectively exercises control of the votes to be cast on all or substantially all matters that require a simple majority vote of Shareholders.

SECTION E—ADMISSION	
Estimated costs	The costs relating to the Demerger, Admission and the Egyptian Offer to be borne by the Company are up to approximately USD 15 million.
The Demerger	On 6 November 2014, the board of directors of OCI N.V. announced its intention to seek a dual-listing for the construction business of OCI N.V., through the separation of the construction and fertiliser businesses of OCI N.V. The board of directors of OCI N.V. confirmed its intention to implement the Demerger at its meeting on 10 December 2014. The Demerger will result in the construction and fertiliser businesses of OCI N.V. being owned by two, separately-listed companies. OCI N.V., which will remain listed on Euronext Amsterdam, will hold the fertiliser business and the Company, which will be admitted to trading on NASDAQ Dubai and the EGX, will hold the construction business. On 16 January 2015, the creditor objection period in relation to the resolutions passed on 12 November 2014 expired without any objections being made. Accordingly, on 7 March 2015 a committee of the board of directors of OCI N.V. passed a resolution to implement the Demerger. The Demerger will be implemented by OCI N.V. carrying out a reduction of its share capital. At an extraordinary general meeting of shareholders of OCI N.V. held on 12 November 2014, such shareholders approved the proposal to reduce the share capital of OCI N.V. by USD 1.4 billion to facilitate the Demerger. The consideration for the capital reduction will be the transfer by OCI N.V. of the shares held by OCI N.V. in the Company to those shareholders of OCI N.V. who are shareholders of OCI N.V. at the Demerger Record Time. Each shareholder of OCI N.V. at the Demerger Record Time will receive one Share in respect of every two OCI N.V. shares held. Any entitlements to fractional shares will be sold in the market and the net proceeds remitted to the relevant shareholder of OCI N.V. As a preliminary step to implementing the Demerger, the OCI N.V. group has undertaken a number of intra-group restructuring steps to achieve structural separation of the construction and fertiliser businesses prior to the Demerger. Following the Demerger, the Company and OCI N.V. will operate independently of each other and neither will have any ownership interest in the other. In connection with the Demerger, we have entered into a Conditional Sale Agreement, the Tax Claim Agreement and the Shared Services Agreement. Please see section 16.1 of Part 16 (<i>“Related Party Transactions and Conflicts of Interest”</i>) of this Prospectus for details. Please also see Part 3 (<i>“The Demerger”</i>) for further details regarding the Demerger.
Reasons for the Demerger and Admission	The board of directors of OCI N.V. believes that completion of the Demerger, establishing the Company as the parent company of the construction business and admitting the Shares to listing on the Official List and trading on NASDAQ Dubai will have many benefits for the Group and its stakeholders including: • Streamline shareholder base: Creates two separately listed pure-play companies offering distinct investment propositions, each with clear market valuations. This should serve to attract a wider investor base in each company’s shares and benefit liquidity in such listed shares. • Business transparency: Allows for a better understanding of each company’s business, prospects and the impact of sector-focused events on its performance. • Flexibility: Provides greater flexibility for each business to manage its own resources and pursue strategic options appropriate to their markets. • Growth opportunities: Allows each business to actively participate in consolidation opportunities and value-accretive partnerships and joint ventures in their respective markets.

	• Efficient capital structure: Enables each business to adopt a capital structure, balance sheet and financing strategy which will more efficiently meet their individual requirements. • Enhanced credit profile: Improves lenders' ability to evaluate each independent business, thereby increasing balance sheet effectiveness. • Improved management focus: Sharpens management focus, helping the two businesses to maximize their performance and make full use of their available resources. • Alignment of incentives: Aligns management's and employees' rewards more directly with business and stock market performance, helping to attract, retain and motivate the best people. For a discussion of additional reasons, background information, factors, costs and risks associated with the Demerger, see Part 3 ("<i>The Demerger</i>") and Part 2 ("<i>Risk Factors</i>") of this Prospectus.
Terms and conditions of the Admission	This Prospectus concerns the Admission of 105,056,927 Shares in connection with the Demerger and 12,984,565 New Shares in connection with the Egyptian Offer. The expected key dates for the Demerger, Admission and the Egyptian Offer are as follows: • Institutional bookbuilding process (Second Tranche)—19 to 26 February 2015 • Publication of Private Placement Offering Notice—4 March 2015 • Opening date for Egyptian Offer (First Tranche) period—4 March 2015 • Release of final Offering Circular—5 March 2015 • Closing date for Egyptian Offer (First Tranche) period—5 March 2015 • Demerger Record Time—6.00 p.m. (Amsterdam time) on 6 March 2015 • Demerger Effective Date—7 March 2015 • Admission to the DFSA's Official List—9 March 2015 • Admission to trading on NASDAQ Dubai—9 March 2015 • Issue, delivery and settlement of the Demerger Shares—9 March 2015 • First trading date on NASDAQ Dubai—9 March 2015 • Admission to listing and trading on the EGX of the Demerger Shares and the New Shares—9 to 11 March 2015 The Company may adjust the dates set out above, and all other times and periods referred to throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify NASDAQ Dubai and the DFSA and issue a press release. Any other material alterations will be published in a press release on the Company's website and in a supplement to this Prospectus. All Shares in the Company are held in the Central Securities Depository and are registered in the name of NDGL as a bare nominee for Shareholders in accordance with rule 11.1.1 of the NASDAQ Dubai Business Rules. The Shares will be traded electronically on NASDAQ Dubai's trading platform in accordance with the DIFC's Dematerialised Investments Regulations 2005.

	Shares which are eligible to be traded may be held either in accounts opened directly with the Central Securities Depository by the holders thereof or through custodian omnibus accounts (the custodians of which have accounts opened directly with the NASDAQ Dubai CSD) through which the custodian holds as nominee the beneficial interest in the traded shares on behalf of investors. Settlement of securities trading on NASDAQ Dubai is governed by the NASDAQ Dubai Business Rules. The Shares will rank <i>pari passu</i> in all respects and will be eligible for any dividends which the Company may declare on the Shares. Admission is governed by the applicable laws of the DIFC and/or DFSA.
Sponsor	EFG-Hermes UAE Limited has been appointed by the Company, for and on behalf of the Company, as the Company's listing sponsor in connection with Admission pursuant to the requirements of Chapter 7 of the Markets Rules.

2. RISK FACTORS

Shareholders in OCI N.V. and prospective investors in the Company should carefully consider the risk factors set out below, together with all other information contained in this Prospectus, before making an investment decision with respect to investing in the Shares. Any of the following risks could materially and adversely affect the Company's business, prospects, financial condition or results of operations, and the actual outcome of matters as to which forward-looking statements are made in the Prospectus. In that case, the value of the Shares may decline and investors may lose all or part of the value of their investments.

Although the Company believes that the risks and uncertainties described below are the most material risks and uncertainties, they are not an exhaustive list or explanation of all risks which investors may face when making an investment in the Shares and are not the only ones that relate to the Company's business, its equity accounted investees' business, and the Demerger, and should be used as guidance only. Additional risks and uncertainties not presently known to the Company or that it currently deems immaterial, whether economic, business, competitive, regulatory or other factors may arise or become material, and individually or cumulatively, could also have a material adverse effect on its business, results of operations, financial condition or prospects and, if any such risk should occur, may negatively affect the price of the Shares. All of these factors are contingencies which may or may not occur. This prospectus contains forward looking statements that contain risks and uncertainties. Please refer to the section entitled "*Forward-Looking Statements*" on page (iv) of this Prospectus in connection with your consideration of the risk factors and other important factors that may affect future results described below.

The sequence in which these risks are presented in no way reflects any order of importance, chance or materiality.

Shareholders in OCI N.V. and prospective investors in the Company should carefully review the entire Prospectus and should form their own views before making an investment decision with respect to the Shares. Before making an investment decision with respect to any Shares, prospective investors should also consult their own financial, legal and tax advisers to carefully review the risks associated with an investment in the Shares and consider such an investment decision in light of the prospective investor's personal circumstances.

2.1 Risks relating to the countries in which we operate

Continued hostilities and unrest in the Middle East and North Africa (MENA or MENA region) or changes in the economic, social and political environment in the Middle East and North Africa could have an adverse impact on our business.

For the year ended 31 December 2013, the operations of the Group in the MENA region and the United States comprised 49.9% and 50.1% respectively of its consolidated revenues.

It is difficult for us to predict the consequences of any political and socio-economic change that may be brought about as a result of the unrest in several countries in the MENA region, or what the implications of such changes will be on our operations given that legislative, tax and business environments can be altered quickly and dramatically. Accordingly, our ability to operate our businesses regularly and our willingness to commit new resources or investments may be affected or disrupted, potentially with corresponding reductions in revenue, more aggressive taxation policies, increases in other expenses, restrictions on repatriating funds and difficulties in recruiting staff. Such risks may have a material adverse effect on our business, financial condition, results of operations and/or prospects.

Furthermore, as a substantial part of our assets and operations are currently located in jurisdictions which are, have been, or could in the future be subject to political, economic and social instability, our operating results were and will be affected by any economic, social and political developments that affect each of the countries in which we operate and, in particular, by the level of economic activity. Economic, social and political instability leads to uncertainty over future economic conditions and policy decisions. Prolonged disruptions of business operations due to any political or social instability could adversely affect our business. For example, our operations were reduced by approximately 60 days in Egypt due to curfews imposed across the country during the summer months in 2013, which increased construction costs in the second half of the year and impacted our profitability.

There may be adverse political or economic conditions that influence operations of the business of the Group and policy decisions that affect the Group. For example, as a matter of policy in Saudi Arabia, bidders on contracts which are 100% Saudi-owned receive a credit in respect of such Saudi-ownership. In addition, any further reform may be affected by political interference and disagreements within the

executive branch of the government. As a result, it is difficult to predict what effect this may have on our business (see also “*The majority of our business is in emerging markets which are generally subject to greater risk than more developed markets and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in the countries in which we operate*” below).

As our largest market in the region, changes in the economic and political environment in Egypt may have an adverse effect on our business. One example of adverse political action is a tax dispute in Egypt during the Muslim Brotherhood-led administration. Our affiliate, Orascom Construction Industries S.A.E. was required to settle the dispute by agreeing to pay EGP 7.1 billion (approximately USD 1 billion) in ten bi-annual instalments. Orascom Construction has been allocated 50% of the settlement liability. Following the ouster of that regime in the summer of 2013, the Company appealed the dispute and the Appeals Committee issued a verdict on the matter in favour of the Company in November 2014. The ETA has lodged an appeal application before the primary court which includes no new facts or evidence. Please see Part 10 (“*Operating and Financial Review—Contingent liabilities*”) of this Prospectus for further information on the ETA’s appeal. Such proceedings often take a number of years before the court issues a final judgement.

Following the cessation of the Muslim Brotherhood-led administration in the summer of 2013 and the election of Mr. Abdelfattah El Sisi as president of Egypt in the summer of 2014, the country has begun to experience an economic recovery and the Egyptian government has announced several reforms intended to promote commercial activity and to increase stability in the country. However, there can be no assurance that the political or economic situation in Egypt will not deteriorate, or that the government will be successful in improving financial stability and maintaining domestic order. Further changes in the economic and regulatory conditions or other relevant policies of the Egyptian government, such as changes in laws or regulations, export restrictions, restrictions on foreign exchange transfers, expropriation of our assets or resource nationalisation, and/or forced renegotiation or modification of contracts with government-controlled companies could materially and adversely affect our business, financial condition, results of operations and/or prospects.

There can be no assurance that further incidents of political or social instability, terrorism, protests or violence will not directly or indirectly affect the economies of the markets in which we operate, which, in turn, could have a material adverse effect on the Group’s business, prospects, financial condition, cash flows or results of operations.

The Group is subject to economic conditions in the MENA region and the US.

The MENA region and the US are a substantial component of our business. Our current and future business, as well as that of our equity accounted investees, will be affected by the general macro-economic conditions prevailing in the MENA region and the US. Increased uncertainty could reduce foreign-direct investment in the region and lead to capital outflows, increased volatility in regional markets, amongst other factors. A general downturn or instability in certain industries of the MENA region and the US economies, as well as political or economic developments outside the MENA region or the US, could also materially adversely impact the Group’s business and future financial performance.

Prolonged economic downturns like the recent global economic crisis are characterised by lower public and private expenditure on construction, high unemployment, lower family household income, lower corporate earnings, lower business investment and lower consumer spending, any of which could negatively affect demand for the Group’s services, and thus have a material adverse effect on the Group’s revenue and margins while a prolonged decrease in revenue could have a material adverse effect on the Group’s cash flows and working capital.

For example, Egypt’s economy and foreign direct investment into the country experienced downward pressure over the past few years, with real GDP growth, foreign direct investment activity and accordingly net international reserves declining, and budget deficit increasing both in nominal terms and as a percentage of GDP. There can be no assurance that Egypt will be able to address these and other economic issues.

Additionally, changes in investment policies or shifts in the prevailing political climate in any of the countries in which the Group operates, or seeks to operate, could result in the introduction of increased government regulations with respect to, among other things:

- price controls;
- export and import controls;

- obtainment of new permits, licenses, and consents for business operations or renewing existing ones;
- income and other taxes;
- foreign ownership restrictions;
- access to capital;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

Any unexpected changes in the economic or other conditions in our principal and potential growth markets in the MENA region and the US, could have a material adverse effect on the business, results of operations, financial condition and prospects of the Group and its equity accounted investees.

The Group does business in locations where it is exposed to a greater-than-average risk of adverse sovereign action.

We do business in locations where we are exposed to a greater-than-average risk of adverse sovereign action, including overt or effective expropriation or nationalisation of property. Our equity accounted investees also conduct business in such locations. In the past, the Egyptian government has gone through periods of nationalism and adopted protective policies, including the nationalisation of major private enterprises such as the Suez Canal Company. Furthermore, relatively high commodity prices and other factors in recent years have resulted in increased resource nationalisation in some countries, with governments repudiating or renegotiating contracts with, and expropriating assets from, companies that are producing in such countries. Governments in these countries may decide not to recognise previous arrangements if they regard them as no longer being in the national interest. Governments may also implement export controls on commodities regarded by them as strategic or place restrictions on foreign ownership or operation of strategic assets. Though as of the date of this Prospectus no such nationalisations, expropriations or export controls have been proposed, there can be no assurance that the governments of the countries in which we operate will not adopt such policies going forward. Expropriation of assets, renegotiation or nullification of existing agreements, leases or permits by the governments of countries in which we operate, could each have a material adverse effect on our business, results of operations, financial condition and/or prospects and on the business of our equity accounted investees which would in turn impact our results of operations.

We have substantial business in countries with primarily hydrocarbon economies and whose ability to fund infrastructure projects is dependent on oil and gas prices.

A number of countries in which the Group operates are heavily reliant on oil and gas revenues, and on other industries connected with the extraction, processing and export of natural gas and oil, which represent a substantial part of our business currently and going forward. These economies are highly dependent on global oil and gas prices. As a result, the global price of oil may have a substantial impact on the development of government regulations, policies and on the health of such economies. Historically, the markets for petroleum products have been volatile, and may remain so in the future, as a result of political instability in the major oil and gas producing regions of the world, negative global economic conditions in the major consumer markets, including Europe and North America, and dynamics around shale gas, which is becoming an increasingly important source of natural gas in some countries, including the United States of America. Brent Crude Oil prices have fallen by more than 59% over the last six months, from over USD108 per barrel in June 2014 to under USD44 per barrel as of 29 January 2015, and a continued deterioration in the price of oil and gas would reduce revenues flowing to these countries, which may lead to budget deficits, and accordingly impede their ability to implement their development strategies, fund infrastructure investments, impact the dynamics around shale gas and delay the implementation of current planned/pipeline projects. Current oil prices are at levels below the recent historical average. There can be no assurance that economic growth or performance in such markets, infrastructure spending or private and public-sector investment can or will be sustained. A long term fall in oil and gas prices could have a material and adverse effect on our business and that of our equity accounted investees which would in turn affect our financial condition, results of operations and/or prospects.

The majority of our business is in emerging markets, which are generally subject to greater risk than more developed markets, and actual and perceived risks associated with investing in emerging economies could dampen foreign investment in the countries in which we operate.

The disruptions recently experienced in the capital markets in some of the markets in which we operate have led to reduced liquidity and increased credit risk for certain market participants and have resulted in a reduction of available financing. Companies located in countries in emerging markets may be particularly susceptible to these disruptions and may face reductions in the availability of credit or increased financing costs, which could result in financial difficulties. In addition, the availability of credit to entities operating within the emerging markets is significantly influenced by levels of investor confidence in these markets and, as such, any factors that impact market confidence. For example, a decrease in credit ratings or state or central bank intervention in one market could affect the price or availability of funding for entities within any of these markets. Moreover, under such circumstances, companies operating in emerging markets can face severe liquidity constraints as foreign funding resources are withdrawn or reduced. Thus, even if the countries in which we operate are relatively stable, financial turmoil in any other emerging market country, including those which have recently experienced significant political instability (including terrorism), could seriously disrupt our business. Any such disruption could adversely affect our business, financial condition, results of operations and/or prospects and could affect our equity accounted investees which in turn could affect us.

There cannot be a guarantee of future contract awards in the businesses and jurisdictions in which the Group operates, which are a key source of future earnings and profitability levels.

The future performance of the Group, its subsidiaries, joint-ventures, and associates depend on, amongst other factors, whether and when they will receive new contract awards. Contract awards are often affected by events outside the control of the Group, such as general economic conditions, prices of hydrocarbons, conditions affecting the customers of the Group which can have an impact on the certainty of future earnings and profitability. Moreover, because the timing of project awards and execution are often uncertain, effective utilization of the work force is a critical factor in achieving satisfactory profit margins.

A substantial portion of our revenue is derived from large-scale projects. Although we operate in niche markets and target complex projects that therefore present higher barriers to entry to competitors and allow us to achieve higher award success rate, it is generally difficult to project whether or when we will receive such awards as these contracts frequently involve a lengthy and complex bidding and selection process. Accordingly, our results of operations and cash flow can fluctuate from quarter to quarter depending on the timing of contract awards. Furthermore, many of these contracts are subject to financing contingencies and, as a result, we are subject to the risk that the customer will not be able to secure the necessary financing for the project.

We operate in a number of jurisdictions and we are subject to risks relating to international business and exposure to changing local conditions.

A significant portion of the Group's existing activities and operations are conducted and located outside of the United Arab Emirates and the Group expects that revenues from operations outside the United Arab Emirates will continue to account for the majority of its total revenues. The Group is subject to risks inherent to operating globally (which may vary from country to country), including those related to:

- exposure to local economic and political conditions;
- import and/or export restrictions;
- multiple tax regimes, including regulations relating to transfer pricing and withholding and other taxes on remittances and other payments to or from subsidiaries;
- foreign investment and/or trade restrictions or requirements, foreign exchange controls and restrictions on the repatriation of funds; and/or
- the introduction of more stringent laws and regulations, generally.

Unfavourable developments in respect of any of the above risks in any one of the jurisdictions in which we operate could have a material adverse effect on the Group's business prospects, financial condition and results of operations.

For example, subsidiaries in Egypt, which are substantial in the context of the entire Group, are not permitted under Egyptian law to transfer Egyptian pounds out of Egypt. Dividends to us that will be paid outside of Egypt must therefore be paid in foreign currency. Due to the imposition of exchange controls, the supply of foreign currency in Egypt is limited and can sometimes only be available at unfavourable exchange rates, which can fluctuate greatly. As a result, the ability of our subsidiaries in Egypt to pay dividends could be materially and adversely affected by the unavailability of, and/or fluctuating exchange rates for, or high cost of, foreign currency in Egypt, which would materially and adversely affect the Company's ability to pay dividends to our Shareholders in part or at all.

The Group's operations could be exposed and could be adversely affected by catastrophic events, including natural disasters, terrorist attacks or war, over which we have no control.

We may be exposed to the effects of natural or man-made disasters and other potentially catastrophic events, such as fire, earthquakes, major accidents and incidents, international and regional armed conflicts, hostilities, criminal acts and acts of terrorism; all of which are beyond our control.

The continued threat of terrorist activity and other acts of war, or hostility, have significantly increased the risk of political, economic and social instability in some of the geographic areas in which the Group operates. It is possible that further acts of terrorism may occur in the markets in which we operate and such acts of terrorism could be directed against our property and personnel. Although, to date, we have not experienced any significant property losses (save for some provisions totalling USD 12.8 million realised in the nine months ending 30 September 2014 related to lost equipment and inventory following an increase in civil strife in Iraq), or material adverse effects on our results of operations or financial condition as a result of terrorism, political instability or war, no assurances can be given that we will not be affected by such events in the future. Also, recent political uprisings and violence in the Northern Sinai governorate in Egypt are also being monitored by the Group. There can be no assurance that further incidents of political or social instability, terrorism, protests or violence will not directly or indirectly affect Egypt and its economy, which, in turn, could have a material adverse effect on the Group's business.

We may also face civil liabilities or fines in the ordinary course of our business as a result of damages to third parties caused by natural and man-made disasters. These liabilities may result in us being required to make indemnification payments in accordance with applicable laws to the extent and in the amount that such indemnification payments are not covered by our insurance policies.

While we seek to take precautions against such disasters, maintain disaster recovery strategies and purchase levels of insurance coverage that we regard as commercially appropriate, should any damage occur and be substantial, we could incur losses and damages not recoverable under insurance policies in force, which could have a material adverse effect on our business, results of operations, financial condition and prospects.

The Group's ability to distribute dividends depends on its ability to extract dividends from its subsidiaries and equity accounted investees.

Some of the countries in which the Group operates have implemented currency control restrictions and, in particular, rules surrounding the repatriation of dividends to foreign investors. There can be no guarantee that existing legislation will have no adverse impact on our revenues to the extent that we are prevented from receiving dividends from our subsidiaries or that our subsidiaries will not incur problems with external financing or supply contracts with foreign companies as a result of applicable legislation. Currency control restrictions and restrictions on the repatriation of dividends imposed on the Company or its subsidiaries may adversely affect not only our ability as a holding company to pay dividends, but also our business, financial condition, results of operations and/or prospects.

We operate in regions where corrupt behaviour exists that could impair our ability to do business in the future or result in significant fines or penalties.

The Group does business, and may continue to do business in the future, in countries and regions where governmental corruption has been known to exist, and where the Group may face, directly or indirectly, corrupt demands by officials, or the risk of unauthorised payments or offers of payments by one of its employees, consultants, sponsors or agents. Our existing anti-corruption safeguards and policies and any future improvements thereon may prove to be not fully effective in preventing such unauthorised payments, and our employees and consultants may engage in conduct for which we might be held responsible. While the Company is committed to conducting business in a legal and ethical manner, there

is a risk of violating either the UK Bribery Act 2010 or legislation promulgated pursuant to the 1997 Organisation for Economic Cooperation and Development Convention on Combating Bribery of Foreign Public Officials in International Business Transactions or other applicable anti-corruption regulations in the DIFC and elsewhere that generally prohibit the making of improper payments to foreign officials for the purpose of obtaining or keeping business. Violation of these laws may result in severe criminal or civil sanctions or other liabilities that could materially damage the Company's reputation and, therefore, the Company's business, results of operations and financial condition.

2.2 Risks relating to the legal systems in which we operate

In certain jurisdictions in which we operate, the developing legal system and new legislation can create an uncertain or changed environment for investment and business activity.

Some of the jurisdictions in which we operate are still developing the legal framework required to support a market economy. The following risk factors relating to these legal systems create uncertainty with respect to the legal and business decisions that we make. Such uncertainties may not exist in countries with more developed market economies:

- inconsistencies between and among the constitution, federal law, presidential, governmental and ministerial decrees, and conflicts between federal, regional and local legislation;
- lack of fully developed corporate and securities laws;
- lack of judicial and administrative guidance on interpreting legislation;
- gaps in the regulatory structure due to delay or absence of implementing legislation;
- the relative inexperience of judges and courts in interpreting legislation;
- lack of an independent judiciary;
- difficulty in enforcing court orders;
- a high degree of discretion on the part of governmental authorities, which could result in arbitrary actions such as suspension or termination of our licences; and
- under-developed bankruptcy or insolvency procedures that are subject to abuse.

The rapid evolution of these legal systems in ways that may not always coincide with market developments can result in ambiguities, inconsistencies and anomalies in the law and judicial practice. These weaknesses affect our ability to protect our rights under our licences and contracts, or to defend ourselves against claims by others, including challenges by regulatory and governmental authorities in relation to our compliance with applicable laws and regulations and could have a material adverse effect on our business, financial condition, results of operations and/or prospects.

Failure to comply with existing laws and regulations or directives contained in the findings of government inspections, or increased governmental regulation of our operations, could result in substantial additional compliance costs or sanctions.

Our operations and properties are subject to regulation by various government entities and agencies in connection with obtaining and renewing various licences and permits, as well as with on-going compliance with existing laws, regulations and standards. Government authorities often have the right to, and frequently do, conduct periodic inspections of our operations and projects. Any such future inspections may conclude that we or any of our subsidiaries have violated laws, decrees or regulations, and we may be unable to refute such conclusions or remedy the violations. Our failure to comply with existing laws and regulations or directives contained in the findings of government inspections may result in the imposition of fines or penalties or more severe sanctions including the suspension, amendment or termination of our licences and permits, or in orders that we cease certain business activities, or in criminal and administrative penalties against our officers. Any such decisions, requirements or sanctions, or any increase in governmental regulation of our operations, could increase our costs and have a material adverse effect on our business, financial condition, results of operations and/or prospects.

2.3 Risks relating to our construction businesses

Deterioration of global market and economic conditions could have a material adverse effect on the Group's business, financial condition and results of operations.

The recent global financial crisis and the global economic uncertainty had a significant impact on the development and construction projects award activity worldwide in the public and private sector. A slowdown of economic activity or persistent weakness therein caused by a deterioration of global market and economic conditions could adversely affect the Group's businesses in the following ways, among others: conditions in the credit markets could impact the ability of our customers and their customers to obtain sufficient credit to support their operations; financial difficulties suffered by our clients, subcontractors or joint venture partners, the failure of our customers to fulfil their obligations to us which could result in payment delays or defaults, increases in bad debts, impact our working capital, financial position and profitability; and the failure of certain key suppliers could increase our exposure to disruptions in supply or to financial losses. The Group may also experience a decline in awards, delay or cancellation of projects, a decline in demand for our products or services including our backlog, which may in turn result in a decline in revenues, underutilisation of our contracting capacity, and payment delays or defaults, or adversely impact our project execution, notwithstanding our large work force and employee cost base. The overall impact of a global economic downturn on the Group and its equity accounted investees is difficult to predict, and its, financial condition, results of operations and/or prospects could be materially adversely impacted as a result.

We may have difficulty raising additional capital in the future on favourable terms, or at all, which could impair our ability to operate our business or achieve our growth objectives.

In the event that our cash balances and cash flow from operations, distributions from our joint ventures or affiliates, together with borrowing capacity under our credit facilities, become insufficient to make investments, make acquisitions or provide needed additional working capital in the future, we could require additional financing from other sources. Our ability to obtain such additional financing will depend in part upon prevailing capital market conditions, as well as conditions in our businesses and our operating results, and those factors may affect our efforts to arrange additional financing on terms that are satisfactory to us. There can be no assurance that the Company will be able to secure borrowings on commercially acceptable terms or at all, and failure to do so may adversely affect our businesses and returns, and if additional financing was obtained it could come with high associated costs which may impact our profitability and financial condition. Additionally, if such funding is obtained by way of debt financing, we may have restrictive covenants placed on us. The market volatility in recent years has created downward pressure on stock prices and credit capacity for certain issuers, often without regard to those issuers' underlying financial strength, and for financial market participants generally. If adequate funds are not available, or are not available on acceptable terms, as could be the case if current levels of market disruption and volatility continue or worsen, our ability to access the capital markets could be adversely affected, and we may not be able to make future investments, take advantage of acquisitions or other opportunities, or respond to competitive challenges which could have a material adverse effect on our business and financial condition.

Further, in the ordinary course of business, the Group's credit facilities have different maturity or renewal dates and credit facilities will come up for renewal either annually or for longer tenors during our business lifecycle. There can be no guarantee that the Group will be able to renew its credit facilities either on the same terms or even at all as they become due for renewal. If the Group failed to renew a material proportion of its facilities with the applicable lenders this would have a material adverse effect on our working capital and in turn, would have a material effect on our business, financial position, results of operations and/or prospects.

In the view of the Directors, historically, the Company has not had any material issues in renewing its credit facilities as they came up for renewal or finding an alternative lender willing to provide an alternative facility on similar terms. The Group also has a wide and varied spread of approximately 25 lenders as at the date of this Prospectus who have continued to provide facilities to the Group and so the risk of losing one or more lender relationship is mitigated. It should also be noted that on certain occasions, renewals of credit facilities have resulted in more favourable lending terms for the Group.

Our business, liquidity and ability to generate cash flow may be materially and adversely affected by matters outside of our control

Our business, ability to generate cash flow, financial position and prospects, may be materially and adversely affected by matters outside of our control, including:

- counterparties failing to pay amounts due to us on time or at all (for example, in weak economic environments, the Group has and may continue to experience delays in counterparties paying invoices, or failures to pay invoices);
- a deterioration in economic or other conditions leading to a fall in the number of projects being tendered;
- a reduction in the number of awards being made to us;
- cancellation of or significant delays in the performance of contracts;
- associates or joint ventures failing to pay dividends to us;
- an increase in our cost-base;
- a disagreement with customers in respect of allocation of costs and losses in connection with cost overruns or delays in projects, which could cause such customers to delay payment of disputed or undisputed amounts;
- currency control restrictions;
- restrictions on the repatriation of dividends;
- execution of guarantees by clients;
- unexpected contingent liabilities.

If our cash flows were to be materially reduced due to any of the above factors, amongst others, this could affect our ability to repay interest and principal on our financing facilities. Failure to repay interest and principal on our obligations when due could give rise to acceleration of such obligations and trigger cross-default and cross-acceleration provisions in other financing facilities, which could have a material adverse effect on our business, financial condition, results of operations and/or prospects. Furthermore, if customers, or any one of them, delay or fail to pay significant amounts of outstanding receivables, for any reason, this could have a material adverse effect on the liquidity position such that it may reduce cash or cash equivalents and require the Group to draw on credit facilities from time to time which could have a material adverse effect on the liquidity position and prospects of the Group.

Expansion of our businesses may result in unanticipated adverse consequences.

We routinely consider possible expansions of our businesses in new and current markets. Major investments in our businesses, including as a result of acquisitions, partnerships, joint ventures or other major investments require significant managerial resources, which may be diverted from our other activities and may impair the operation of our businesses. The risks of any expansion of our businesses through investments, acquisitions, partnerships or joint ventures are increased due to the significant capital and other resources that we may have to commit to any such expansion, which may not be recoverable if the expansion initiative to which it was devoted is ultimately not implemented. No assurance can be given that the Group will be able to integrate such acquisitions successfully without incurring substantial costs, delays or other problems incurred or experienced. As a result of these and other factors, including general economic risk, we may not be able to realise our projected returns from any future acquisitions, partnerships, joint ventures or other investments. However, the Company has a strong track record of expansions and developing new business lines successfully.

A number of significant client relationships and contracts comprise a material part of our business.

Despite having a diversified customer base with strong relationships, we have a number of key client relationships, each of which represents a material part of our business. The top five contracts represented approximately 41.9% of our revenue for the period ending 30 September 2014. As of 30 September 2014, our five largest projects, in the US, Saudi Arabia and Egypt, accounted for approximately 39.9% of our total backlog. Work for our affiliate, OCI N.V. Fertilizer and Chemicals group in the US accounted for 26.7% of total backlog as of 30 September 2014. As a result, we are exposed to the risk that such

counterparties who we consider material clients or from whom we generate repeat business may cease to contract with us in the future (or reduce the number and size of contracts entered into with us in the future) or may be unable or unwilling to pay or delay in paying for services provided by us, in addition to the cancellation of business by one or more of these major clients. If we were to cease providing services to these clients (or were to reduce the level of services provided to them), without capturing new clients to replace the loss of business, or we were ceased to be paid by these customers, this could have a material adverse effect on our business, financial condition, results of operations and/or prospects. In addition, dependency on a limited number of significant customers and/or concentration of the business of the Group to significant projects increases vulnerability in respect of delayed payment from, and disputes with, customers. In addition, any failure by the Group to complete any one of its significant contracts on time or according to contractual performance obligations could materially adversely affect the business, results of operations and financial condition of the Group.

The Company's financial performance may be impaired by unanticipated increases in costs associated with its services on projects being executed.

A substantial portion of the Company's revenue is derived from lump-sum construction contracts. Under these contracts, the Company assumes the risk that the costs associated with its performance may be greater than anticipated. Our failure to accurately estimate the resources and time required for a project or our failure to complete our contractual obligations within the timeframe and costs committed could have a material adverse effect on our business, profitability, results of operations, and financial condition. Profitability will be reduced if the actual costs to complete a contract exceed original estimates. The Company's profitability is therefore dependent upon its ability to accurately estimate the costs associated with its services. These costs may be affected by a variety of factors, such as lower than anticipated productivity, conditions at the work sites differing materially from what was anticipated at the time it bid on the contract and higher costs of materials and labour, delay in the availability of financing, political or social disruptions, amongst other factors. For example, and as a result of the political and social unrest in Egypt, a number of salary increases by policy makers have been adopted, as well as increases in transportation costs and a lack of availability of funding which has, as a result, increased our cost base and impacted our profitability margin. This was realised in one of our significant projects in Egypt whereby all expected losses were booked in the nine months ending 30 September 2014. These variations, along with other risks inherent in performing such contracts, may cause actual revenue and gross profits for a project to differ from those originally estimated and, as a result, certain agreements or projects could have lower margins than anticipated, or losses if actual costs for the Company's contracts exceed its estimates, which could reduce the Company's profitability, cash flows and liquidity and impact its financial condition. If the project is significant, or there are one or more issues that impact multiple projects, cost overruns could have a material adverse impact on the business, results of operations and financial conditions of the Group, its affiliated companies, joint ventures and associates. However, to mitigate the risk of costs exceeding the contractual project value, the Company and its client may often negotiate escalation clauses that contain provisions for reimbursement of changes (either through the inclusion of an escalation formula, following standard indexation ranges, or other methodologies) in a wide range of labour costs and material prices.

We are exposed to risks associated with our joint ventures.

We participate in joint ventures and other partnerships including the BESIX Group, Orascom Saudi Limited (OSL), Medrail, Alico Egypt, United Paints & Chemicals, United Holding Company, National Pipe Company, SCIB Chemical, Orasqualia, and the Suez Industrial Development Company. Our partners may share control, have majority control or have full control over the operations of these ventures. As a result, our investments in joint ventures involve risks that are different from the risks involved in owning facilities and running operations and businesses independently. These risks include the possibility that our joint ventures or our partners have economic or business interests or goals that are or become inconsistent with our business interests or goals; are in a position to take action contrary to our instructions, requests, policies or objectives; subject the joint venture to liabilities exceeding those contemplated; take actions that reduce our return on investment; or take actions that harm our reputation or restrict our ability to run our businesses. In addition, the Company may become involved in disputes with its joint venture partners, which could lead to impasses or situations that could harm the joint venture, which could reduce the Company's revenues or share of income or increase its costs and accordingly have a material adverse effect on its business, financial condition, results of operations and prospects.

We also conduct a large portion of our construction work through joint ventures, including project specific joint ventures, where we share control with other third parties that are not affiliated to us. Our Group companies expect from time to time to enter into joint venture contracts, thereby exposing us to risks associated with joint ventures. We typically have joint and several liability with our partner(s), and we cannot control the actions of such partners, including but not limited to, non-performance of their contractual or other obligations, or their bankruptcy or default. Also failure to agree on major issues or delayed decisions could result as is the case with any joint venture arrangement. If a joint venture partner fails to perform its obligations, the joint venture will be in the position of not being able to perform or deliver on its contractual obligations and we could be required to perform these obligations.

The occurrence of any of these events could materially impact our performance under such joint-venture arrangements, and in turn, the Group's business and operations.

Also, our joint ventures/equity accounted investees operate in highly competitive industries in emerging markets and accordingly are subject to a number of risks that could impact their business, results of operations, profitability, and financial condition, which could in turn impact our financial performance and condition, and our cash flows. These risks would be similar to those applicable to the Group.

The Group, its subsidiaries, joint-ventures and associates, are and may continue to be, involved in litigation.

The subsidiaries, joint ventures and affiliates of the Group have been and may from time to time be subject to legal or administrative proceedings, contract disputes or liability claims, and we may be named as a defendant in legal proceedings, whether related to contractual disputes or other factors in connection with the services such businesses undertake in the ordinary course. Any litigation, pending, threatened or future claims against us and subsequent liability, warranty obligations, and other liabilities which, to the extent not covered by the applicable Group companies' insurance or which exceeds such insurance limits could result in a financial loss to us, and accordingly may have a material adverse impact and consequences on the Group's business, results of operations and financial condition. Please see section 19.5 of this Prospectus for information on current litigation / legal proceedings relating to the Group.

We are reliant to a material extent on the income and dividends being received from our joint ventures and associates in which we do not have a controlling interest.

We derive a significant portion of our profit from our interests in our joint ventures and associates. For the years ended 31 December 2011, 2012 and 2013, and nine months ending 30 September 2014, our share of the results of our joint ventures and associates was USD 109.1 million, USD 79.7 million, USD 58.4 million and USD (174.9) million respectively. We are also reliant to a material extent on the dividends from our joint ventures and associates (in particular, from BESIX in which we hold a 50% shareholding). For the years ended 31 December 2011, 2012 and 2013, and nine months ending 30 September 2014, we received dividends from our joint ventures and associates of USD 32.4 million, USD 33.5 million, USD 33.0 million and USD 32.2 million respectively. We do not have access to the cash that our joint ventures and associates generate from their respective activities, unless declared as a dividend to us and the other shareholders with ownership interest in such entities. Declining profitability of these joint ventures or associates or decisions not to make such distributions could have a negative effect on their ability to make distributions and other payments to us. No assurance can be given that our share of distributions from joint ventures or associates will continue to contribute an equal or higher amount to our profit or at all. However, we have received a consistent level of dividends from certain significant equity accounted for investees, particularly BESIX. In the event of any significant reduction in their contribution to our profit or cash flows, this could have a substantial impact on our business, profitability, financial condition and prospects. In the event of an insolvency, bankruptcy, liquidation, dissolution or winding-up of the business of any such joint venture or associate, secured and unsecured creditors of such joint venture or associate will have the right to be paid in full before any distribution is made to us and we may need to write-off that investment.

We rely on our joint ventures and associates to provide us with the financial information that we use in accounting for our ownership interest that we include in our disclosures and public filings.

We account for certain of our joint ventures and associates using the equity method of accounting and, accordingly, in the financial statements of the Company we record our share of such entities' net income or loss. We rely on our joint ventures and associates to provide us with financial information prepared in accordance with the respective financial standards, which we use in the application of the equity method. No assurance can be given that such entities will provide us with the information necessary to enable us to

complete our public filings on a timely basis or at all. Furthermore, any material misstatements or omissions in the information provided to us could have a material adverse effect on our financial statements.

Interest rate risk due to significant presence in emerging markets.

Due to the Group's current presence and potential expansion in, emerging markets, it is subject to high interest rates and substantial interest rate volatility, and therefore needs to actively manage interest rate risk to limit any negative impact on its cash position arising from fluctuations in interest rates. A failure to manage this interest rate risk could have a material adverse effect on the Group's business, financial condition, results of operations and/or prospects.

We could be affected by acrimonious employee relations, which could adversely affect our operations.

Although we consider our employee relations to be good, we cannot be certain that disputes with employees or employee representatives of works councils will not occur in the future. Such disputes could impact employee performance and workplace relations which could have a material adverse effect on our business and results of operations.

If we are unable to attract and retain qualified managers and skilled employees, we will be unable to operate efficiently, which could reduce our results of operations, cash flows and liquidity.

Our businesses are labour intensive and given the nature of the highly specialised work the Group performs or is involved in, many of its employees are trained in and possess specialised technical skills. Accordingly, it can be difficult for us to find qualified and affordable personnel. We may be unable to hire and retain a sufficient skilled labour force necessary to support our operating requirements and growth strategy. Our labour expenses may increase as a result of a shortage in the supply of skilled personnel and we may also be forced to incur significant training expenses if we are unable to hire employees with the requisite skills. Additionally, our businesses are managed by a number of key executive and operational officers and are dependent upon retaining and recruiting qualified management. We believe that our committed senior management team has been of central importance to our historic growth and is key to our ability to deliver our future growth strategy. We cannot guarantee that we will retain all of these key personnel. Labour shortages, increased labour or training costs, or the loss of key personnel could materially adversely affect our results of operations, cash flows and liquidity.

Our business is vulnerable to the cyclical nature of the end-markets we serve and economic downturns could reduce capital expenditures in the industries the Company serves, which may result in a decrease in demand for its services.

Our business is closely linked to the growth and performance of the sectors we serve, including but not limited to power generation, infrastructure, industrial, commercial and real estate. The demand for such services in these sectors has been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the global economy impacting public and private sector investments, and accordingly may result in volatility between periods of low and high demand and activity in these sectors. Given the recent financial markets turmoil, our customers may not have the ability to fund capital expenditures for infrastructure projects, or may have difficulty in obtaining financing for projects, which may result in cancellations of announced projects or deferrals of projects to a later date. Slowdowns in real estate, fluctuations in commodity prices and decreased demand by end-customers for services could also affect our customers and their capital expenditure plans. Such cancellations or deferrals could result in decreased demand for our services or the profitability of those services and could materially adversely affect our results of operations, cash flows and liquidity, and prospects.

To mitigate the impact of potential slowdowns, we continually monitor our customers' industries and their relative health compared to the economy as a whole. Additionally, during the current economic downturn and in any future downturn, our customers may not have the ability or desire to continue to fund capital expenditures for infrastructure projects or may determine to outsource less work. A decrease in any of these projects or any other services which we provide could materially adversely affect our results of operations, cash flows and liquidity.

The construction industry is highly competitive, which may reduce our market share, reduce our margins and accordingly harm our financial performance.

The construction industry is highly fragmented, and we compete with other companies in most of the markets in which we operate, ranging from small independent firms servicing local markets to larger firms servicing regional and international markets. There are relatively few barriers to entry into certain sectors or the markets in which we operate and, as a result, any organisation that has adequate financial resources and access to technical expertise and skilled personnel may become one of our competitors. Some of our competitors may have greater resources than us or specialized expertise in certain segments.

We compete on the basis of price, execution capability and track record, reputation and brand, healthy safety and environment record and product and service quality. Most of our customers' work is awarded through a bid process, which can be highly competitive. Consequently, price is often the principal factor in determining which service provider is selected, especially on smaller, less complex projects. Our competitors could be inclined to take greater or unusual risk or accept terms and conditions in a contract that we may not deem acceptable to us, and are sometimes able to win bids for these projects based on price alone due to their lower costs and financial return requirements. There is also no assurance that we will not face additional competition from international contractors entering or expanding their business in our markets. If we are unsuccessful in bidding on these projects, and if price competition were to intensify, and accordingly our ability to win such projects requires that we accept smaller margins or terms that we typically do not deem acceptable, then our results of operations, profitability and margins' level, cash flows and liquidity could be materially and adversely affected.

Currency risk due to our geographic diversification.

The Group operates in a large number of geographic markets and as a result its construction backlog and operating expenses are exposed to a wide range of currencies, including USD, EUR, DZD, EGP, JPY and USD-pegged Middle Eastern currencies, which exposes the Group to potential currency risk. The Group is exposed to currency transaction risk to the extent there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of companies within the Group. Additionally, since the Company's financial statements are denominated in US Dollars, the Company is exposed to currency translation risk as a result of foreign exchange fluctuations of the currencies in which its subsidiaries' assets and liabilities are denominated against the US Dollar. In addition, in a number of jurisdictions in which we operate (including Egypt) it may be difficult to convert local currency into international reserve currencies. Although this currency risk is currently naturally hedged due to the basket of currencies the backlog is comprised of, if this were to change and we were unable to manage this currency rate risk, this could result in an increase in costs and may impact our cash flows, which could have a material adverse effect on our business, financial condition, results of operations and/or prospects.

Amounts included in our backlog are management estimates that may not result in actual revenue or translate into profits, and our backlog is subject to cancellation, delay and adjustments and therefore is an uncertain indicator of future operating results.

Our backlog is based on our estimates of awarded and on-going projects which have not yet completed and therefore may not result in actual receipt of revenue in the originally anticipated period, or at all. Our backlog does not, however, constitute a profit forecast or estimate. In addition, contracts included in our backlog may not be profitable as we may experience variances in the realisation of our backlog because of contract termination or suspension, project delays, terminations or cancellations resulting from weather conditions, other project deferrals or delays, scope adjustments, foreign exchange rate movement, force majeure, legal impediments, default by our customers, external market factors and economic or other factors beyond our control. Backlog is computed based on facts known and assumptions deemed appropriate at the computation date. Backlog is calculated as per our best estimate of the remaining contractual value of a project as at the date of announcement, and is generally conservatively calculated to include signed contracts and in some instances direct orders. The Company may decide to include or exclude any projects in the backlog it deems necessary to accurately reflect estimated revenue visibility. Our definition of backlog may not necessarily be the same as that used by other companies engaged in activities similar to ours. As a result, the amount of our backlog may not be comparable to the backlog reported by such other companies. The backlog is expressed in USD based on end of period exchange rates, while a significant amount of it is payable in local currencies (such as EGP and Saudi Riyal, as well as other local currencies). As a result, any depreciation of such local currencies would decrease the amount

of revenue we will realize. If our backlog fails to materialise, our results of operations, cash flows and liquidity would be materially and adversely affected. Our backlog as of any particular date is an uncertain indicator of future cash flow and earnings. Further, there can be no assurance that the Company will secure contracts that are equivalent in both scope and duration to replace the current backlog or that the current backlog will perform as expected. Accordingly, the backlog figures are not necessarily indicative of future revenues, cash flows, earnings or profits related to the performance of the related contracts. Furthermore, historical correlation between backlog and revenues may not occur in the future. The risk of contracts being cancelled or suspended generally increases during periods of wide economic slowdowns. There is no assurance that backlog will actually be realised as revenues in the amounts reported or, if realised, will result in profits. See *“Risk Factors—Risks relating to our construction business—A number of significant client relationships and contracts comprise a material part of our business.”*.

In addition, if we are unable to complete a contract within the agreed timeframe, the client may be entitled to levy penalties under the terms of its relevant agreement, which could have a material adverse effect on our business, financial condition, results of operations and/or prospects.

The Company’s use of the percentage-of-completion accounting method for construction contracts could result in a reduction of previously recorded profits.

In accordance with IFRS, the Group measures and recognises a large portion of its revenues and profits under the percentage-of-completion accounting methodology for construction contracts. This methodology allows the Company to recognise revenues and profits rateably over the life of a construction contract, without regard to the timing of receipt of cash payments, by comparing the amount of the costs incurred to date against the total amount of costs expected to be incurred. This method relies on estimates of the extent of progress towards completion, including estimates regarding the scope of deliveries and services required for fulfilling the contractually defined obligations, total contract costs, remaining costs to completion, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. Management continually reviews such estimates and adjusts these as necessary. The effect of revisions to estimated costs is recorded when the amounts are known and can be reasonably estimated and may lead to an increase or decrease in revenues in the reporting period in which it is recorded. These revisions can occur at any time and could be material. On a historical basis, the Company believes that it has made reasonably reliable estimates of the progress towards completion on its long-term contracts. However, given the uncertainties associated with these types of contracts and inherent in the nature of the Company’s industry, it is possible for actual costs to vary from estimates previously made, which may result in reductions or reversals of previously recorded profits.

The Company is dependent on third-party suppliers and sub-contractors.

The Company sources materials and supplies from third-party suppliers and also engages sub-contractors on significant projects. The use of third-party suppliers and sub-contractors exposes us to potential liabilities that may arise in cases where such third-party suppliers or sub-contractors fail to meet pre-agreed budgets, timelines and quality of a particular project or materials supplied to us. The materials and supplies used in many of our projects are required to conform to high quality specifications, and the work we are contracted to provide must be provided to a minimum standard. The use of third-party suppliers and sub-contractors also increases the demands on our quality control personnel and exposes us to risks that the materials purchased from such suppliers or services provided by such sub-contractors may not meet necessary quality standards and consequently result in delays in correcting any deficiencies. To the extent that we are unable to rely on these third-party suppliers or sub-contractors, either due to an adverse change in our relationships with them, increases in the cost of their goods and services, or a supplier’s inability to provide us with materials or services in a timely manner or of the necessary quality, the Company could be adversely affected through higher costs or the resulting potential inability to service its customers, which could have a material adverse effect on our business, financial condition, results of operations and/or prospects.

Disruption in the supply of raw materials or equipment could negatively impact the Group.

The Group depends on reliable access to certain raw materials and equipment essential to its operations. Supply shortages, supply chain problems, other, market conditions and import/export controls, amongst other factors could trigger certain constraints in supply. In the event of supply disruption, there could be project delays, and such delays could negatively impact our business, profitability and results of operations.

Warranty claims resulting from our services could have a material adverse effect on the Company.

We generally warrant the work we perform for varying periods of time following substantial completion of a project, subject to further extensions of the warranty period following repairs or replacements. In addition, a number of jurisdictions in which we operate impose statutory warranty periods in respect of construction projects. A number of these warranty periods may be of a material duration (for example, Egypt and the UAE have a 10 year liability period in respect of building construction works) and may involve strict liability. Whilst we do, in respect of projects which we believe are characterised by a higher degree of risk associated with potential warranty claims, make provisions for such potential claims, such provisions may not be sufficient to cover the costs associated with potential warranty claims (and warranty claims may be made relating to matters in respect of which we have not made any provision). The costs associated with any such warranty claims, including any warranty-related legal proceedings, could have a material adverse effect on our results of operations, cash flows and liquidity. We may be subject to claims in relation to our business activities. No assurances can be given that the Company will prevail in any such disputes, and an adverse decision or an extended or high profile dispute could have a material adverse effect on the Company's business, results of operations and financial condition.

Market fluctuations, including potential inflation in local economies may affect some customers' ability to pay for our services, and it may also adversely affect the stability of the construction markets in those countries.

Our operations are dependent upon the economies of the markets in which we have interests, the majority being emerging markets. These markets are in countries with economies in various stages of development or structural reform, some of which are subject to rapid fluctuations in terms of consumer prices, employment levels, gross domestic product and interest and foreign exchange rates. We may be subject to such fluctuations in the local economies in which we operate and to the effect of such fluctuations on the ability of customers to pay for our services and on our ability to increase our client base in such affected countries. In addition, these fluctuations may affect the ability of the market to support our existing interests or any growth in our operations. It is also possible that a period of significant inflation in any of the markets in which we operate could adversely affect our business, financial condition, results of operations and/or prospects.

The Company may be affected by difficult work sites and environments, which could cause delays and result in additional costs.

We perform work under a variety of conditions, including, but not limited to, difficult and hard to reach terrain and difficult site conditions. Performing work under such conditions can result in project delays or cancellations, potentially causing us to incur additional, unanticipated costs, reductions in revenues or the payment of liquidated damages.

Some of our projects involve challenging engineering, procurement and construction phases that may occur over extended time periods, sometimes over several years. We may encounter difficulties in engineering, delays in designs or materials provided by the customer or a third party, equipment and material delivery delays, schedule changes, delays from customer failure to timely obtain rights-of-way, weather-related delays and other factors, some of which are beyond our control, but which impact our ability to complete a project within the original delivery schedule. In some cases, delays and additional costs may be substantial and we may be required to cancel a project and/or compensate the customer for the delay. We may not be able to recover any of such costs. Any such delays or cancellations, defects or errors or other failures to meet customer expectations could result in damages claims substantially in excess of the revenue associated with a project. Delays or cancellations could also negatively impact our reputation or relationships with our customers, which could adversely affect our ability to secure new contracts.

We are subjected to hazards that could result in liabilities and weaken our financial condition.

Construction projects undertaken by us expose our employees to electrical lines, pipelines carrying potentially explosive materials, heavy equipment, mechanical failures, transportation accidents, adverse weather conditions and the risk of damage to equipment and property. These hazards can cause personal injuries and loss of life, severe damage to or destruction of property and equipment and other consequential damages and could lead to suspension of operations and large damages claims. In addition, if serious accidents or fatalities occur, or our safety record were to deteriorate, we may be restricted from bidding for certain projects and obtaining other new contracts and certain existing contracts could be

terminated. The occurrence of accidents in our business could result in significant liabilities, employee turnover, increased project costs, or harm our ability to perform under our contracts or enter into new contracts with customers, which could materially reduce our revenue, profitability and liquidity.

Our operations and that of our equity accounted investees may impact the environment or cause exposure to hazardous substances, and our properties and those of our equity accounted investees may have environmental contamination, which could result in material liabilities.

The nature of our operations and that of our equity accounted investees requires assuming certain risks which could cause environmental and other damages. Our operations and those of our equity accounted investees are subject to various environmental laws and regulations, including those dealing with the handling and disposal of waste products, polychlorinated biphenyls (PCBs), fuel storage and air quality. Certain of our current and historical construction operations and those of our equity accounted investees have used hazardous materials and, to the extent that such materials are not properly stored, contained or recycled, they could become hazardous waste. We and our equity accounted investees may be subject to claims under various environmental laws and regulations and/or common law doctrines for toxic torts and other damages, as well as for natural resource damages and the investigation and clean-up of soil, surface water, groundwater, and other related occurrences. Such claims may arise, for example, out of current or former conditions at project sites, current or former properties owned or leased by us, and contaminated sites that have always been owned or operated by third parties. Liability may be imposed without regard to fault and may be strict, joint and several, such that we may be held responsible for more than our share of any contamination or other damages, or even for the entire share, and may be unable to obtain reimbursement from the parties causing the contamination. Our insurance and that of our equity accounted investees may not be sufficient or may not apply to certain types of environmental damage.

Certain of the Group's credit facilities are repayable on demand and a simultaneous call of a significant number of such facilities and/or commitments would have a negative impact on our working capital position.

In the ordinary course of our business, the Group is a party to certain credit facilities that are repayable on demand which are used to partially fund the Group's working capital requirements. In terms of direct exposure to the Group, certain facilities are structured in the form of overdrafts that are callable on demand and in line with construction industry norms. In terms of contingent exposure to the Group, certain facilities are structured in the form of bid, advance, performance and retention guarantees that are related to the underlying tenor requirements as per the construction contracts with the counter parties which can go beyond the one year nature of the facility maturity date. Consequently, the relevant lenders have the contractual right to call on all or a significant portion of our facilities, in the following manner;

1. For direct exposure: the amount outstanding to the relevant lender would be immediately payable to such lender.
2. For contingent exposure: the relevant lenders would require backstopping of these guarantees or collateralizing of the outstanding exposure.

The Group is subject to the risk that, contractually, one or more of these facilities may be called by the relevant lenders. Although historically the Company has not been subject to such a call event, lenders retain the legal right to make such a call in the future and therefore there is a risk that the relevant lenders could simultaneously call our facilities. Historically the Group has never experienced a simultaneous immediate callability event. Furthermore, all of our facilities have been renewed successfully. The Group has credit facilities from approximately 25 banks on a bilateral basis with annual facility maturity dates starting from January to December of every fiscal year. To the extent that a significant portion of our facilities are called by the lenders, or we are unable to renew several of our existing credit facilities, the Group's liquidity and financial position could be materially adversely affected which in turn would have a material adverse effect on our operations, financial position, results of operations and prospects.

Inherent to the contracting business, the Group is exposed to performance-based risk in respect of its construction projects which can lead to our clients liquidating outstanding guarantees in relation to projects in the event that we breach the terms and conditions of the contractual agreement in relation to such projects.

In the ordinary course of our business, the Group is subject to performance-based risk in its execution of certain projects in accordance with the terms stipulated in each contract. We are obliged to complete projects under certain terms and conditions specified in our contractual agreements with clients that we may or may not be able to meet. Should we fail to meet our contractual obligations as part of these

contracts, our clients retain the ability to call outstanding guarantees issued on our behalf by the relevant guarantors. Historically, the risk of our clients liquidating our guarantees for performance-based reasons has been low, although it is possible that one or more of these facilities may be called. In mid-2014 the Group experienced a one-off and unusual liquidation of guarantees with regards to the Sidra Medical and Research Centre in Qatar. A Contrack consortium was awarded the project in 2008. In July 2014, the consortium received a Notice of Termination from the client, despite the fact that the project was more than 95% complete at the time. It is also highly unusual for guarantees to be liquidated without adhering to normal steps of dispute, especially given the high level of completion of the project. Accordingly, guarantees of USD 98.4 million were called. The matter has since been referred to arbitration. Management, our JV partners, and our advisors believe that we have a strong position. Historically, this is the only liquidation of material magnitude for the Group and the Directors of the Company believe it is not representative of the risks associated with the Company's ordinary course of business. Nevertheless, a sudden demand for repayment of a significant quantum or number of guarantees may result in a reduction of our working capital, which would in turn have a material adverse effect on our operations, financial position, results of operations and/or prospects.

Risks related to the tax liability of Orascom Construction Industries S.A.E.

On 6 October 2012, the former President of the previous regime in Egypt gave a public speech in which he stated that a number of companies were to be targeted for tax evasion. Shortly thereafter, Orascom Construction Industries S.A.E. (OCI S.A.E.) received an unsubstantiated tax evasion claim related to the sale of its cement assets to Lafarge SA in 2007. This was filed against OCI S.A.E. despite there being no official investigation to support these accusations. The board, management and external advisors always maintained the view that OCI S.A.E. had soundly applied and followed all laws and regulations at all times. However, given the significant strain and repercussions faced by OCI S.A.E., which would not have been in the best interest of OCI S.A.E.'s stakeholders, a settlement was reached whereby approximately USD 1 billion would be paid over a five-year period.

Following the change in government, the Egyptian Public Prosecutor thoroughly investigated the entire tax file over a six months period and fully exonerated OCI S.A.E. of any tax evasion in a final written opinion published on 18 February 2014. Subsequently, OCI S.A.E. re-launched its legal right to appeal the tax settlement and the case was referred to the Egyptian Tax Authority's (ETA) Independent Appeals Committee. This committee was originally reviewing OCI S.A.E.'s tax returns, but the process was terminated by the previous administration.

On 4 November 2014, the Independent Appeals Committee issued a final decision in favour of the Company, prompting the Company's auditor to reverse previously booked provisional liabilities in relation to this matter. On 11 December 2014, OCI S.A.E. received a notification that the ETA lodged an appeal before the first instance court. On 6 January 2015, the court decided to postpone the first hearing to 27 March 2015. As this dispute does not relate to either business exclusively, any liabilities and any recoveries are shared under the Tax Claim Agreement on a 50% basis between OCI N.V. and Orascom Construction Limited (excluding the EGP 2.5 billion to be paid to Tahya Misr social fund in Egypt).

The appeal did not include new facts or documents but was rather filed as a legal formality by the ETA which is customary for Egyptian government entities. The proceedings usually take between two to three years before the court issues its judgment. The Company believes the likelihood of a judgment issued in favour of the ETA is weak. Although, it is very rare to see judgments issued by Appeals Committees overturned by courts there can be no assurance that the appeal will not be accepted by the first instance court, and an adverse decision could impact the Company's financial performance.

2.4 Risks relating to the Demerger and Admission

Risk that the intended demerger of Orascom Construction Industries S.A.E. is not achieved.

OCI N.V. intends to demerge Orascom Construction Industries S.A.E. (OCI S.A.E.) into two separate companies, an Egyptian fertilizer group company and an Egyptian construction company (the **Egypt Demerger**). The shares of the Egyptian construction company (**Construction Egypt**) will then be transferred to OC IHC 4 B.V., a wholly owned subsidiary of the Company, to formally become its legal subsidiary upon completion of the Egypt Demerger, pursuant to the Conditional Sale Agreement. Until the Egypt Demerger is approved and effected, the economic benefits/liabilities of all of the shares owned by OCI MENA B.V. (as a 100% subsidiary of OCI N.V.) will be transferred to OC IHC 4 B.V., including all the underlying construction business and projects of OCI S.A.E. and the shares of its subsidiaries engaged

in the construction business, through the Conditional Sale Agreement signed by OCI MENA B.V. and OC IHC 4 B.V. (see section 16.1 of Part 16 (“*Related Party Transactions and Conflicts of Interest*”) of this Prospectus for details of the Conditional Sale Agreement).

The process for implementing the Egypt Demerger will not be completed prior to Admission as this is expected to be a six to nine month process following the entry into the Conditional Sale Agreement depending on regulatory approvals, which comprise approvals from EFSA and the General Authority for Investment and Free Zones (GAFI).

In addition, to confirm the above, a resolution by the board of directors of OCI S.A.E. and an extraordinary general assembly are required to approve the Egypt Demerger in principle. On 28 January 2015, the OCI S.A.E. board of directors approved the Egypt Demerger in principle. On 29 January 2015, OCI S.A.E. published an invitation to its shareholders to attend an EGM on 15 February 2015 to vote on the Egypt Demerger in principle. On 15 February 2015, the EGM of OCI S.A.E. approved the Egypt Demerger in principle. A subsequent EGM for OCI S.A.E. will be required at a later date to approve the details and implementation of the Egypt Demerger in accordance with the applicable laws and regulations. It is important to note that since OCI S.A.E. is 99.84% owned by OCI MENA B.V., shareholder consent has effectively already been secured. According to the terms and conditions of the Conditional Sale Agreement, OCI MENA B.V. has agreed to vote in favour of any resolutions required in connection with approval of the Egypt Demerger.

However, in the event that the requisite regulatory approvals are not attained, there is a risk that the intended demerger of OCI S.A.E. may not be achieved, that Construction Egypt may not be incorporated and accordingly title to its shares, including the underlying construction business assets and projects, may not be transferred to the Company. In the event that the demerger fails to materialize, however, the Company will continue to be entitled to the economic benefits/liabilities of the shares held by OCI MENA B.V. in the construction business of OCI S.A.E. pursuant to the Conditional Sale Agreement. The construction contracts of the construction business of OCI S.A.E. will be managed by the Company. The Company’s shareholders are thus protected from the risk that the demerger of OCI S.A.E. does not take place since all of the relevant economic benefit will continue to accrue to the Company’s group under the Conditional Sale Agreement. There remains a residual risk that OCI MENA B.V. does not comply with the terms of the Conditional Sale Agreement but the Company does not consider this to be a material risk.

The Group may not realize some or all of the anticipated benefits of the Demerger.

There can be no assurance that the Company will realise some or all of the potential benefits that we and the board of directors of OCI N.V. expect from the Demerger in the time we expect or at all that are outlined in this Prospectus. Prior to the Demerger, our business was operated as part of OCI N.V.’s broader corporate organization rather than as an independent company. By virtue of separating our business from OCI N.V., we may be more susceptible to market fluctuations and other adverse events. Even if the benefits of the Demerger are ultimately realised, the Company may need a period of transition before it is able to operate effectively as a group separate from OCI N.V.. In addition, the management of the Company will require a period of transition to implement the Company’s strategy as a separate group, which may divert management’s attention from operating and growing our business. These factors could affect the Company’s ability to pursue its strategy and to react to events, and could limit its ability to realise the potential benefits of the Demerger and could adversely affect its business, financial condition and results of operations.

The financial results of Orascom Construction after completion of the Demerger may be more volatile than those of OCI N.V. before the Demerger.

OCI N.V. prior to the completion of the Demerger has historically benefited from diversification, resulting from operating the construction business alongside the fertilizer business. These two businesses operate in different geographical markets with different target customers, which tend to moderate volatility of financial results. For example, revenues for the construction business are more seasonal than those for the fertiliser business. Following the Demerger, that diversification will end and Orascom Construction may experience increased volatility in its financial results.

Orascom Construction's special purpose combined financial information may not give a true and fair view of its business, result of operations and/or financial position.

Orascom Construction's special purpose combined financial information included in this Prospectus does not reflect what Orascom Construction's actual operations, financial position and result of operations would have been had the construction business of OCI N.V. operated as an independent group or a separate standalone entity pursuing different strategies during the periods presented, and they may not be indicative and are not representative of Orascom Construction's future operations, future financial position, future cash flows and/or result of operations.

Orascom Construction has not in the past formed a separate legal group, and the financial results of its operations have been consolidated with the results of operations, financial position and cash flows of OCI N.V. The carve-out financial information for Orascom Construction included in this Prospectus has been prepared on a "carve-out" basis from OCI N.V.'s consolidated financial statements using the historical results of operations, assets, liabilities and cash flows attributable to Orascom Construction and certain assumptions and estimates were made which affected the recognition and the amount of the assets, liabilities, income and expenses. We will enter into transactions and contracts with OCI N.V. that did not exist prior to the Demerger such as the provision of transitional services which will cause us to incur new costs.

The historical information contained in the special purpose combined financial statements does not reflect the changes that we may experience in the future, including changes in our cost structure, tax structure, and business operations. Following the completion of the Demerger and Admission, we will incur additional costs not previously incurred as a result of our separation from OCI N.V. that are associated with being a publicly listed independent company.

Additional information is presented in Orascom Construction's combined financial information included in the section headed "*Financial Statements*" in this Prospectus. Orascom Construction's audited combined financial information included in this Prospectus has been prepared for illustrative purposes only and, because of its nature, it addresses a hypothetical situation. The combined special purpose financial statements provided herein include an allocation of certain corporate and administrative functions historically provided by OCI N.V. The share of costs historically allocated to the Group may not necessarily be indicative of costs it would historically have incurred or future costs it expects to incur as a standalone business. Furthermore, transactions carried out in conjunction with the Demerger will result in a different debt and equity structure for the Group. The audited combined financial information illustrates what the hypothetical impact would have been if the Demerger and certain Orascom Construction formation related transactions had been consummated at the dates assumed in the combined financial information and, therefore, does not represent the actual results of operations or financial position of Orascom Construction. Orascom Construction was formed on 18 January 2015, and consequently it does not have an operating history as a separate company. The audited combined financial information is not intended to project the results of operations or financial position of Orascom Construction for any future period or as at any future date. Any adjustments are based on available information and assumptions, and their factual effects may differ from what has been presented in this Prospectus, and consequently the result of operations and/or financial position presented in the audited combined financial information may differ from Orascom Construction's actual result of operations and/or financial position.

In preparation for the Demerger, we have implemented a number of corporate governance and other policies, processes, systems and controls which have a limited operating history on a standalone basis.

In preparation for the Demerger, we have implemented a number of corporate governance and other policies, processes, systems and controls to comply with the requirements for a publicly listed company on NASDAQ Dubai. Whilst, as part of the OCI N.V. group, similar governance, policies and procedures were adopted in the construction business prior to the Demerger, the Company has not operated these policies and procedures on a standalone basis. Accordingly, whilst we believe we will be in full compliance with these requirements from Admission, we do not have a track record on which we can assess the performance of these policies, processes, systems and controls or an analysis of their outputs. Any material inadequacies, weaknesses or failures in our policies, processes, systems and controls could have a material adverse effect on our future business operations and prospects.

We will be reliant on a number of contracts with OCI N.V.

We will have a continuing relationship with OCI N.V. both as the contractor on OCI N.V.'s greenfield projects in the United States, and through certain contracts related to the execution of the Demerger.

Prior to completion of the Demerger, we have entered into a Shared Services Agreement (whereby OCI N.V. will provide certain services to us on a transitional basis, and vice versa) and a Conditional Sale Agreement (whereby the economic benefit of certain material projects as well as track record will accrue to the Company). There can be no assurance that these agreements will function as intended or produce the expected benefits. In the event there is a material conflict of interest with OCI N.V. resulting in a breach of any of these agreements, we would not have immediate access to any such services or projects. Our failure to successfully enter into similar arrangements could have a material adverse effect on our business, financial condition and results of operations. Further information on these contracts can be found in Part 16 (“*Related Party Transactions and Conflicts of Interest*”) of this Prospectus.

As a significant customer of the Company, OCI N.V.’s greenfield fertilizer and methanol projects in the United States represented approximately 30% of our revenue in the nine months ended 30 September 2014 and approximately 26.7% of our backlog as at 30 September 2014. See “*Risks relating to our construction business—A number of significant client relationships and contracts comprise a material part of our business.*” Further information on the contracts which govern these projects can be found in Part 16 (“*Related Party Transactions and Conflicts of Interest*”) of this Prospectus.

Given the continued commercial and operational relationship between OCI N.V. and the Company, and the Sawiris family’s collective holdings of an approximately 53.9% stake in both OCI N.V. and the Company as at the date of this Prospectus, there can be no assurance the Company’s reliance on its relationship with OCI N.V. does not pose a potential risk to its future operations and financial performance, for example, due to the fact that the interests of OCI N.V. or of our controlling shareholders may differ from the interests of our other shareholders.

Please see also the risk factor headed “*The Sawiris Family collectively exercises control of the votes to be cast on all or substantially all matters that require a simple majority vote of shareholders*” in Part 2 (“*Risk Factors*”) of this Prospectus.

Substantial sales of the Shares after the completion of the Demerger, or the prospect of such activity, could materially and adversely affect the price of the Shares.

Following the completion of the Demerger, there may be substantial trading activity in the Shares in the public markets. This may occur where previous shareholders in OCI N.V. do not wish to hold Shares admitted to trading on NASDAQ Dubai or may not be able to hold Shares as a result of their own portfolio requirements, our business profile and market capitalization, their own investment objectives and/or preferences, or, in the case of index funds, the Company not being a participant in the index in which they are investing. A high level of trading activity may lead to volatility in the price of the Shares and significant selling pressure or a perception that this may occur, may adversely affect the price of the Shares. Declines in the market price of the Shares may impair the Company’s ability to raise capital through an offering of securities in the future.

It is not possible to predict the prices at which the Shares will be traded after the Demerger.

Prior to Admission, there has been no public market for the Shares. In addition the Shares in connection with Admission only are not being offered generally and no book building or other pricing mechanism is being used. Consequently, the initial trading price of the Shares will be determined by the Company based on its estimate of the market value of the Company, having considered all relevant factors. Among the factors considered in determining the initial trading price will be the trading price of OCI N.V. at the relevant time, the respective sizes of the construction and fertiliser businesses based on the financial statements of OCI N.V. and the size of the capital reduction implemented to effect the Demerger.

The market prices of the Shares may decline below their initial trading price. After admission, the market prices of the Shares may fluctuate significantly due to a number of factors, including:

- developments in the current or future geopolitical situation in Egypt and other countries in which the Group operates;
- actual or anticipated fluctuations in periodic operating results;
- changes in estimates by securities analysts or our ability to meet those estimates;
- changes in securities analysts’ recommendations or perceptions;
- changes in global commodities prices;

- overall fluctuations in global markets;
- the depth and liquidity of the markets for the Shares;
- conditions in the relevant markets where the Group operates;
- changes in the operational performance or market valuations of other comparable companies involved in any of the same markets as the Group;
- our ability to successfully implement our growth strategy;
- announcements of significant contracts, acquisitions, strategic partnerships, joint ventures or capital commitments by the Group or its competitors;
- additions or departures of key personnel;
- existing or potential litigation and unforeseen liabilities;
- changes in capital gains taxes and taxes on dividends affecting Shareholders;
- changes in laws (including tax laws), legislation or regulations affecting our business; and
- general economic conditions.

The Group intends to list Shares on both NASDAQ Dubai and the EGX and certain potential implications may result from the dual-listing.

The Company will be listed on both NASDAQ Dubai and the EGX. The trading price of the Shares on these exchanges may diverge for a number of reasons beyond our control. For example, Egypt has implemented currency control restrictions and, in particular, rules surrounding the repatriation of dividends to foreign investors which would not apply in respect of Shares listed on NASDAQ Dubai. In addition, the Shares listed on NASDAQ Dubai will trade in USD whilst the Shares listed in EGX will trade in EGP. The impact of currency exchange rate fluctuations may mean that the prices of Shares listed on the two exchanges may diverge, and this might be exacerbated by Shareholders taking advantage of arbitrage opportunities between the two listings. The market price of the Shares listed on NASDAQ Dubai may be affected by fluctuations in the market price of the Shares listed on the EGX. It is impossible to predict whether the price of the Shares listed on either stock exchange will rise or fall. Trading prices of the Shares will be influenced by, among other things, the Company's financial condition, results of operations and both global, United States and MENA political, economic and financial conditions. Any decline in the price of the Shares admitted to trading on NASDAQ Dubai may have an adverse effect on the liquidity and market price of the Shares listed on the EGX and vice versa. In particular, securities markets in the DIFC and Egypt are smaller and more volatile than securities markets in countries with more mature markets. No assurance can be given that the price of the Shares on NASDAQ Dubai or the EGX will not fluctuate sharply in the future. All of these factors may adversely affect the trading price of the Shares.

Also, following Admission, the Shares will be traded on both NASDAQ Dubai and the EGX. Investors should be aware that these exchanges are not open simultaneously for trading at all times. Differences include:

- the time difference is such that Dubai, UAE is usually one or two hours ahead of Cairo; and
- Dubai and Egypt observe different public holidays.

In February and March 2011, the EGX was closed for 40 days as a result of the revolution in Egypt. If the markets were to close again, the Shares would be traded on NASDAQ Dubai but not on the EGX. In these circumstances, Egyptian investors would be in an unfavourable position compared to NASDAQ Dubai investors.

Furthermore, Shareholders or potential investors could be subject to certain risks that may arise whereby the Shares are not fully or at all fungible between the two exchanges, and Shareholders and potential investors become prohibited from transferring their Shares from the EGX to NASDAQ Dubai or vice versa. This could have an adverse effect on the liquidity on such other market.

In addition, the Group will continue to report under Egyptian securities laws. As a result of divergent applicable securities laws and/or market rules, in addition to the time differences between Egypt and the UAE, announcements may be made in Dubai at a time when such an announcement cannot be made simultaneously in Egypt. The trading prices of the Shares may vary due to these and other factors, and a

decrease in the trading price of Shares on the EGX could adversely affect the price of the Shares on NASDAQ Dubai and vice versa.

Supply and demand imbalances between the EGX and NASDAQ Dubai could cause a divergence in the price of the Shares traded on the EGX and the Shares traded on NASDAQ Dubai.

2.5 Risks relating to an investment in Shares

The Shares could be subject to price fluctuations and the market value of the Shares may not reflect the underlying asset value of the Group.

A number of factors outside the control of the Company may impact the long-term performance and the price of the Shares. Such factors include the operating and share price performance of other companies in the industry and markets in which the Group operates, speculation about the Group's business in the press, media or investment community, changes to the Group's profit estimates, the publication of research reports by analysts or failure to meet their financial forecasts, investors' perceptions of our prospects or our markets, increased competition in our markets, new laws and regulations, applicable to our business, and general market conditions. The market price of the Shares may be adversely affected by any of the preceding or other factors regardless of the Group's actual results of operations. Investors should recognise that the price of the Shares may fall as well as rise.

The Group's ability to pay dividends on the Shares will depend on the availability of profits and/or surplus.

The Group's ability to pay dividends is limited under the DIFC Companies Law, which limits a company to only paying cash dividends to the extent that it has profits and/or surplus and cash available for this purpose. As a holding company, the Group's ability to pay dividends in the future is affected by a number of factors, principally the ability of its subsidiaries to declare and pay dividends, and the financial condition and capital requirements of the Group. We also invest in certain businesses and hold such companies as associates which we consider to be material to us. The payment of dividends to the Group by its subsidiaries and associates is, in turn, subject to restrictions, including the terms of any agreements with other shareholders, certain regulatory requirements, certain restrictions under future debt facilities and the existence of sufficient distributable reserves and cash in the Group's subsidiaries. The ability of these subsidiaries to pay dividends and the Group's ability to receive distributions from its investments in other entities is subject to applicable local laws and regulatory requirements and other restrictions, including, but not limited to, applicable tax laws, working capital requirements, the Group's financial condition, and covenants in some of the Group's debt facilities. The Group's Egyptian subsidiaries are not permitted under Egyptian law to transfer Egyptian pounds out of Egypt. Dividends paid to the Company outside Egypt must therefore be paid in foreign currency. Due to the imposition of exchange controls, the supply of foreign currency in Egypt is limited. As a result, the ability of the Group's Egyptian subsidiaries to pay dividends may be materially and adversely affected by the unavailability and/or fluctuating exchange rates, which could in turn materially and adversely affect the Company's ability to pay dividends to its Shareholders in part or at all.

Any decision to declare and pay dividends will be made at the discretion of the Directors and will depend on, among other things, applicable law, regulation, the Group's financial position, regulatory capital requirements, working capital requirements, finance costs, general economic conditions and other factors the Directors deem significant from time to time.

These laws and restrictions could limit the payment of future dividends and distributions to the Group by its subsidiaries, which could restrict the Group's ability to fund other operations or to pay a dividend to holders of the Shares.

Exchange rate fluctuations may affect the price of Shares or the value of any dividends paid.

The Shares will be quoted in US Dollars on NASDAQ Dubai and in Egyptian Pounds on EGX, and any dividends to be announced in respect of such Shares, will be quoted in US Dollars. An investment in Shares by an investor in a jurisdiction whose principal currency is not US Dollars or Egyptian Pounds exposes the investor to foreign currency rate risk. Any depreciation of the US Dollar or the Egyptian Pound in relation to such foreign currency will reduce the value of the investment in the Shares in foreign currency terms and may adversely impact the value of any dividends.

Exchange rate fluctuations could cause a divergence in the price of the Shares traded on NASDAQ Dubai and the Shares traded on the EGX and could adversely affect the value of the Shares and any dividend distributions.

The trading price of the Shares will be quoted in USD on NASDAQ Dubai and in EGP on the EGX.

Fluctuations in the USD / EGP exchange rate in addition to supply and demand imbalances between the Shares traded on the EGX and NASDAQ Dubai could lead to differences in prices between the Shares traded on each market.

Fluctuations in the USD / EGP exchange rate would also affect the USD value equivalent of the proceeds that a potential holder would receive upon the sale of Shares on the EGX which would be settled and received in EGP.

Dividends, if any, with respect to the Shares will be declared in USD and then converted to EGP for payment in relation to Shares which are listed on the EGX. Accordingly, fluctuations in the USD / EGP exchange rate during that period of conversion or generally between the USD and the EGP could have an adverse effect on the net relative amount a holder of the Shares will receive in respect of any dividend distribution.

There is no guarantee that there will be an active trading market for the Shares.

Prior to the Demerger, there has been no public market for the Shares. Furthermore, there can be no assurance that an active trading market for the Shares will develop or be sustained after the Demerger. If no active trading market for the Shares develops, the liquidity of the Shares will be affected, and this may negatively affect the market price of the Shares. Shareholders may in this case find it difficult or impossible to exit from their investment in the Shares.

In addition, NASDAQ Dubai is substantially smaller in size and trading volume than established securities markets, such as those in the United States and the United Kingdom. NASDAQ Dubai (known as the Dubai International Financial Exchange until November 2008) has been open for trading since September 2005 but its future success and liquidity in the market for our securities cannot be guaranteed. Brokerage commissions and other transaction costs on NASDAQ Dubai can be higher than those in other stock exchanges. Such factors could generally decrease the liquidity and increase the volatility of the share price and impair the ability of a holder of Shares to sell any Shares in the amount and at the price and time such holder wishes to do so.

Completion of the Egyptian Offer and commencement of trading on the EGX is conditional upon certain approvals which remain outstanding as of the date of the Prospectus.

Completion of the Egyptian Offer is conditional upon the obtaining of certain regulatory approvals which remain outstanding as of the date of the Prospectus, and are beyond the control of the Group. If the consummation of the Egyptian Offer is delayed, this may delay the execution of certain plans and business targets of the Company.

Shareholders in the Company on or after Admission will experience dilution as a result of the consummation of the Egyptian Offer and may also be diluted in the future.

The Board has approved the respective resolutions in connection with the Egyptian Offer including approving an offering of 12,984,565 Shares, representing 11% of the Company's share capital on completion of the Egyptian Offer. No subscription rights will be distributed to the Company's Shareholders or prospective investors who acquire the Company's Shares prior to the Egyptian Offer, nor will there be any guaranteed entitlement of preferential treatment to the Company's Shareholders as of the period preceding the consummation of the Egyptian Offer. Accordingly if Shareholders and prospective investors do not participate in the Egyptian Offer, they will experience significant dilution in their proportionate interest in the equity ownership of the Company. The Company may in the future seek to raise financing to fund future acquisitions or other growth opportunities. For these and other purposes, such as in connection with share option plans, the Company may issue additional equity or convertible equity securities, or seek to raise financing through conducting equity and convertible equity securities. If and when the Company issues Shares in the future, the percentage holding of a Shareholder in the Company (and, therefore, the economic investment made by the Shareholder) will be diluted if such Shareholder does not acquire its proportional entitlement of additional new Shares and the market price of the Shares may be adversely affected.

Further, it should be noted that the Articles of Association contain anti-dilution provisions giving pre-emption rights to holders of Shares entitling them to be offered any equity securities proposed to be issued by the Company in as near as practicable equal to the proportion in nominal value held by such holder of Shares to their existing holdings of Shares. However, these pre-emption rights do not apply to, among other things, Shares allotted up to 15% of the issued ordinary share capital of the Company in the same calendar year. There is therefore the risk that the Directors can make allotments of Shares up to 15% in any calendar year without offering them first pro rata to existing Shareholders which in turn will lead to a dilution of their percentage shareholding in the Company. When calculating the percentage of securities to be allotted without pre-emption rights, any Shares that are allotted pursuant to an authority to disapply the pre-emption rights (see below) are excluded. It should also be noted that the pre-emption rights may be disappplied in whole or modified as the Board of Directors determine, provided the Board of Directors are authorised to do so by special resolution of the Shareholders of the Company. Conditional on seeking Shareholder approval, the Directors may have further rights to allot Shares (up to the limit agreed by the Shareholders in general meeting) without offering them first pro rata to existing Shareholders which in turn will lead to a dilution of their percentage shareholding in the Company. Further details of these pre-emption rights are set out in the section headed “*Pre-emption rights*” in section 12.2 (“*Articles of Association*”) of this Prospectus.

Negative market conditions on one market on which our Shares are listed may affect the price of our Shares on the other market.

As the Shares will be listed on the DFSA Official List and traded on NASDAQ Dubai, and subsequently listed and traded on the EGX, the respective prices of our Shares will be affected by general market conditions on both NASDAQ Dubai and the EGX. There is no assurance that any negative market conditions on the EGX will not affect the price of our Shares admitted to trading on NASDAQ Dubai and vice versa. Also, on certain occasions when our Shares may trade on one market while the other market is closed for trading, if there are negative trading conditions on the market which is open for trading and the price of our Shares declines during trading hours, investors who hold our Shares on the other market which is closed for trading will not have the opportunity to sell their Shares during that period.

Certain shareholders in the United States may be unable to participate in future rights offerings.

If the Company were to grant rights to participate in future equity offerings to its Shareholders, US holders may not be entitled to exercise these rights unless the rights and related securities are registered under the US Securities Act or an exemption from the registration requirements of the US Securities Act is available. The Company intends to evaluate, at the time of any rights offering, the costs and potential liabilities associated with registering the rights and related securities or qualifying for an exemption under the US Securities Act as well as the indirect benefits to it of enabling its US holders to exercise such rights, and any other factors that the Company considers appropriate at the time.

We cannot assure you of the accuracy or completeness of certain facts, forecasts and other statistics obtained from various public data sources and other third part sources contained in this Prospectus.

Certain facts, forecasts and statistics relating to the construction industry contained in this Prospectus have been derived from public data sources and other third parties (including MEED which we have commissioned), and are generally believed by our senior management to be reliable. However, we cannot guarantee the accuracy or completeness of such information. These facts, forecasts, and other statistics have not been independently verified by us, the Sponsor, the Joint Financial Advisors or EFG-Hermes Promoting and Underwriting, their respective directors and advisors or any other party involved in the Admission or the Egyptian Offer, and none of them makes any representation as to the accuracy or completeness of such information. Furthermore, such facts, forecasts, and other statistics may not be prepared on a comparable basis or may not be consistent with other sources. Shareholders and prospective investors should not place undue reliance on such information as a basis for making an investment decision in the Shares.

The Sawiris Family collectively exercises control of the votes to be cast on all or substantially all matters that require a simple majority vote of shareholders.

The members of the Sawiris Family (being principally the founder Onsi Sawiris and his sons Nassef Sawiris and Samih Sawiris) individually own non-controlling interests in OCI N.V. and collectively own 53.9% of OCI N.V.’s outstanding shares as at the date of this Prospectus. Although the members of the Sawiris

Family own their respective interests in their individual capacities and have not entered into formal agreements to act in concert, immediately following the completion of the Demerger and Admission, the Company considers that the Sawiris Family will collectively exercise control of the votes to be cast on all or substantially all matters that require a simple majority vote of shareholders at the Company's general meetings. These matters include the appointment of Directors on the Company's Board of Directors, the approval of annual financial statements and the declaration of dividends. The Sawiris Family's majority ownership also positions them to prevent a change of control of the Company.

The Sawiris Family will also exercise influence over the business of the Company as Nassef Sawiris is Chairman of the Board of Directors. However, as a board member of Orascom Construction Limited, Nassef Sawiris owes fiduciary duties to the Company and must act in good faith in a manner he reasonably believes to be in the best interests of the Company. In addition, Nassef Sawiris will be excluded from voting on Board matters that relate to OCI N.V..

In addition, the Sawiris family's ownership in companies historically has been a matter of strategic strength to the companies in which they hold individual non-controlling interests (previously OCI S.A.E., and now OCI N.V.), with shareholders, lending institutions, clients, and partners stipulating both verbally and in writing the importance of the family's ownership in the Group.

Please see also the risk factor entitled "*We will be reliant on a number of contracts with OCI N.V.*" in Part 2 ("*Risk Factors*") of this Prospectus.

3. THE DEMERGER

3.1 Background

On 6 November 2014, the board of directors of OCI N.V. announced its intention to seek a dual-listing for the construction business of OCI N.V., through the separation of the construction and fertiliser businesses of OCI N.V. The board of directors of OCI N.V. confirmed its intention to implement the Demerger at its meeting on 10 December 2014. On 16 January 2015, the creditor objection period in relation to the shareholder resolutions passed on 12 November 2014 in connection with the Demerger, expired without any objections being made. On 16 February 2015, the board of directors of OCI N.V. announced the Demerger Record Time for the Demerger and on 7 March 2015 a committee of the board of directors of OCI N.V. passed the necessary resolutions to implement the Demerger. There are no further conditions to completion of the Demerger (other than Admission taking place). The Demerger will result in the construction and fertiliser businesses being owned by two, separately-listed companies. OCI N.V., which will remain listed on Euronext Amsterdam, will hold the fertiliser business and the Company, which will be admitted to trading on NASDAQ Dubai and the EGX, will hold the construction business. The EGX will serve as the secondary listing venue for the Shares.

3.2 Rationale

The board of directors of OCI N.V. believes that completion of the Demerger, establishing the Company as the parent company of the construction business and admitting the Shares to listing on the Official List and to trading on NASDAQ Dubai and to trading on the EGX will have many benefits for the Group and its stakeholders including:

- **Streamline shareholder base:** Creates two separately listed pure-play companies offering distinct investment propositions, each with clear market valuations. This should serve to attract a wider investor base in each company's shares and benefit liquidity in such listed shares.
- **Business transparency:** Improved visibility allows for a better understanding of each company's business, prospects and the impact of sector-focused events on its performance.
- **Flexibility:** Provides greater flexibility for each business to manage its own resources and pursue strategic options appropriate to their markets.
- **Growth opportunities:** Allows each business to actively participate in consolidation opportunities and value-accretive partnerships and joint ventures in their respective markets.
- **Efficient capital structure:** Enables each business to adopt a capital structure, balance sheet and financing strategy which will more efficiently meet their individual requirements.
- **Enhanced credit profile:** Improves lenders' ability to evaluate each independent business, thereby increasing balance sheet effectiveness.
- **Improved management focus:** Sharpens management focus, helping the two businesses to maximize their performance and make full use of their available resources.
- **Alignment of incentives:** Aligns management's and employees' rewards more directly with business and stock market performance, helping to attract, retain and motivate the best people.

3.3 Implementation of the Demerger

The Demerger will be implemented by OCI N.V. carrying out a reduction of its share capital, with the consideration for this capital reduction being satisfied by the transfer of shares in the Company to OCI N.V. shareholders. At an extraordinary general meeting of shareholders of OCI N.V. held on 12 November 2014, shareholders approved the proposal to reduce the share capital of OCI N.V. by USD1.4 billion to facilitate the Demerger. The consideration for the capital reduction will be the transfer by OCI N.V. of the shares held by OCI N.V. in the Company to those shareholders of OCI N.V. who are shareholders of OCI N.V. at the Demerger Record Time (expected to be 6:00 p.m. (Amsterdam time) on 6 March 2015). Each shareholder of OCI N.V. at the Demerger Record Time will receive one Share in respect of every two OCI N.V. shares held. Any entitlements to fractional shares will be sold in the market and the proceeds remitted to the relevant shareholder of OCI N.V. Unless a shareholder of OCI N.V. notifies OCI N.V. otherwise, the relevant Demerger Shares will be credited to the Euroclear/Clearstream account of the relevant shareholder of OCI N.V. at the Demerger Record Time. As all shares in OCI N.V. are held in uncertificated form, the Company will not issue share certificates in respect of Demerger

Shares to shareholders of OCI N.V. at the Demerger Record Time. The Shares are expected to be admitted to trading on NASDAQ Dubai, and therefore capable of being traded, from 9 March 2015. Subject to sales of fractional entitlements, shareholders in OCI N.V. at the Demerger Record Time will hold the same proportion of Shares in the Company as they held in OCI N.V. at the Demerger Record Time.

3.4 Pre-Demerger restructuring

As a preliminary step to implementing the Demerger, OCI N.V. undertook a number of intra-group restructuring steps and obtained a number of approvals from, amongst others, certain of its financing banks. The purpose of these steps was to achieve structural separation of the construction and fertilizer businesses prior to the Demerger. As a result of these steps, all of the subsidiaries of OCI N.V. carrying out the construction business (other than OCI S.A.E.) were transferred to Orascom Holding Cooperatif, a wholly-owned subsidiary of OCI N.V. On 6 February 2015, the Company acquired the entire ownership interest of Orascom Holding Cooperatif in consideration for an issue of shares in the company to OCI N.V. Please see the section headed “*Reorganisation in respect of OCI S.A.E.*” for details of the treatment of the construction business of OCI S.A.E.

Orascom Construction Limited was incorporated on 18 January 2015 as a wholly owned subsidiary of OCI N.V. solely for the purpose of acting as the transferee company in the Demerger, and as at the date of this Prospectus has paid up capital of USD 105,056,927, divided into 105,056,927 Shares, each with a par value of USD 1. Orascom Construction Limited has not had, and will not have, any operational activity prior to the date of Admission (other than the acquisition of Orascom Holding Cooperatif).

The board of directors of OCI N.V. has passed all resolutions which are required to approve and effect the Demerger.

The board of directors of the Company has passed all resolutions which are required to approve and effect the Demerger.

The Company estimates it will incur up to approximately USD 15 million in expenses in connection with the Demerger, Admission and Egyptian Offer. These expenses will be paid by the Company from its existing cash balances.

3.5 Reorganisation in respect of OCI S.A.E.

History of OCI S.A.E.

OCI S.A.E. was originally the Egyptian listed and publicly-traded holding company for the fertilizer and construction businesses of OCI N.V.

The shares of OCI S.A.E. were listed on the EGX under the symbol “OCIC” and OCI S.A.E.’s Global Depositary Receipts were listed on the London Stock Exchange. OCI S.A.E. also had an over-the-counter Level 1 American Depositary Receipts programme (together with the Global Depositary Receipts, the **Depositary Receipts**).

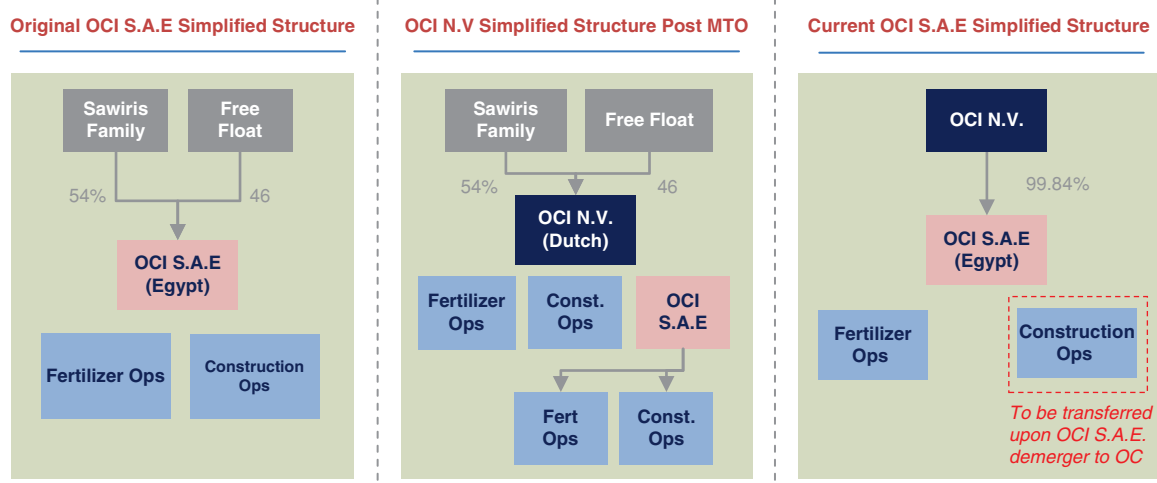
In January 2013, OCI N.V. (then a subsidiary of OCI S.A.E.) launched a tender offer to acquire 100% of the outstanding shares of OCI S.A.E. (including the Global Depositary Receipts representing these shares), effectively re-domiciling the OCI group to the Netherlands.

The tender offer was initially implemented through an acquisition of the Global Depositary Receipts which represented shares in OCI S.A.E. These Global Depositary Receipts represented approximately 75% of the issued share capital of OCI S.A.E. and were subsequently acquired by OCI MENA B.V., a wholly-owned direct subsidiary of OCI N.V. In addition, between January 2013 and March 2014, OCI N.V. made several further tender offers to the outstanding minority shareholders of OCI S.A.E. to acquire their OCI S.A.E. shares. The OCI S.A.E. shares were acquired directly by OCI N.V. As a result of these tender offers, OCI N.V. currently holds (directly and indirectly) approximately 99.84% of the share capital of OCI S.A.E.

OCI N.V. decided that the OCI S.A.E. shares should be transferred from OCI N.V. to OCI MENA B.V. On 30 December 2014, EFSA confirmed that this transfer could be made without OCI MENA B.V. being required to make a mandatory tender offer for the whole of the share capital of OCI S.A.E. Accordingly, all of the OCI S.A.E. shares were transferred to OCI MENA B.V. from OCI N.V. and on 3 February 2015 this transfer was executed on the EGX. Currently OCI MENA B.V. holds 99.84% of OCI S.A.E.

Approximately 0.16% of the share capital of OCI S.A.E. is held by minority shareholders and remains listed on the EGX and OCI N.V. intends to acquire these shares. Accordingly, the termination of OCI S.A.E.'s Depository Receipts was announced on 3 November 2014. On 23 January 2015, these programs were terminated and the depository received some of the underlying shares on 23 January 2015 (being the shares relating to those beneficiaries of the Depository Receipts who have paid the relevant fee to the EGX to convert their Depository Receipts to shares in OCI S.A.E.). OCI N.V. intends to acquire these shares, either directly, or through a subsidiary through an extension of the 2013 tender offer, subject to obtaining regulatory approvals from EFSA.

Accordingly, and as a result of several restructuring steps that have been completed, all transfers of relevant subsidiaries from under OCI S.A.E. to relevant OCI N.V. subsidiaries took place, as demonstrated in the charts below:



Orascom Construction strategy regarding OCI S.A.E. construction operations

Today, OCI S.A.E. owns fertilizer and construction subsidiaries. The construction activities of OCI S.A.E. have historically made the following contributions to the Company:

OC Backlog in (USD millions)	2011	2012	2013	Sep-14
OCI S.A.E. construction new awards	852	569	43	156
Group new awards	2,660	2,619	1,233	3,870
Combined new awards contribution %	32.0%	21.7%	3.5%	4.0%
OCI S.A.E. construction backlog	1,432	1,332	804	652
Group year-end backlog	3,321	4,869	3,840	5,566
Combined backlog contribution %	43.1%	27.4%	20.9%	11.7%

Source: Management estimates

(USD millions)	2012	2013	9M2014
OCI S.A.E. construction revenue	666	571	308
Group revenue	1,457	2,350	2,157
Combined as % of Group	45.7%	24.3%	14.3%
OCI S.A.E. construction assets	903	934	537
Group assets	2,702	3,081	2,699
Combined as % of Group	33.4%	30.3%	19.9%
OCI S.A.E. construction liabilities	1,357	1,017	386
Group liabilities	2,271	2,207	1,887
Combined as % of Group	59.8%	46.1%	20.4%
OCI S.A.E. construction net book value	-455	-83	152
Group liabilities	431	875	812
Combined as % of Group	-105.4%	-9.4%	18.7%

Source: Financial Statements and financial statements for OCI S.A.E.

In accordance with the information set out above, the contribution of the construction business of OCI S.A.E. declined significantly between 2011 and September 2014 in terms of revenues, assets and liabilities. As of the nine months ended 30 September 2014, OCI S.A.E. construction operations contributed 14.3%, 19.9% and 20.4% of Group revenue, assets and liabilities, respectively, versus 45.7%, 33.4%, and 59.8%, respectively, as of the 12 months ended 31 December 2012.

Construction operations of OCI S.A.E. accounted for 4% of new awards for the nine months ending September 2014, versus 32% in 2011, despite significant growth in Group new awards secured by other Group entities (1.8x 2011 Group new awards).

According to the current contractual commitments, the outstanding contribution to the Group's backlog is expected to be executed over the coming 18 to 24 months. Furthermore, employees, assets (IT, office equipment, etc.) and real estate (office space), have already been transferred to the Company. Current expenses recognized at OCI S.A.E., and consolidated in the Group's income statement going forward, only concern on-going construction projects.

It is important to note that due to the effect of the Egyptian tax case, the contribution of OCI S.A.E.'s construction operations to the Group's book value in 2012 and 2013 was negative. OCI S.A.E.'s construction assets are predominantly in Egypt, the majority of which is working capital related to on-going projects.

The OCI S.A.E. Demerger

OCI N.V. intends to demerge OCI S.A.E. into two separate groups, an Egyptian fertilizer group company and an Egyptian construction group company (the **Egypt Demerger**).

This process will be the final step in the complete separation of both businesses. Upon completion of the Egypt Demerger, OCI S.A.E.'s Egyptian construction group company (**Construction Egypt**) will formally become a legal subsidiary of the Company.

The Egypt Demerger requires the approval of EFSA and GAFI.

The Egypt Demerger will also require approvals from the lenders of OCI S.A.E. As part of the discussions in connection with the Demerger and Admission, no objection has been raised by the lenders regarding the planned Egypt Demerger and the Company does not consider there to be a material risk that the lenders do not provide their formal approval.

It is expected that the process for implementing the Egypt Demerger will not be completed prior to Admission as this is expected to be a six to nine month process following entering into the Conditional Sale Agreement, depending on regulatory approvals.

On 28 January 2015, the OCI S.A.E. board of directors approved the Egypt Demerger. On 29 January 2015, OCI S.A.E. published an invitation to its shareholders to attend an EGM on 15 February to approve the Egypt Demerger in principle. On 15 February 2015, such EGM was conducted wherein the Egypt Demerger was approved in principle.

A subsequent EGM for OCI S.A.E. will be required at a later date to approve the details and implementation of the Egypt Demerger. According to the terms and conditions of the Conditional Sale Agreement, OCI MENA B.V. has agreed to vote in favour of any resolutions required in connection with approval of the Egypt Demerger. It is important to note that since OCI S.A.E. is 99.84% owned by OCI MENA B.V., shareholder consent has effectively already been secured.

The shares of Construction Egypt will then be transferred to the Company to formally become its legal subsidiary upon completion of the Egypt Demerger, pursuant to the Conditional Sale Agreement. Until the Egypt Demerger is approved and effected, the economic benefit of such shares will be transferred to a wholly owned subsidiary of the Company, including all the underlying construction business and projects of OCI S.A.E. and the shares of its subsidiaries engaged in the construction business, through the Conditional Sale Agreement signed by a subsidiary of OCI N.V. and a subsidiary of the Company.

This will ensure that the Company has the economic benefits/liabilities of the construction business of OCI S.A.E. prior to Admission and that the construction business of OCI S.A.E. is consolidated into the Group's Financial Statements.

In the event that the Egypt Demerger fails to materialize, the Company will continue to be entitled to the economic benefits/liabilities of the construction business of OCI S.A.E.. The construction contracts of the

construction business of OCI S.A.E. will be managed by the Company, pursuant to the Conditional Sale Agreement. Such agreement will remain in force until the earlier of: (i) completion of the Egypt Demerger and transfer of the shares of Construction Egypt to the Company; or (ii) completion of all of the relevant construction projects.

Accordingly, the relevant construction projects under OCI S.A.E. will be managed on a run-off basis and any new awards will then be sought through wholly owned subsidiaries of the Company.

The Company's shareholders are thus protected from the risk that the Egypt Demerger does not take place since all of the relevant economic benefit will continue to accrue to the Group under the Conditional Sale Agreement.

Please see section 16.1 of Part 16 ("*Related Party Transactions and Conflicts of Interest*") of this Prospectus for details of the Conditional Sale Agreement.

Capitalisation of the Company

As part of the completion of the required restructuring ahead of Admission, the Company has been capitalised through two separate transactions, building on the initial USD 50,000 paid in capital contributed upon incorporation.

Firstly, OCI N.V. has contributed capital of USD 226.0 million to Orascom Holding Cooperatief (the **Coop**), a current wholly owned subsidiary of OCI N.V. and the holding company for all of the Company's subsidiaries, for the purpose of the purchase of OCI S.A.E. construction operations upon the completion of the Egypt Demerger. The Coop in turn capitalized OC IHC 4 B.V., a wholly owned subsidiary of the Coop, for USD 226.0 million to allow it to purchase the construction operations of OCI S.A.E. from OCI MENA B.V. (a wholly owned subsidiary of OCI N.V.) for the same consideration. Secondly, OCI N.V. has contributed its 100% ownership in the Coop, through a capital contribution of USD 722.0 million to the Company.

Following the consummation of these transactions, which both took place on 6 February 2015, the standalone accounts of the Company record total shareholders' equity of USD 722.0 million and assets of USD 722.0 million, equivalent to the expected consolidated Group shareholders' equity as of 31 December 2014. It is important to note that these transactions are common control transactions and consequently investment in subsidiaries at the holding company level is booked at the carrying value of the assets and not at fair value. The Company's authorised share capital currently stands at 300 million shares at USD 1 each. The standalone company therefore records share capital of 105,056,927 shares of USD 1 each and USD 617.0 million in share premium.

Accounting treatment of OCI S.A.E construction operations and Egypt Demerger

OCI S.A.E. remains an OCI N.V. subsidiary, but contains both fertilizer and construction operations. OCI N.V. intends to split OCI S.A.E. in two separate legal entities and to transfer the construction operations into a new separate entity. In order to consolidate OCI S.A.E.'s engineering and construction activities in the Orascom Construction Group as of the date of the Demerger, OCI MENA B.V. the direct holding company of OCI S.A.E. (the seller) and OC IHC 4 B.V., a subsidiary of the OCI N.V. Engineering & Construction Group (the buyer), entered into the Conditional Sale Agreement in which the seller sells to the buyer the shares of the company that will be formed upon the demerger of OCI S.A.E. and which will hold the engineering and construction activities of OCI S.A.E.

The Conditional Sale Agreement provides for the economic effect of all of the risk and reward in respect of the engineering and construction activities to pass from the OCI N.V. group to the Orascom Construction Group from 30 September 2014 and up to the transfer of shares (the **interim period**). Accordingly, the Company will be able to consolidate the accounts of the construction operations of OCI S.A.E. using the full consolidation method, consistent with the methodology used in the preparation of the Financial Statements. The agreement contains mutual indemnities and payment obligations to ensure that the economic benefit is properly transferred from the OCI N.V. group to the Orascom Construction Group in the interim period. In addition, the agreement provides that OCI MENA B.V., in the interim period, commits to:

1. appoint management personnel in the construction operations who are nominated by OC IHC 4 B.V.;
2. appoint accounting personnel responsible for the preparation of the carve out financials of the construction operations who are nominated by OC IHC 4 B.V.; and

3. vote in the board of directors of OCI S.A.E. in matters related to the construction operations based on the recommendation of OC IHC 4 B.V.

The Conditional Sale Agreement also states that all costs and liabilities arising in the future, whether originated in the future or related to historical periods, and which cannot be directly allocated to either construction or fertilizer operations, will be proportionally allocated at the ratio of 85% and 15% to fertilizer and construction respectively.

For the avoidance of doubt, the Conditional Sale Agreement will remain in force until the earlier of: (i) completion of the Egypt Demerger and transfer of the shares of Construction Egypt to the Company and (ii) completion of all of the relevant construction projects. Upon completion of the Egypt Demerger, the shares of Construction Egypt will then be transferred to the Company to formally become its legal subsidiary, pursuant to the Conditional Sale Agreement.

In the event that the Egypt Demerger does not materialize, the relevant construction projects under OCI S.A.E. will be managed on a run-off basis and will continue to be consolidated in the Company's accounts until the completion of all of the relevant construction projects. All dividends generated from the relevant construction operations will accrue to the Company and will be treated as a reduction of the consideration paid by OC IHC 4 B.V. by an amount equal to such dividends. The total amount that will be reimbursed by OCI MENA B.V. to OC IHC 4 B.V. will be equal to the extent of the consideration that has been paid. Accordingly, the asset recognized on the Company's accounts pertaining to the construction operations of OCI S.A.E. will be reduced by the purchase price adjustments received from OCI S.A.E. throughout the life of the underlying relevant construction projects. As an illustrative example, the assets and equity of the standalone accounts of the Company at Admission will be equal to USD 722.0 million representing its investment in the Coop. The Coop's accounts will include an investment of USD 226.0 million relating to its investment in OC IHC 4 B.V. In the event that the Egypt Demerger does not materialize and the construction operations of OCI S.A.E., for example, generate USD 20 million of dividends from net income of USD 30 million, OCI S.A.E. will distribute the dividend to OCI MENA B.V., and in turn OCI MENA B.V. will pay to OC IHC 4 B.V. the equivalent amount in the form of a purchase price adjustment. The accounting treatment recorded on the Company's accounts will be (i) credit of cash (ii) debit of investment in associates, and (iii) increase in shareholder's equity to the extent net income is recognized on the Company's accounts, which in this illustrative case is USD 30 million. For the avoidance of doubt, the cumulative amount of purchase price adjustments received by OC IHC 4 B.V. shall not exceed the consideration paid to OCI MENA B.V. for the purchase of the construction operations of OCI S.A.E. This same accounting treatment will apply in the interim period before the Egypt Demerger is completed.

4. ADMISSION

4.1 Shares to be admitted

This Prospectus concerns the Admission of 105,056,927 Shares in connection with the Demerger and 12,984,565 New Shares in connection with the Egyptian Offer.

4.2 Expected timetable

The timetable below lists certain expected key dates for the Demerger and the Egyptian Offer:

Issue pathfinder Offering Circular	20 February 2015
Institutional bookbuilding process (Second Tranche)	19 to 26 February 2015
EFSA non-objection of Private Placement Offering Notice	3 March 2015
Publication of Private Placement Offering Notice	4 March 2015
Opening date for Egyptian Offer (First Tranche) period	4 March 2015
Release of final Offering Circular (including the price of the Egyptian Offer)	5 March 2015
Closing date for Egyptian Offer (First Tranche) period	5 March 2015
Demerger Record Time	6.00 p.m. (Amsterdam time) on 6 March 2015
Demerger Effective Date	7 March 2015
OCI N.V. to trade on Euronext Amsterdam ex-Orascom Construction .	9 March 2015
Admission to the Official List	9 March 2015
Admission to trading on NASDAQ Dubai	9 March 2015
Issue, delivery and settlement of the Demerger Shares	9 March 2015
First trading date on NASDAQ Dubai	9 March 2015
MCDR delivers the New Shares in Egypt to subscribers to the capital increase, admission to listing and trading on EGX of the Shares . . .	9 to 11 March 2015

The Company may adjust the dates, times and periods given in the timetable above and throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify NASDAQ Dubai and the DFSA and/or the EFSA and the EGX as necessary and issue a press release.

Any other material alterations will be published in a press release on the Company's website and in a supplement to this Prospectus.

4.3 Admission

This Prospectus was approved by the DFSA on 8 March 2015 in accordance with Article 14 of the Markets Law for the purposes of the admission to trading of 105,056,927 Shares (ISIN AEDFXA14NUL7) on NASDAQ Dubai in connection with the Demerger and 12,984,565 New Shares on NASDAQ Dubai in connection with the Egyptian Offer. The Shares admitted to trading on NASDAQ Dubai are registered and will be held in book-entry form. The book-entry register will be held and maintained by Link Market Services.

It is expected that the admission to trading will become effective and that dealings in the Demerger Shares on NASDAQ Dubai will commence on or around 9 March 2015.

Application has been made for the Demerger Shares to be listed on the EGX conditional upon Admission of the Demerger Shares to trading on NASDAQ Dubai, in accordance with the Listing and Delisting Rules. The Company has received the approval of EFSA to proceed with the EGX Listing. The EGX Listing is conditional upon finalization of admission of the Demerger Shares to the Official List. Application has been made for the New Shares to be admitted to the Official List and admitted to trading on NASDAQ Dubai upon completion of the Egyptian Offer. In addition, application will be made for the New Shares to be admitted to listing on the EGX and for the Demerger Shares and the New Shares to be admitted to trading on the EGX, upon completion of the Egyptian Offer. For the purposes of the Egyptian Offer, the Company has published the Private Placement Offering Notice (which has received the non-

objection of EFSA). No application has been made or is currently intended to be made for the Shares to be admitted to listing or trading on any other exchange.

The Shares will be traded under the symbol “OC”, barring unforeseen circumstances, and will be denominated in USD and traded in USD on the NASDAQ Dubai and traded in EGP on the EGX.

It is expected that the admission to trading will become effective and that dealings in the New Shares on the EGX and NASDAQ Dubai will commence on or around 9 March 2015.

4.4 Issue, delivery and settlement of the Shares

All Shares in the Company are held in the Central Securities Depository and are registered in the name of NDGL as a bare nominee for Shareholders in accordance with rule 11.1.1 of the NASDAQ Dubai Business Rules. The Shares will be traded electronically on NASDAQ Dubai's trading platform in accordance with the DIFC's Dematerialised Investment Regulations 2005.

Shares which are eligible to be traded may be held either in accounts opened directly with the Central Securities Depository by the holders thereof or through custodian omnibus accounts (the custodians of which have accounts opened directly with the CSD) through which the custodian holds as nominee the beneficial interest in the traded Shares on behalf of investors. Clearing and settlement of trades on NASDAQ Dubai by brokers or custodians may be performed only through members of NASDAQ Dubai that are Clearing Members. Each Clearing Member must hold a securities account with the CSD and a cash account with a designated settlement bank for settlement purposes. Similarly, a custodian needs to hold an omnibus account with the CSD and a cash account with a settlement bank for settlement of off-exchange trades. Settlement of securities trading on the NASDAQ Dubai is governed by the NASDAQ Dubai Business Rules.

The NASDAQ Dubai Business Rules and the DIFC Personal Property Law provide that the Shares registered in the name of NDGL are held by NDGL as bare nominee for the owner of the beneficial interest in such Shares. The DFSA Markets Rules and the DIFC Personal Property Law also protect the rights of such beneficial owners so as to enable them to exercise all rights, including but not limited to the right to receive dividends and to vote at general meetings, attaching to such Shares.

4.5 Ranking and dividends

The Shares will rank *pari passu* in all respects and will be eligible for any dividends which the Company may declare on the Shares.

4.6 Market maker

SHUAA Capital has been appointed as market maker in respect of the trading of the Shares on NASDAQ Dubai. SHUAA Capital will act as market maker for a period of three months from Admission. SHUAA Capital will receive a fixed fee (and not any form of performance fee) for acting as a market maker.

4.7 Governing law

Admission is governed by applicable laws of the DIFC. EGX Listing is governed by the applicable laws of Egypt.

4.8 Costs

The costs related to the Demerger, Admission and the Egyptian Offer to be borne by the Company are up to approximately USD 15 million.

4.9 Use of proceeds

As a result of Admission no cash will be received by either the Company or OCI N.V. The Company estimates the net proceeds from the Egyptian Offer, after deducting advisory and structuring fees, and estimated offering expenses payable by us, will be approximately USD 170 million. We intend to use the net proceeds from the Egyptian Offer for general corporate purposes including mainly debt settlement. There will be no offer of Shares which would constitute any form of capital raising other than the Egyptian Offer.

5. THE EGX LISTING AND THE EGYPTIAN OFFER

5.1 The EGX Listing and the Egyptian Offer

The Company has received an approval from EFSA to proceed with the EGX Listing. The EGX Listing is conditional upon finalization of admission of the Demerger Shares to the Official List. The EGX Listing will be subject to applicable rules and regulations of the Egyptian Capital Markets Law and the Listing and Delisting Rules applicable to the listing of foreign shares on the EGX. According to the Listing and Delisting Rules, continuation of the EGX Listing and trading of the Shares on the EGX shall be conditional on satisfying the EGX Trading Conditions within a period of six months from the date of the approval of the EGX Listing. Failure to satisfy the EGX Trading Conditions within the time period prescribed by the Listing and Delisting Rules will result in the discontinuation of the EGX Listing.

Application will be made for the New Shares to be admitted to listing on the EGX and for the Shares (comprising the Demerger Shares and the New Shares) to be admitted to trading on the EGX, upon completion of the Egyptian Offer and Admission on NASDAQ Dubai. For the purposes of the Egyptian Offer, prospective investors in Egypt should refer to the Private Placement Offering Notice which has received the non-objection of EFSA and published by the Company in accordance with applicable rules and regulations in Egypt.

In connection with the Egyptian Offer, the Board of Directors has appointed Pharos Investment Banking as an Independent Financial Advisor (the **IFA**) on 27 January 2015. The IFA has prepared a report on the valuation of the Company's Shares in connection with the Egyptian Offer, to be used as a guidance for the investors. EFSA, in application of its role to protect the free float has asked for such IFA report to be prepared by one of the EFSA registered IFAs. The outcome of such report has been inserted in the Private Placement Offering Notice published on 4 March 2015.

The New Shares are being offered and sold only outside the United States in offshore transactions pursuant to Regulation S, and are not being offered, issued, sold, delivered, or otherwise placed in or into the United States.

5.2 Shares outstanding after the Egyptian Offer

Following completion of the Egyptian Offer, the issued and outstanding share capital of the Company will be USD 118,041,492 divided into 118,041,492 Shares of USD1 each.

5.3 Reasons for the Egyptian Offer

The Egyptian Offer is to meet the listing requirements in Egypt. The net proceeds will be used for general corporate purposes including mainly debt settlement.

5.4 Price of the Egyptian Offer

The Company has published the final price in the Private Placement Offering Notice. The price of the Egyptian Offer was the EGP equivalent of approximately USD 14.28 per New Share. The price per New Share has been determined via a bookbuilding process with qualified institutional investors who are the clients of the Global Co-ordinator or the Joint Bookrunners.

5.5 Size and structure of the Egyptian Offer

The Egyptian Offer shall be executed through a primary offering by issuing 12,984,565 ordinary shares representing 11% of the issued and paid-up capital of the Company (the **New Shares**). Accordingly, the total number of the Company's Shares after the increase is 118,041,492 ordinary shares. No less than 2% of the New Shares were offered through a private placement, in Egypt, to persons reasonably believed to be Egyptian QIBs or Professional High Net Worth Investors, and up to 9% of the New Shares were offered through a private placement to qualified institutional investors and high net worth individuals (the **Egyptian Offer**).

These New Shares were offered through two tranches as follows:

- **First Tranche:** Private placement, in Egypt, to persons reasonably believed to be Egyptian QIBs or Professional High Net Worth Investors, of 2,360,830 New Shares representing 2% of the Company's share capital.
- **Second Tranche:** Private offering to qualified institutional investors of 10,623,735 New Shares representing 9% of the Company's share capital.

The Sawiris Family participated in the Egyptian Offer in order to maintain their aggregate shareholding at a minimum of 51% of the share capital of the Company.

The Egyptian Offer will be conducted as follows:

<u>Item</u>	<u>First Tranche</u>	<u>Second Tranche</u>
Persons having the right to participate in the offering	The first tranche is allocated through a private placement, in Egypt, to persons reasonably believed to be Egyptian QIBs or Professional High Net Worth Investors	The second tranche is allocated to the following investors: qualified institutional investors (banks, insurance companies, investment and pension funds, investment funds and other qualified institutional investors) and high net worth individuals
Maximum and Minimum amounts of requests/order	Minimum number of 250 New Shares and maximum number of 500,000 New Shares	Minimum number of 37,500 New Shares with no maximum (subject to the total number of New Shares)
Price per share	The registration and receipt of orders shall be made with a subscription price of EGP 108.71 per share equivalent to USD 14.28 according to the exchange rate of Egyptian Pounds to United States Dollars announced by the Central Bank of Egypt on the date of the non-objection of the Private Placement Offering Notice from EFSA	The registration and receipt of orders shall be made with a subscription price of EGP 108.71 per share equivalent to USD 14.28 according to the exchange rate of Egyptian Pounds to United States Dollars announced by the Central Bank of Egypt on the date of the non-objection of the Private Placement Offering Notice from EFSA
Payment method	Brokers receiving the orders shall deposit the full subscription value of New Shares in the offering account of MCDR, by close of business on 5 March 2015	This shall be done according to the method determined by the Joint Bookrunners in receiving the private subscription orders. The Joint Bookrunners and the delegated person from the Board of Directors may eliminate and allocate the New Shares to the legal persons and the qualified institutional investors according to what they deem fit without stating reasons
Registration of subscription orders at EGX	Registering subscription orders is allowed to brokers on the OPR screens at EGX starting on 4 March 2015 for 2 business days ending on 5 March 2015	Registering subscription orders is done through coordination between the Global Co-ordinator and the Joint Bookrunners
Brokers having the right to receive and register subscription orders	All brokers authorized by EFSA to undertake such exercise/activity	Subscriptions shall be received through specified agreed upon brokers, by the Joint Bookrunners (in coordination with MCDR)

Item	First Tranche	Second Tranche
Allocation and execution method at EGX	- In case the subscription orders exceed the amount offered in the First Tranche, an allocation shall be granted pro rata between the offered amount and the requested amount in subscription approximating fractions in favor of small investors - The payments made over the total value of the amount allocated will be reimbursed through the brokers receiving the subscription orders as of the business day following the completion of the allocation process of the subscription shares at MCDR	Allocation shall be done through coordination between the Global Co-ordinator and the Joint Bookrunners (in coordination with the Company)
General Rules	- If the number of New Shares allocated to qualified institutional investors pursuant to the offering under the Second Tranche does not meet the maximum number of New Shares reserved for such tranche, the Company, the Global Co-ordinator, and the Joint Bookrunners may increase the number of New Shares offered pursuant to the offering under the First Tranche by reallocating a part of the New Shares previously reserved for the Second Tranche. Such reallocation shall be conditional on the publication of an announcement, such announcement to include the coverage percentage of the private offering, at least one business day before closing of the subscription for the First Tranche. - If the number of the New Shares allocated to the First Tranche is not fully covered, the Company, the Global Co-ordinator and the Joint Bookrunners may increase the number of New Shares allocated to the Second Tranche, and open subscription for one additional day after closure of the First Tranche subscription period to receive subscription orders. - If the minimum subscription or the minimum number of shareholders or the percentage of free float shares as indicated in the Listing and Delisting Rules is not achieved, the subscription amounts will be reimbursed to the subscribers by the brokers receiving the subscription orders on the business day following the announcement of the result of the Egyptian Offer. The Company acknowledges that a minimum number of subscribers/ shareholders (150) and a minimum percentage of free float (5%) is required to be achieved under the Listing and Delisting Rules for the Shares and the New Shares to be traded on the Egyptian Exchange. - If the listing and trading of the New Shares on NASDAQ Dubai does not take place and such New Shares are not issued and distributed to subscribers through the MCDR within 15 business days of the brokers receiving the subscription orders, the subscription amounts will be reimbursed to the subscribers by such brokers on the expiry of such duration. - The starting date of trading of the New Shares will be announced on the trading screens at EGX.	

5.6 Expected timetable

The timetable below lists certain expected key dates for the Egyptian Offer:

Issue pathfinder Offering Circular	20 February 2015
Institutional bookbuilding process (Second Tranche) . .	19 to 26 February 2015
EFSA non-objection of Private Placement Offering Notice	3 March 2015
Issue of Private Placement Offering Notice	4 March 2015
Opening date of Egyptian Offer (First Tranche) period	4 March 2015
Release of final Offering Circular (including the price of the Egyptian Offer)	5 March 2015
Closing date for Egyptian Offer (First Tranche) period	5 March 2015
Admission to the Official List and to trading on NASDAQ Dubai of the New Shares	9 March 2015
First trading date on NASDAQ Dubai	9 March 2015
MCDR delivers the New Shares in Egypt to the subscribers in the Egyptian Offer, admission to listing and trading on the EGX of the Demerger Shares and the New Shares	9 to 11 March 2015

The Company may adjust the dates, times and periods given in the timetable above and throughout this Prospectus. If the Company should decide to adjust dates, times or periods, it will notify NASDAQ Dubai and the DFSA and/or the EFSA and the EGX as necessary and issue a press release.

Any other material alterations will be published in a press release on the Company's website and in a supplement to this Prospectus.

5.7 Conditions of the Egyptian Offer

The consummation of the Egyptian Offer and commencement of trading on the EGX is subject to obtaining all the requisite regulatory approvals from both EFSA and the EGX pursuant to the Egyptian Capital Markets Law and the Listing and Delisting Rules including, but not limited to, the Private Placement Offering Notice and the final EGX listing approval.

5.8 Shares in the Egyptian Offer

The shares in the Egyptian Offer will be traded on the EGX in Egyptian Pounds.

5.9 Use of Proceeds from the Egyptian Offer

The Company estimates the net proceeds from the Egyptian Offer, after deducting advisory and structuring fees, and estimated offering expenses payable by us, will be approximately USD 170 million. We intend to use the net proceeds from the Egyptian Offer for general corporate purposes including mainly debt settlement.

5.10 Fungibility

The shares traded on NASDAQ Dubai will be fungible with the Shares traded on the EGX and vice versa, subject to the applicable procedures of EFSA and the Central Bank of Egypt. All Shares admitted to trading on both NASDAQ Dubai and the EGX will be fully fungible subject to the procedures set out below. Shareholders will be able to transfer their Shares from NASDAQ Dubai to the EGX and *vice versa* in accordance with the mechanism for the transmission of Shares set out below.

Mechanism for holding Shares in the NASDAQ Dubai CSD and MCDR and transfer process

All Shares in the Company will be held in the NASDAQ Dubai CSD and registered in the name of NASDAQ Dubai Guardian Limited. For those investors wishing to hold some or all of their Shares in MCDR, MCDR will maintain a direct account with the NASDAQ Dubai CSD to immobilize such Shares

in NASDAQ Dubai CSD on behalf of MCDR participants. Corresponding credits for such Shares will be provided to MCDR participants in their accounts held with MCDR. This service will enable MCDR participants to access securities issued in the NASDAQ Dubai CSD.

Please note that in all cases of transfers of Shares referred to in this section, there should not be any change or difference, or purported change or difference, in the beneficial owner of the Shares before and after transfer.

Please note that the Share transfer process and/or fees payable upon such Share transfer are subject to change. For further information or copies of the relevant Share transfer forms, please contact your depository agent in the NASDAQ Dubai CSD and your depository agent in MCDR with whom you have opened a CDS account. For the avoidance of doubt, all fees and taxes (including stamp duties) incurred during the Share transfer process shall be borne by the relevant Shareholder.

Transfer of Shares from MCDR to the NASDAQ Dubai CSD and subsequent trading on NASDAQ Dubai

An investor whose Shares are held in a securities account with MCDR and who wishes to sell some or all of their Shares on NASDAQ Dubai must first arrange to transfer the number of Shares subject to the transfer into their securities account with the NASDAQ Dubai CSD.

Please follow the procedures set out below:

- You must provide a transfer instruction to the NASDAQ Dubai CSD through your depository agent in NASDAQ Dubai CSD to receive the transfer of the number of Shares subject to the transfer from the MCDR account.
- You must provide a transfer instruction to MCDR through your depository agent in MCDR to transfer the number of Shares subject to the transfer from your securities account with MCDR into your securities account with the NASDAQ Dubai CSD.
- The relevant forms and transfer process will be made available to you by your respective depository agents in the NASDAQ Dubai CSD and MCDR.

The NASDAQ Dubai CSD and MCDR will verify and reconcile the two transfer instructions in relation to the Shares to be transferred and in the event of any discrepancy, they are entitled to return the relevant documents and not proceed with the proposed transfer. For all valid transfer instructions, the NASDAQ Dubai CSD and MCDR will provide confirmations to your respective depository agents in the NASDAQ Dubai and MCDR. You should note that the process to transfer some or all of your Shares from MCDR to the NASDAQ Dubai CSD will take at least one market day (being a business day on which both the MCDR and the NASDAQ Dubai CSD are open for business) to complete. Shareholders are advised to ensure such Share transfers are completed before they trade their Shares on NASDAQ Dubai.

Egyptian investors will be subject to applicable procedures of EFSA and the Central Bank of Egypt.

Transfer of Shares from the NASDAQ Dubai CSD to MCDR and subsequent trading on the EGX

Investors whose Shares are held in their securities account with the NASDAQ Dubai CSD and who wish to sell some or all of their Shares on the EGX must first arrange to transfer the number of Shares subject to the transfer into their securities account with MCDR.

Please follow the procedures set out below:

- You must provide a transfer instruction to MCDR through your depository agent in MCDR with which you have a CSD account to receive the transfer of the number of Shares subject to the transfer from the NASDAQ Dubai CSD account.
- You must provide a transfer instruction to NASDAQ Dubai through your depository agent in NASDAQ Dubai to transfer of the number of Shares subject to the transfer from your securities account with the NASDAQ Dubai CSD into your securities account with MCDR.
- The relevant forms and transfer process will be made available to you by your respective depository agents in the NASDAQ Dubai CSD and MCDR.

The NASDAQ Dubai CSD and MCDR will verify and reconcile the two transfer instructions in relation to the Shares to be transferred and in the event of any discrepancy, they are entitled to return the relevant documents and not proceed with the proposed transfer. For all valid transfer instructions, the NASDAQ Dubai CSD will provide confirmations to your respective depository agents in the NASDAQ Dubai CSD and MCDR. You should note that the process to transfer some or all of your Shares from the NASDAQ

Dubai CSD to MCDR will take at least one market day (being a business day on which both the MCDR and the NASDAQ Dubai CSD are open for business) to complete. Shareholders are advised to ensure such Share transfers are completed before they trade their Shares on the EGX.

5.11 Dilution of Demerger Shares' holders

A holder of Demerger Shares will be diluted if they do not participate in the Egyptian Offer. For example, a shareholder holding 1,000,000 (one million) Shares would hold 0.952% of the share capital of the Company on Admission. If such shareholder does not participate in the Egyptian Offer, he would hold 0.847% of the share capital of the Company on completion of the Egyptian Offer.

5.12 Lock-up

The Company has agreed that during the period of 180 days from the date of Admission it will not, without the prior consent of the Global Co-ordinator (such consent not to be unreasonably withheld or delayed), directly or indirectly: (a) issue, offer, lend, mortgage, assign, charge, pledge, sell, contract to sell or issue, grant any option, right or warrant to purchase, lend or otherwise transfer or dispose of or announce any offering or issuance of any Shares or any interest in Shares or any securities convertible into or exchangeable for or substantially similar to Shares or any interest in Shares; (b) enter into any swap or other agreement or transaction that transfers, in whole or in part, any of the economic consequences of ownership of the Shares, whether any such swap or other transaction is to be settled by the delivery of Shares or such other securities, in cash or otherwise; or (c) file or publish any prospectus or file any registration statement under the US Securities Act with respect to any of the foregoing. The foregoing restrictions shall not apply to: (i) the issue and offer by or on behalf of the Company of the New Shares; and (ii) the issue by the Company of any shares upon the exercise of any option under any share option scheme.

6. DIVIDENDS AND DIVIDEND POLICY

6.1 General

Under DIFC law and our constitutional documents, the payment of dividends is subject to the recommendation of the Board and may only be paid out of profits and/or surplus (distributable reserves) and immediately after a dividend is paid, the Board must make a determination that the Company will be able to pay its debts as they become due in the normal course of business.

It should be noted that the Company is reliant to a material extent on receiving dividends from its joint ventures and associates and also on the ability to fully repatriate profits in a timely manner from certain of its subsidiaries.

6.2 Dividend history

The construction business was, prior to the Demerger becoming effective, a group of companies within the group of OCI N.V. The Company did not serve as a holding company for the construction business. Therefore, there is no useful information on the Company's dividend history.

6.3 Dividend policy

The Board expects to maintain a flexible dividend policy with a view to balancing the availability of funds for dividend distribution with pursuing growth opportunities that generate solid returns.

The Company will adjust dividend policy from time to time based on our expected cash flows and our capital expenditure requirements. The Company's dividend policy will be guided by the following objectives:

- optimal combination of the Company's interests and the interests of its Shareholders;
- improvement of investment appeal and capitalisation of the Company;
- maximisation of profitability of the Company's business and, consequently, of the net profit available for dividend payments;
- the availability of distributable profits; and
- stability and consistency of dividend pay-outs in the medium to long-term.

As a holding company, the ability of the Company to make distributions depends on the receipt of dividends from its subsidiaries and associated companies.

6.4 Dividend ranking of Shares

The Shares will rank equally in all respects and, after issue and delivery, will be eligible for any dividend which the Company may declare on its Shares.

6.5 Manner and time of dividend payments

Payment of any cash dividend on Shares in Dubai will be announced in USD. Payment of any cash dividend on Shares in Egypt will be announced in EGP.

At the proposal of the Board, the General Meeting may resolve that dividends on Shares are to be fully or partly paid in the form of Shares in the Company instead of cash.

7. INDUSTRY OVERVIEW

Information presented in this section reflects information and estimates, including forecasts regarding future developments that are derived from industry sources. To the extent that there are forecasts, estimates, predictions or other forward-looking statements in this section investors should not place undue reliance on such statements, or on the Company's ability or any third party to accurately predict future industry trends or performance. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to these estimates. The following discussion should be read in conjunction with the sections "Forward-Looking Statements", "Risk Factors" and "Important Information" in this Prospectus. The market information presented regarding the MENA markets has been sourced from, reviewed and validated by MEED Insight and MEED Projects unless otherwise noted.

MEED Insight and MEED Projects, along with the other sources cited in this section, are independent third parties, and we have relied on the accuracy of such third party information without independent verification. We confirm that such information has been accurately reproduced and that as far as we are aware and able to ascertain from information published by these third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading. Proprietary data provided by MEED Projects and MEED Insight was purchased at a nominal fee.

Introduction

We are a leading international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the United States, the Middle East, Africa and Central Asia for public and private clients. Our Group is engaged primarily in engineering and construction contracting through its main subsidiaries Orascom, Contrack and the Weitz Company. We also hold a 50% stake in the BESIX Group, as well as investments in various complementary businesses related to our engineering and construction activities.

The Group's largest markets in the Middle East and North Africa (**MENA**) region include: Egypt, the Kingdom of Saudi Arabia, the United Arab Emirates, Algeria, Kuwait, Bahrain, Iraq and Qatar. Outside of the MENA region, our largest markets are the United States, Afghanistan and the Pacific Rim.

We are focused on large-scale infrastructure, complex industrial and high-end commercial projects. Our results are substantially affected by the prevailing economic conditions and competitive environment in the markets we operate in.

MENA region

The Group's principal markets in the MENA region are primarily characterised as emerging markets comprising primarily of populous and not so populous nations that are supported principally by historical budget surpluses. Such markets have relatively unique characteristics in comparison to other emerging and developed markets in terms of high population growth, increased demand for utilities and social infrastructure, demand for transportation services, historical underinvestment in infrastructure, and housing supply shortage that should offer immense opportunities for contractors.

According to the International Monetary Fund (**IMF**), the collective GDP of the Group's largest markets in MENA is expected to reach USD3.0 trillion by 2019 from USD2.2 trillion in 2013. According to the IMF, the collective GDP of countries in the Group's largest markets in MENA is expected to grow by 5.4%, 6.1% and 6.2% in 2015, 2016 and 2017, respectively, up from 3.9% in 2014¹. This growth in 2015 is expected to be led by countries that remain a core focus for the Group, specifically Saudi Arabia (3.5%), United Arab Emirates (5.7%), Algeria (4.7%) and Egypt (13.8%)². This growth is expected to be driven by considerable public and private sector spending on industrial, infrastructure and commercial projects aimed at supporting these countries' growing populations.

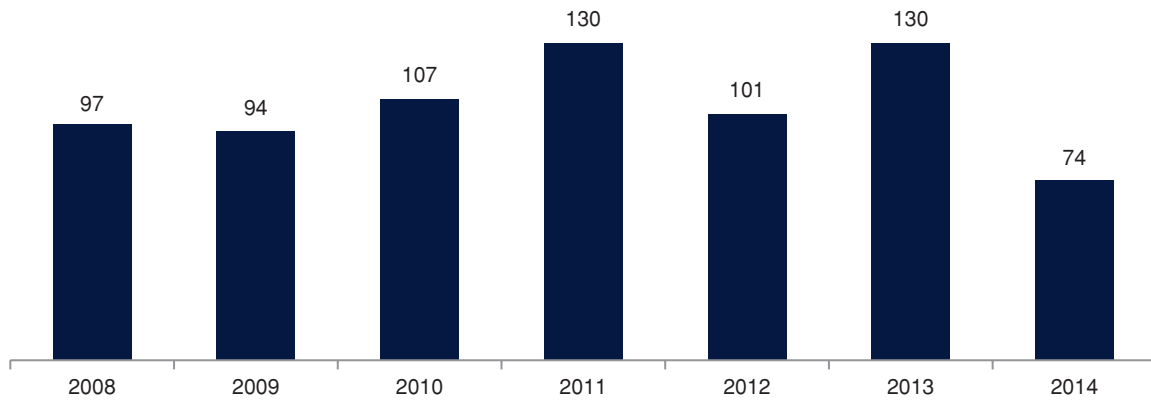
According to MEED, the Group's core markets³ (**Core Markets**) in the MENA region experienced a strong pick up in construction activity in 2013, in terms of both value and the number of contracts awarded. The value of contracts awarded in our Core Markets have consistently been maintained around USD100 billion levels since 2008.

¹ Source: International Monetary Fund; defines "MENA" as Algeria, Bahrain, Djibouti, Egypt, Iran, Iraq, Jordan, Kuwait, Lebanon, Libya, Mauritania, Morocco, Oman, Qatar, Saudi Arabia, Sudan, Syria, Tunisia, United Arab Emirates, and Yemen.

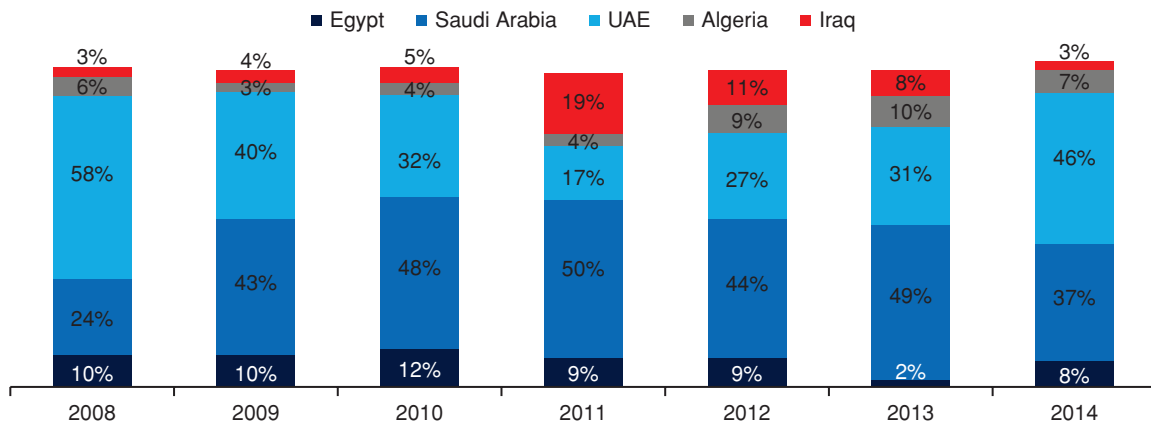
² Source: International Monetary Fund. These percentages represent nominal GDP growth numbers on a US Dollar basis.

³ Consisting of Egypt, Saudi Arabia, UAE, Algeria and Iraq

Market Size—Value of Core Market Contracts Awarded (USD billion)



Market Size—Core Market Contracts Awarded by Country (% contribution)



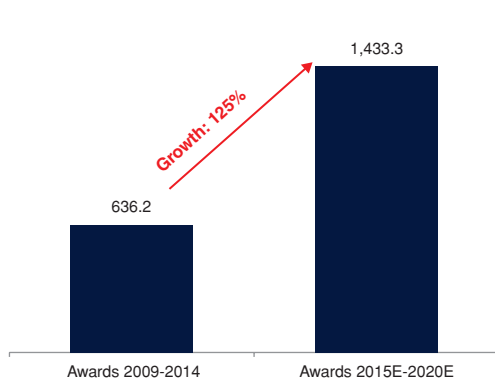
Supported by the strong underlying demographic, macroeconomic and infrastructure related trends, the MENA construction market is expected to continue its strong growth trajectory over the coming six years.

The outlook for new construction awards for the medium term is broadly positive across the Core Markets with the planned project pipeline currently estimated at USD1.4 trillion for the next six years (excluding oil and gas projects), representing a 125% growth over the total value of awarded projects in the previous six years.

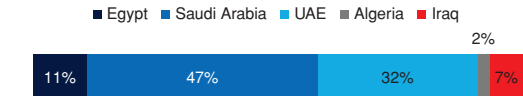
Our principal focus sectors, power, transport and water projects are expected to represent 46% of the MENA region's project pipeline over the next six years according to MEED.

Of such pipeline, 8% of projects value worth approximately USD120 billion are currently in the bidding stage.

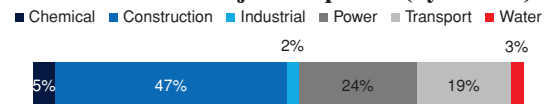
Core Markets Projects Pipeline (USD billion)



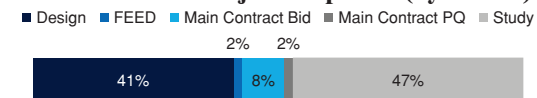
Core Markets Projects Pipeline (by Country)



Core Markets Projects Pipeline (by Sector)



Core Markets Projects Pipeline (by Status)



The Group believes that the key drivers of this growth will include the following:

- *High population growth and increasing governments spending:* The population in the Middle East and North Africa is expected to grow by 9% with a median age of 27.3 by 2020⁴, which will require large spending programs on infrastructure, utilities, housing and commercial sectors to meet this growth and accommodate the growing demand and reduce current essential infrastructure deficits across the region. The majority of GCC countries are likely to continue implementing the on-going and planned projects announced as part of their national development plans to develop the non-oil sectors and diversify the economies to a more balanced state benefiting from the historical budget surpluses and accumulated reserves.
- *Infrastructure development for large regional and international events:* The MENA/GCC region has announced significant spending programs to accommodate the Dubai Expo in 2020 and the 2022 FIFA World Cup in Qatar which are expected to bring upwards of 25 million visitors to the region⁵, with a number of mega projects announced across the hospitality and infrastructure sectors in anticipation of hosting such international events. Additionally, Saudi Arabia has announced several infrastructure development programs in Mecca and Medina to accommodate the growing annual pilgrimage visitors. These events have also encouraged increased private spending on commercial projects, such as large retail spaces, hotels and resorts, and entertainment centres.
- *Infrastructure development in underserved markets:* Several markets such as Egypt, Algeria and Iraq still lag behind other regional and emerging markets in terms of infrastructure development given the considerable historical underinvestment in those countries. Egypt and Algeria ranked 100 and 106 respectively of 144 countries in infrastructure quality according to the World Economic Forum's 2014 Global Competitiveness Report. Accordingly, considerable infrastructure investment to develop various sectors including power, transport, water and wastewater is required to address these structural issues, and this is expected to be a main focus area in such countries.
- *Resurgence of private sector spending:* The global economic crisis and regional instability led to a period of depressed private spending levels. However, announced projects through 2020 suggest resurgence in private industrial and commercial spending, supported by the recovery in public expenditure and increased investor confidence. The recent revival in the real-estate market in the UAE has raised expectations of a broader pick up in the private sector sentiment across the region and a resumption of stalled projects. Large regional and global events, as mentioned above, have also encouraged increased investor confidence in the region.

Orascom Construction's key markets in the MENA region

Egypt

We are the largest private sector contractor in Egypt, our original home market, and were ranked as the top construction company in the Middle East based on the MEED 100 list published in 2012. With over 60 years of operations, we have a strong track record of completing several landmark private and public sector projects in Egypt's various sectors, such as the world's longest double-swing rail bridge, the country's first solar power plant and the country's largest retail spaces, in addition to being contracted to build the world's largest archaeological museum. The Company has primarily focused on complex industrial and large-scale infrastructure projects, and has also built numerous large-scale commercial projects over the years.

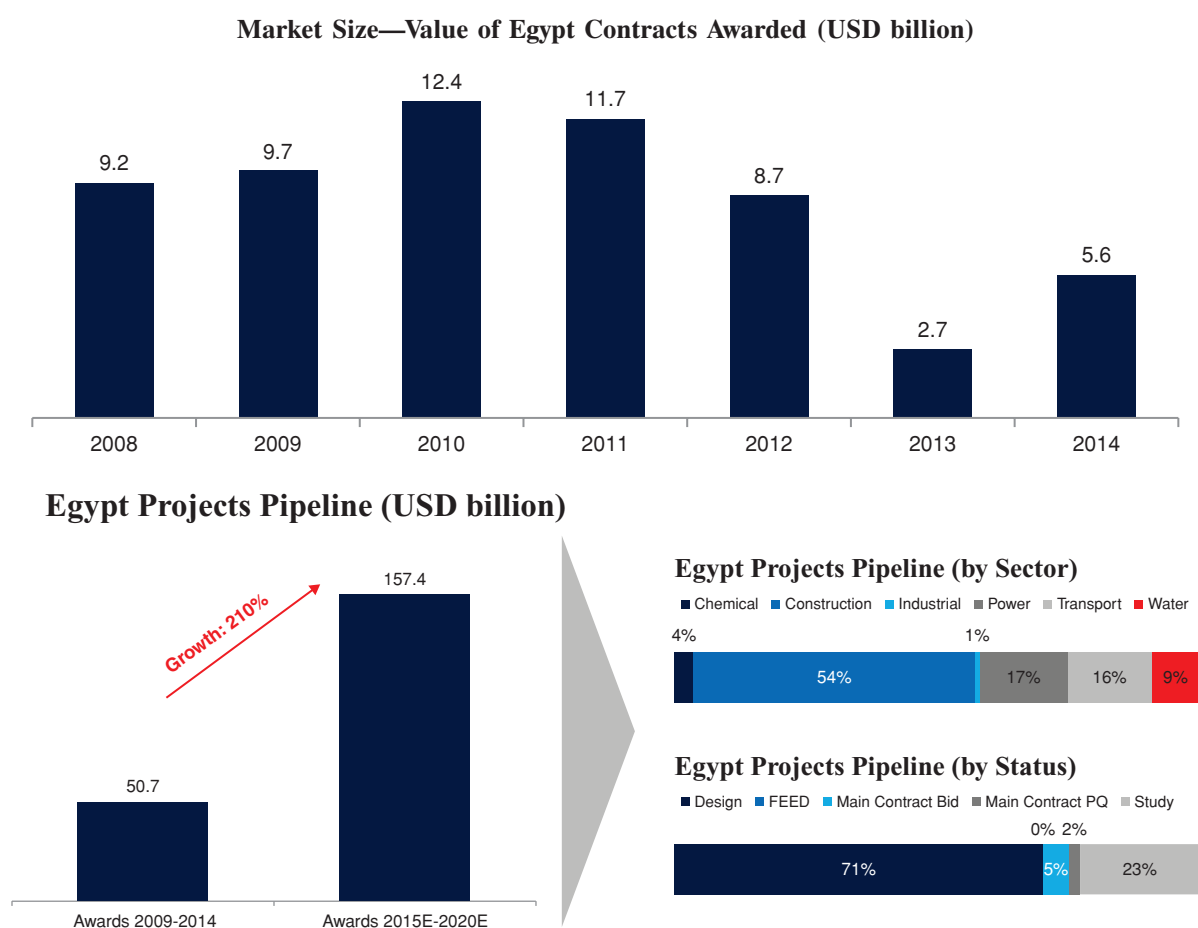
⁴ United Nations Department of Economic and Social Affairs Population Division (DESA)

⁵ Dubai Expo 2020 Official Estimates

Egypt is one of the largest markets in the MENA region, with a population of approximately 85.4 million, growing on average by 2.3% per annum⁶. The economy is expected to grow by 13.8% and 12.9% in 2015 and 2016, respectively, up from 3.5% and 4.9% in 2013 and 2014 respectively⁷. The construction industry value added is estimated at USD12.4 billion and accounted for 4.7% of GDP in FY 2013/14⁸. The construction industry is expected to continue to be a major contributor to growth in the coming years. We believe there is significant long term growth potential in Egypt underpinned by the attractive demographics profile, existing infrastructure gap, power supply deficit, industrial investments, and existing housing shortage. Egypt still lags behind other MENA and emerging markets in terms of infrastructure development, given considerable historical underinvestment, and has ranked 100 of 144 countries in infrastructure quality according to the World Economic Forum's 2014 Global Competitiveness Report. The largest opportunities exist in the power sector where a large supply deficit of 5,000 MW requires major essential infrastructure investments. The country also lacks a well-developed public transportation network.

Projects pipeline

Egypt has a pipeline of USD157 billion worth of construction projects through 2020. The Egyptian government has been actively promoting public private partnerships (PPP) as a means to encourage private sector investment in the country's infrastructure whilst allowing it to proceed with development plans and minimise project and performance risks. Common models adopted include Build-Operate-Transfer (BOT) and Build-Own-Operate (BOO), primarily for power, transport and water projects.



As the country's leading contractor, we believe we are well positioned to bid and potentially secure contracts from the upcoming pipeline.

⁶ Source: International Monetary Fund

⁷ Source: International Monetary Fund. These percentages represent nominal GDP growth numbers on a US Dollar basis.

⁸ Source: Central Bank of Egypt

Power

Egyptian announcements for power related infrastructure alone are expected to reach USD27 billion. The Egyptian government has announced plans to increase generation capacity by 30,000MW by 2020, effectively doubling its capacity, in order to overcome the existing supply deficit and adequately meet future demand. This is expected to be carried out through several programs including:

- independent power projects (IPP) with a total capacity of 7,480MW, delivered via public private partnerships (PPP) at an estimated investment cost of USD12 billion;
- solar and wind power generation plans, with wind generation targeted to contribute 7,200MW by 2020; and
- the first nuclear power plant at El-Dabaa near Alexandria, a 1,650-MW plant expected to cost USD5 billion.

Key announced power projects in Egypt

Key announced power projects in Egypt	Estimated value (USDm)	Capacity (MW)
New Sinai Power Plant	7,500	3,960
El Dabaa Nuclear Power Plant	5,000	1,650
Dairut IPP	2,500	2,250
Kom Ombo Concentrating Solar Power Plant	808	100
Gulf of Suez Wind Farm	660	250

In the past, we have built nine power plants in Egypt alone and currently have three more under construction in the country. We believe our track record in the construction of power generation projects provides us with a solid foundation when seeking additional contracts in the expanding Egyptian power sector.

Transport infrastructure

Egypt's transportation infrastructure suffers from significant underinvestment. The country ranked 100 of 144 in infrastructure quality according to the World Economic Forum's 2014 Global Competitiveness Report. Transport infrastructure is targeted for major development and presents an equally large opportunity for contractors.

Transportation related infrastructure announcements are valued at approximately USD24 billion, encompassing roads, metro, ports and airports, amongst others. These include the investment in the New Suez Canal project which will enlarge the canal's transit capacity and increase industrial activity in the area, and for which construction activity started in the second half of 2014. One component of the USD12 billion megaproject is the construction of seven tunnels that will run 22 kilometres and will cost USD500 million.

One of the largest developments in the pipeline is the USD14 billion Cairo Airport City project, which will be built over an area of 10 million square meters. This is another example of a PPP which in this case is financed and supervised by the World Bank. The mega project comprises four main components: the Cairo International Airport core (447,000 square metres), the Cargo and Logistics Village (5.0 million square meters), the Josef Tito Urban extension (1.75 million square meters), and the Aero City Commercial Entertainment District (2.8 million square meters). It will also include a new electricity plant, which will be built in cooperation with the Egyptian Electricity Holding Company.

Within the transport sector, the country has also announced a number of rail and metro projects. The largest among those is the 1,092 kilometres, three phase, High Speed Railway, linking several major cities from Alexandria to Aswan at an estimated cost of USD10 billion.

Key announced transport projects in Egypt

Key announced transport projects in Egypt	Estimated value (USDm)	Distance (km)
Alex-Aswan High Speed Railway Line	10,160	1,092
Alexandria Metro	3,000	45
Cairo Metro Network: Line 4	3,000	24
Luxor-Hurghada Railway Line	2,500	260
Cairo Metro Network: Line 6	2,500	30

We have historically been a leading contractor in the transportation sector in Egypt, as we were responsible for constructing the world's largest double-swing rail bridge, the Cairo Metro Expansion, several of the country's longest highways, Ain Sokhna Port, several airports and numerous other projects.

Water and Wastewater

With one of the lowest per capita water resources and more importantly with one of the lowest rates of annually natural renewable water in the world (less than 500 m³ / capita⁹), Egypt has announced water and wastewater projects exceeding USD2 billion, the most significant of which being the Abu Rawwash wastewater treatment plant being tendered as a PPP, valued at USD752 million with a capacity of 400,000 cubic meters per day.

We have built several large-scale water and wastewater projects in Egypt, including the country's first PPP the New Cairo Wastewater Treatment Plant (250,000 cubic meters of capacity) and the Six of October Wastewater Treatment plant (100,000 cubic meters of capacity).

Construction

The housing and property market in Egypt, specifically the private sector, has experienced strong growth over the past decade and continues to attract local and regional property developers who continuously launch and develop large community projects. There remains to be a housing shortage given the increasing demand from a large, young and fast growing population. We believe the sector presents us with multiple opportunities. We have been and are currently involved in the development of numerous residential housing projects which are at various stages of development. Further growth in the sector is expected in both residential and commercial projects (including retail and offices).

Upcoming social infrastructure projects include USD1.3 billion for six hospital projects across the country, and over USD 9 billion in residential projects, including a 2,000-acre township in New Cairo. In addition to residential projects, we have significant experience in building healthcare, educational, and other social infrastructure projects in Egypt, including Dar Al Fouad, the National Eye Hospital, the Children's Oncology Hospital, the American University in Cairo, and the Smart City Schools.

Fertilizer

Private industrial project announcements stand at nearly USD8 billion, largely comprising investments in petrochemical and fertilizer plants. We have exceptional experience and track record in executing construction projects in this sector and we plan to seek further contracts in this area.

The Kingdom of Saudi Arabia

We have been active in the Saudi Arabian market since 2003. We made a significant push to expand in the market in 2011 when we formed Orascom Saudi Limited (OSL), a 60% owned joint venture with Saudi Bin Ladin Group. Our activities in Saudi Arabia span across the transport, social infrastructure, and industrial sectors. We believe we have established a particularly strong record in the transport and social infrastructure sectors, having been awarded USD450 million worth of infrastructure work at the King Abdul Aziz Airport in Jeddah, the USD211 million Saudi Arabian National Guard's Military Housing project and a USD159 million South Security Border Road, amongst other projects.

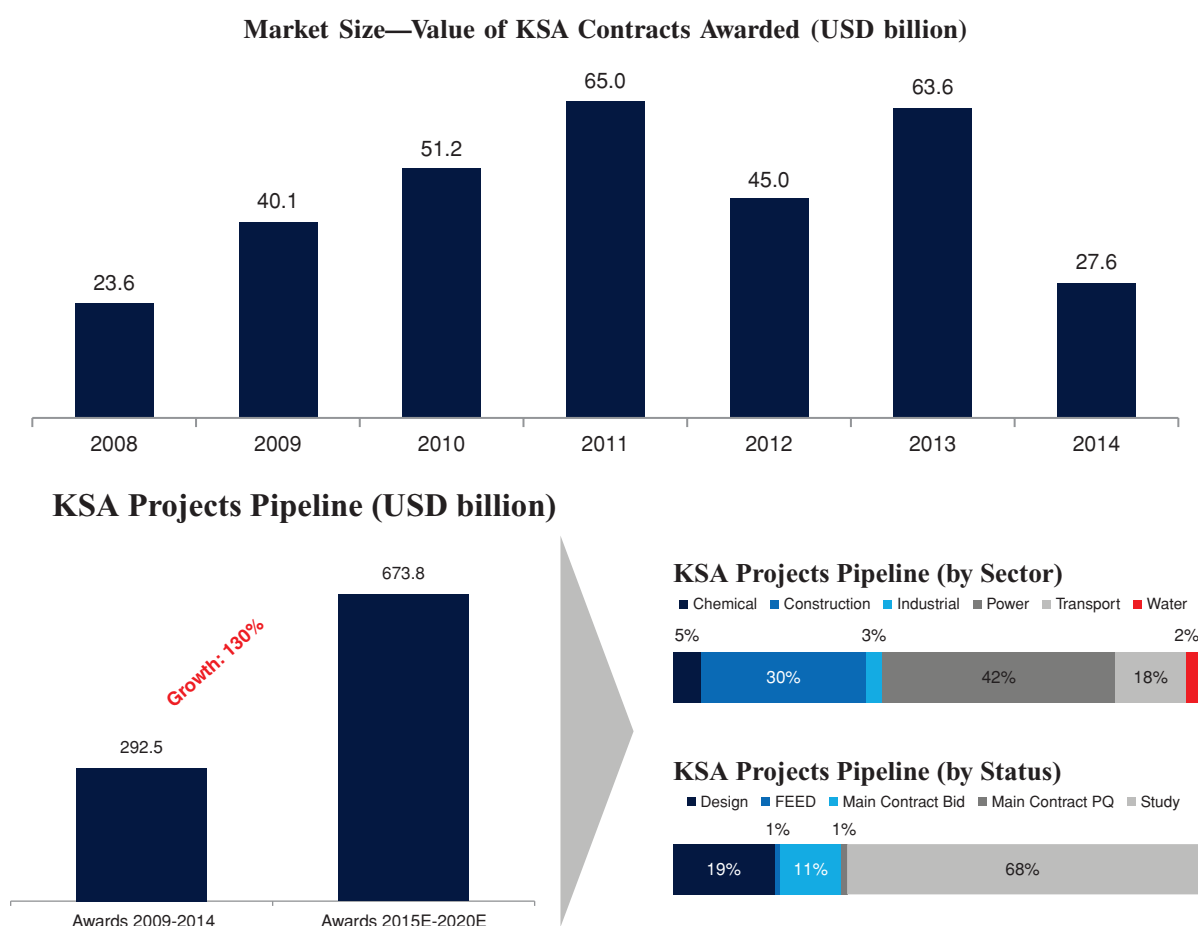
Currently, the majority of our work in Saudi Arabia is through our joint venture with Saudi Binladin Group. However, we have invested in Saudi Arabia over the last two years to establish a strong presence, and we believe that we are well-positioned to pursue and execute more projects independently. For example, we are currently constructing a cement plant in Saudi Arabia for a relationship client. We currently have no plans to form any other joint ventures in Saudi Arabia.

⁹ United Nations Water Organization

The Kingdom of Saudi Arabia possesses the largest economy in the MENA region with a GDP of USD778 billion, hydrocarbon reserves of 268 billion barrels as at 2014 and a population of approximately 30.6 million, growing on average by 2.8% per annum^{10,11}. The economy is expected to grow by 3.5% and 4.3% in 2015 and 2016, up from 2.0% and 3.9% in 2013 and 2014 respectively¹². The value of the construction industry is estimated at USD35.8 billion and has accounted for 4.8% of country's GDP in 2013¹³. Infrastructure and transportation spending is central to the development of Saudi Arabia, and is a main catalyst to the Kingdom's economic diversification plan. The infrastructure and transportation budget amounted to USD17.8 billion in the 2014 budget¹⁴. The government is planning significant spending in education, health, water, transport and social infrastructure. Additionally, the annual pilgrimage places a heavy burden on the country's transport and power infrastructure.

Projects pipeline

With USD674 billion in projects planned through 2020, Saudi Arabia has the largest pipeline of planned projects in the MENA region, representing 47% of the Core Markets' project pipeline.



Power

The Kingdom of Saudi Arabia's plan to diversify its power generation mix and grid capacity to accommodate the expected annual energy consumption growth of 5% will likely translate into aggressive government expenditure on power projects. Increased demand in energy consumption is driven by the annual 2.8% population growth, inefficient energy use and rising industrial activity in the country. The government has announced USD282 billion worth of power projects with total new power generation

¹⁰ Source: International Monetary Fund

¹¹ Source: US Energy Information Administration

¹² Source: International Monetary Fund. These percentages represent nominal GDP growth numbers on a US Dollar basis.

¹³ Source: Saudi Arabian Monetary Agency

¹⁴ Source: Saudi Arabian Ministry of Finance

capacity exceeding 60,000 megawatts (MW), of which more than 25,000MW is accounted for by renewable and alternative energy, including nuclear, which we believe is an opportunity for our business. The Kingdom's ambitious renewables programme is underpinned by the creation of the King Abdullah City for Atomic and Renewable Energy (KA-Care) in 2010. Solar power alone is expected to constitute a little under 35% of the Kingdom's total power production by 2032, with considerable room allocated for nuclear power generation over the same period. In addition, the USD1.6 billion Saudi Arabia-Egypt power interconnection project aims to allow the two countries to capitalize on the discrepancy in peak consumption periods between the two countries by sharing power during off-peak periods. The project is expected to be constructed in five phases totalling 1,316 kilometres of cabling with a capacity of 3,000MW.

Key announced power projects in the KSA

Key announced power projects in the KSA	Estimated value (USDm)	Capacity (MW)
Ras Abu Qamis Power Plant	4,500	3,600
Ras Al-Khair Power Plant—Phase 1	3,000	3,600
Duba IPP (Phase II)	2,700	1,800
Jeddah South Power Plant Phase-2	2,500	2,400
Saudi Egypt Power Interconnection	1,600	3,000
Mecca Solar Power Project (PV)	640	100

Having built significant power generation capacity in Egypt, Algeria and Kuwait, we believe we are well positioned to pursue power projects in Saudi Arabia.

Transportation infrastructure

The Kingdom of Saudi Arabia has announced significant transport infrastructure spending through 2020 totalling over USD120 billion in a bid to reduce the strain of the growing population, developing economy, and the rising number of annual pilgrims place on the current transportation network. As the Kingdom of Saudi Arabia will form a fundamental part of the Gulf Cooperation Council's Gulf Railway Network, rail and metro projects are expected to form a significant portion of the announced projects. Accordingly, a large portion of this budget comprises rail and metro projects across its key cities, the largest of which is the Mecca Metro, valued at USD16 billion. The Mecca Metro entails a four-line transit railway which will run for 181 kilometres around Mecca city centre capable of transporting about 100,000 passengers per hour, to accommodate the annual influx of pilgrims.

Other projects include the Riyadh-Dammam high speed rail link valued at USD14 billion, the USD10 billion second phase of the King Abdulaziz International Airport expansion project in Jeddah, which could increase the airport's capacity to 80 million passengers a year by 2035, the USD7 billion Saudi Landbridge, a 960-kilometre railway linking Riyadh and Jeddah, and the upgrading of the existing 450-kilometre railway between Riyadh and Dammam.

Key announced transportation infrastructure projects in the KSA

Key announced transportation infrastructure projects in the KSA	Estimated value (USDm)	Length (km)
Riyadh Dammam High-Speed Rail	14,000	480
linking Abdulaziz International Airport Phase 2	10,000	N/A
Jeddah Metro	9,500	109
Dammam Metro	9,000	86
Saudi Landbridge	7,000	1,410
King Fahd Causeway Expansion	5,300	25

Over the last 11 years we have completed or are currently constructing several transport related projects in Saudi Arabia including the USD450 million worth of infrastructure work at the King Abdul Aziz Airport in Jeddah, the USD159 South Security Border Road as well as section 4 of the Nagrah south security border road valued at an additional USD 10 million and over 85 kilometres of rail projects, amongst other projects. Across our Core Markets, our Group has also executed other transport related projects such as the Greater Cairo Metro, El Ferdan Bridge—the world's longest double swing rail and road bridge over the Suez Canal—and others. Given our experience, we believe we are well positioned to benefit from the planned transportation projects in Saudi Arabia.

Industrial and social infrastructure

The Kingdom of Saudi Arabia's drive to diversify its economy away from hydrocarbon revenue dependence will require the development of economic and industrial cities, of which will require substantial spending on industrial and social infrastructure. The industrial sector has announced projects worth USD22 billion, primarily focused on petrochemical plants, mining and metals production and processing.

Approximately USD20 billion in social infrastructure projects such as education, healthcare and cultural projects have been announced. Healthcare projects are expected to total USD 6.7 billion through 2017. Furthermore, a substantial number of mixed-use and commercial projects are in the pipeline, valued at over USD150 billion through 2020, the largest of which is the USD30 billion King Abdullah City for Atomic and Renewable Energy Sustainable City, a mixed-use development focused on atomic and renewable energy research and development.

Key announced industrial and social infrastructure projects in the KSA

Key announced industrial and social infrastructure projects in the KSA	Estimated value (USDm)	Project Specific Data
Waad Al Shamal Solar PV Manufacturing Complex	6,400	N/A
Mecca Gate: Alternative Housing Project	2,800	6,000 apartment units 1,500 villas
Sulaiman Al Rajhi University Hospital	250	300 beds

We believe our Group is strongly positioned in the industrial and social infrastructure sectors in Saudi Arabia, having constructed the USD289 million Al Safwa cement plant in partnership with Polysius Siemens, and Thyssenkrup Fordetechnik, and currently constructing the USD211 million Saudi Arabian National Guard's Military Housing project.

United Arab Emirates

Our activities in the United Arab Emirates involve both Orascom and Contrack, through which we have been present in the UAE market for more than a decade. We have executed several industrial, large-scale infrastructure and specialist foundation works projects, including Al Reem Island for Bunya and Al Tamouh Investments, New York University piling works at Saadiyat Island for Al Futtaim Carillion, Gate District Towers 3 to 8 for Sorouh Real Estate, Saraya Development infrastructure work for Sorouh Real Estate, Borouge 3, and the Fujairah cement plant. We are currently constructing the Hub Zero in Dubai.

We also have presence through our investment in the BESIX Group since the acquisition in 2004. BESIX is a leading name in the UAE, having built several high profile projects including Burj Khalifa—the world's tallest building, Abu Dhabi State Guest Reception Terminal, the Cleveland Clinic, Yas Island, the Ferrari Park Experience, the Al Sofoh Transit System, the Shahama—Saadiyat Freeway, Al Gharoud Bridge, and has concessions in several wastewater projects in the UAE.

The United Arab Emirates possesses one of the largest economies in the MENA region with a GDP of USD416 billion and expected growth rates of 5.7% and 4.9% in 2015 and 2016 up from 3.5% in 2014¹⁵. The award of Expo 2020 to the United Arab Emirates initiated the major spending in the country's transportation, infrastructure, industrial and commercial sectors to accommodate the projected 25 million visitors that the event is likely to attract.

Projects pipeline

The UAE's construction sector is expected to expand over the coming years on the basis of recovering residential and non-residential sectors as well as a highly promising infrastructure project pipelines.

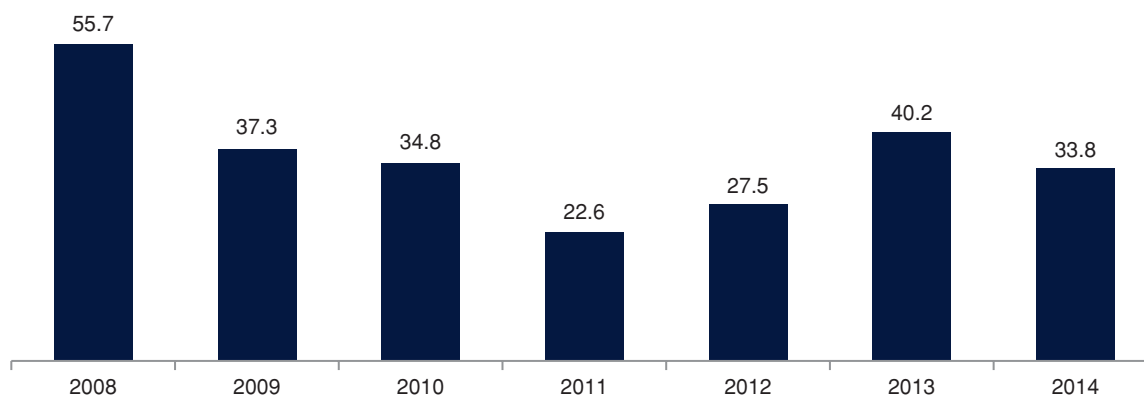
There are more infrastructure projects under construction in the UAE than anywhere else in the GCC. The UAE has announced USD465 billion in projects through 2020, making it the second largest market in the MENA region in terms of planned projects. This includes high value developments such as Dubai Parks & Resorts, Saadiyat Island and Capital District. Social and commercial construction projects comprise the largest share of the project pipeline for the UAE.

¹⁵ Source: International Monetary Fund. These percentages represent nominal GDP growth numbers on a US Dollar basis.

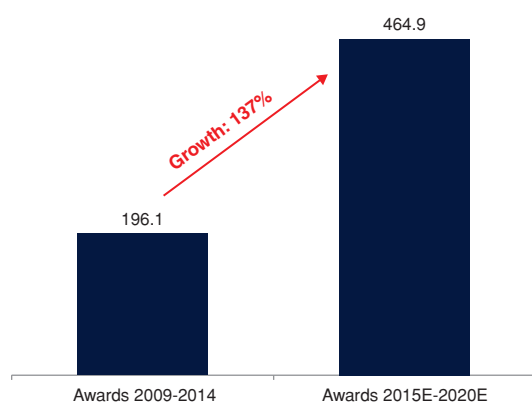
The return of construction investment and activity in the UAE has been largely attributed to Dubai's successful bid to host the Expo 2020. The USD7 billion Dubai Expo 2020 Master Plan covers 4.4 million built-up square meters over a 1,082 acre site that is equally situated between Abu Dhabi and Dubai. The development will include educational, innovative and entertainment facilities to accommodate an expected 25 million visitors.

Major public investment projects include considerable mass transit projects across the UAE, which include the development of a metro system and a light-rail network as well as other larger railway networks—namely the Etihad Railway network and the GCC Railway Network. Furthermore, there are several power and water investment projects being undertaken and planned by the government. Such projects include a nuclear power project in Abu Dhabi and a coal-fired power plant in Dubai.

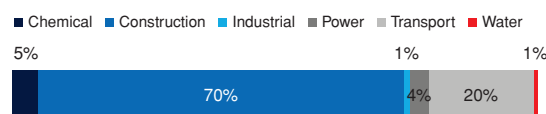
Market Size—Value of UAE Contracts Awarded (USD billion)



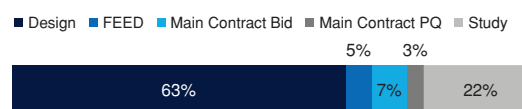
UAE Projects Pipeline (USD billion)



UAE Projects Pipeline (by Sector)



UAE Projects Pipeline (by Status)



Transport

Transportation project announcements in the UAE are approximately USD93 billion, with the largest projects being Abu Dhabi's USD7 billion Metro and USD2.5 billion Light Rail Transit projects, and Dubai's metro expansions which exceed USD4 billion. The Abu Dhabi metro will cover 70 kilometres in two circular lines. The first will serve Abu Dhabi International Airport, Al-Raha Beach, Abu Dhabi Island, Saadiyat Island and Yas Island. The second will connect Abu Dhabi Island, Mussafah and Mohammed bin Zayed City. The Abu Dhabi Light Rail Transit project will cover 340 kilometres in two lines that will run from Marina Mall to Saadiyat Island. The Dubai metro will cover nearly 135 kilometres and consist of four lines connecting several areas throughout the emirate. Furthermore, in the run up to 2020, an expansion of the Dubai World Central Airport has been envisioned, which will involve multibillion dollar construction investment.

Key announced transport infrastructure projects in the UAE

Key announced transport infrastructure projects in the UAE	Estimated value (USDm)	Length (km)
Al Maktoum International Airport Expansion	3,200	N/A
Abu Dhabi Metro	7,000	70
Dubai Metro (Purple & Blue Lines)	5,230	96
Abu Dhabi Light Rail Transit (LRT)	2,500	340
Bus Rapid Transit (Orange Line)	1,500	14

Industrial

The UAE has announced a strategy to diversify its predominantly oil-based economy by setting up complementary industries and associated services. The UAE's largest industrial project comprises the USD20 billion Al-Gharbia Chemicals Industrial City comprising 12 plants. The first phase of the project is expected to have an industrial chemicals production capacity exceeding 8 million metric tons per year, and is one of a number of complexes globally to combine aromatics, olefins and fertilizer production. In addition, announced private industrial projects exceed USD6 billion, comprising primarily of aluminium production plants, fertilizer plants and petrochemical facilities. We are active in Abu Dhabi and have recently completed the Borouge polyethylene plant in the industrial sector.

In August 2013, DEWA issued a tender for the construction of a new 1,200MW coal-fired plant; the major significance of this project is that it could be the largest clean coal-fired power plant in the Gulf upon its completion in 2021. The project was allocated USD3.5 billion in funding. The UAE also aims to shift its energy mix to contain a higher renewable component. In doing so the government is undertaking a USD30 billion civil nuclear programme. The construction of the plant is being undertaken by a South Korean consortium.

Key announced industrial projects in the UAE

Key announced industrial projects in the UAE	Estimated value (USDm)	Project Specific Data
Abu Dhabi Alumina Refinery	1,500	4,109 tons per day
Taweelah Metal Park: Aluminium Rolling Mill	1,500	1,370 tons per day
Food Production Facility at Kizad	408	751,908m ² development

Commercial

Within the commercial and social infrastructure sector in the UAE, the project pipeline is valued at over USD300 billion. A majority of this originates from mixed-use developments comprising hotels, office towers, retail developments and residential complexes. The pipeline also includes large scale projects such as Dubai Parks & Resorts and Saadiyat Island with residual elements due for completion by 2020.

Key announced commercial projects in the UAE

Key announced commercial projects in the UAE	Estimated value (USDm)	Project Specific Data
Renaissance City	25,000	—
Mall of The World Entertainment District	6,800	743,224m ² BuA
Tameer Towers (Shams Abu Dhabi—Al Reem Island)	1,900	50 storeys
Palm Jumeirah: Royal Atlantis Resort & Residences, Phase 2	1,500	1,050 rooms
Burj 2020 District	500	107,000m ² BuA

The UAE construction market has not been a major contributor for the construction business, however, the Company intends on leveraging its experience and track record to compete for project awards going forward.

Algeria

Algeria has historically been a large market for us, where we have completed nearly 40 projects since 2001. We have completed landmark projects across a number of sectors in the country, including, the Hama sea water desalination plant in Algeria, Africa's largest desalination plant and the second largest of its kind in the world, the Terga Combined Cycle Power Plant, the El Merk Central Processing Facility, Skikda LNG Train, the Sorfert Algeria urea and ammonia fertilizer facility, several cement projects, the 360 kilometre Méchéria—Béchar railway line, and several other rail projects through Medrail—our joint venture with France's TSO. We are also currently constructing the Algiers Refinery.

Algeria's 38.7 million inhabitants represent the second largest population in North Africa growing at approximately 1.9% per annum¹⁶. The country's oil and gas centric economy is poised to grow at 4.7% and 4.2% in 2015 and 2016 respectively, after growing 2.2% and 7.2% in 2013 and 2014, respectively¹⁷. Government spending is expected to continue rising with the announcement of its new five year USD262 billion public infrastructure development plan with total capital investment forecast at 110% of GDP in 2015¹⁸.

Transportation infrastructure

A major component of the five year USD262 billion development plan will be spent on continuing the road and rail improvements that are currently taking place. The general transport infrastructure still requires substantial improvements to connect the southern parts of the country, with the majority of economic activity taking place in the north by virtue of the poor transportation network.

The largest transportation project is the Highland Highway, an USD5 billion plan to develop 1,020 kilometres of roads connecting Tiaret to Tebessa. Algeria has a two phase plan to develop its road network: the first phase, to be completed by 2015, includes a 700km highway and the construction of a 1,300km cross-desert road as a partnership with Niger, the second phase, starting 2015 with targeted completion by 2020, will primarily focus on the rehabilitation of the existing road network and bridges.

The country also announced development projects worth USD3.7 billion to develop its railway network. The Metro d'Algers expansion accounts for USD2.8 billion of this value. The metro expansion is intended to add more than 200km of tram lines across 14 cities in order to accommodate the country's growing population and address increasing congestion in its key cities.

Key announced transportation infrastructure projects in Algeria

Key announced transportation infrastructure projects in Algeria	Estimated value (USDm)	Length
Highland Highway	5,000	1,020 km
Oran Tram Extension	600	19.6 km
Zeralda to Gouraya Railway Line	500	90 km
Biskra Tramway	250	N/A

Power

In Algeria, power projects comprise a critical component of the USD 8.6 billion project pipeline through 2020. In 2011, Algeria launched a national program to develop renewable energy and promote energy efficiency. The program aims to install 22,000MW of power generation from renewable sources through 2030, of which 12,000MW is expected to meet the domestic electricity demand and 10,000MW destined for export. The majority of the capacity will be generated by solar power through 60 plants, and approximately 2,000MW will be generated by wind power. Key announced power projects include the USD5 billion Concentrated Solar Power Plant: Phase 1B, which is expected to produce 2,475MW and the USD1 billion Wind Power Plant that will produce 516MW.

¹⁶ Source: International Monetary Fund

¹⁷ Source: International Monetary Fund. These percentages represent nominal GDP growth numbers on a US Dollar basis.

¹⁸ Source: International Monetary Fund

Key announced power projects in Algeria

<u>Key announced power projects in Algeria</u>	<u>Estimated value (USDm)</u>	<u>Capacity</u>
Concentrated Solar Power Plant: Phase 1B	5,000	2,475 MW
Wind Power Plant	1,000	516 MW
Ain Fateh Substation	120	400 KV

Industrial

Announced Industrial projects in Algeria exceed USD7 billion, focusing on fertilizer production facilities, steel plants, mining, and other manufacturing complexes. In addition, announced, Commercial projects, with a focus on high-rise towers and public leisure spaces, have a total value exceeding USD2.5 billion.

Key announced industrial projects in Algeria

<u>Key announced industrial projects in Algeria</u>	<u>Estimated value (USDm)</u>
Oued Keberit Fertiliser Plant	2,000
Tebessa Phosphate Plant	2,000
Bellara Integrated Steel Complex	1,930
Turbine Manufacturing Complex	300
Oued Amizour Zinc Mine Project Permit	300

Given our longstanding presence and established track record in Algeria, we believe we are well positioned to take advantage of the growth potential in the market.

During the construction of one of OCI N.V.'s projects, for example, we focused on the development of local talent, where Algerians represented 77% of the 5,630 man workforce, on average. We also trained approximately 200 Algerian technicians to run the Sorfert Algérie plant during the construction period. We believe this was well perceived and demonstrates our ability to create value in our markets by investing in local talent.

Republic of Iraq

Due to the on-going deterioration of security in Iraq, the outlook for the infrastructure sector in Iraq does not look as prosperous as it may have previously. In spite of the instatement of a new prime minister, Haider al-Abadi, the political situation in Iraq remains precarious and any new government will likely dedicate most of its efforts and resources to dealing with the political situation and on-going conflicts. On-going delays in the formation of a new government and an inability to agree upon national budgets are further obstacles to both economic and infrastructure growth in Iraq.

Despite this, the Iraqi construction industry has significant potential, with the government seeking to build and repair the country's infrastructure including but not limited to its housing, transportation, power and water and sewage sectors. The Iraqi government still continues to award construction contracts for major infrastructure projects, and has it announced projects through 2020 that exceed USD75 billion. This value already excludes nearly USD20 billion worth of projects that were announced but have been put on-hold. Key confirmed projects are in the transportation sector, power sector in order to meet the 15,000 MW daily needs, private chemical and industrial projects and social infrastructure work across housing, hospitals, military complexes and various leisure and mixed-use space. Iraq is an important market for us in the medium to long term, and we believe we are well positioned to benefit from potential spending plans in the country, having built the Basian and Tasluja cement plants, the country's GSM network, and the Baiji 1,000MW Simple Cycle Power Plant—which is currently on hold due to the country's current turmoil.

State of Kuwait

Kuwait's growth in infrastructure is driven largely by growth in construction that is attributed to the housing sector. Despite plenty of infrastructure project opportunities in Kuwait, the government has dedicated less effort and resources towards major infrastructure projects compared to other GCC peers. However, recently the government of Kuwait has announced plans to spend KWD45.5 billion on projects over the next five years. The spending is slated to cover 523 key projects in a five-year development plan starting in the fiscal year beginning 1 April 2015.

Kuwait is planning a USD7 billion metro project in Kuwait City, to be completed by 2020. Kuwait has engaged in major projects within its downstream infrastructure sector, which aims to improve the quality and increase the number of Kuwait's refined fuels. Announced projects include projects in the chemical, construction, power, transportation and water and wastewater segments valued at USD91 billion.

Kingdom of Bahrain

The Kingdom of Bahrain's construction industry is expected to experience growth over the next decade, mainly attributable to government investment in transportation infrastructure and housing infrastructure. The government is expected to launch projects worth USD37 billion in the upcoming 4 years; the projects will be financed out of a 10-year fund pledged by the GCC to the country in 2011. The funds will be funnelled towards the development of housing construction, transportation infrastructure in addition to the water and power sectors.

Investment in the country will primarily be driven by the government and is likely to centre on large-scale industrial projects and transportation infrastructure. Announced projects include the USD1 billion development of Bahrain Petroleum's Petrochemicals Complex, a USD2.5 billion production line at Aluminium Bahrain, a USD2.5 billion expansion by Gulf Petrochemical Industries, as well as plans to expand Bahrain International Airport and develop a light railway network.

United States

The United States' construction spending outlook is expected to be nearly USD4.6 trillion from 2015 through 2018, supported by lower energy prices, generally low overall inflation, steady GDP growth, improving consumer confidence, strong housing starts, and unemployment of about 6%. Total construction spending has returned to pre-economic crisis levels, and is expected to return to near record levels by 2018. The construction sector is expected to grow by 7.1% and 6.6% in 2015 and 2016, respectively¹⁹. The total non-residential market including federal infrastructure spending is estimated to grow approximately 5% each year through 2018 totalling nearly USD2.7 trillion, mainly driven by educational, commercial and manufacturing projects¹⁹.

A strong residential market, estimated to grow at approximately 10% each year, indicated by a positive trend in housing starts which was 1.0 million¹⁹ in October 2014, homebuilder confidence, sales and prices is likely to boost construction spending. The resulting expenditure through 2018 is estimated to reach USD1.9 trillion¹⁹.

According to the U.S. Census Bureau, the total non-residential market including federal infrastructure spending is estimated to grow approximately 5% each year through 2018 totalling nearly USD2.7 trillion, mainly driven by educational, commercial and manufacturing projects. Industrial projects are being supported by the low energy prices, and a ready labour force driven by the US shale revolution, which is driving expenditure into exploration and production, and refining and petrochemicals. Industrial projects are expected to amount to USD244 billion through 2018.

Total power expenditure is expected to reach USD455 billion through 2018¹⁹. The USACE has proposed power purchase agreements of USD7 billion for renewable energy sources over a period of 30 years²⁰. Transportation spending is supported by the announced 'Fix-it-First' program, which aims to repair bridges around the country, and the 2015 federal budget allocation of USD199 billion over four years for critical transportation investments. Future transport infrastructure spending is affected by the political and economic environment, with the fiscal battles taking place in the US Congress limiting the funding directed toward transport infrastructure. The Company believes that the PPP model will be further implemented to fill the public sector funding gap.

¹⁹ Source: US Census Bureau

²⁰ Source: US Army Corps of Engineers

8. BUSINESS

8.1 Overview of the Group

References in this Part 8 to we, our and the Group are references to the Company and its subsidiaries.

Our roots extend back to 1950, and the founding of Orascom Onsi Sawiris & Co as a general contracting and trading company in 1976. Since then, the Group has grown to a leading international contractor and construction firm as a result of a strong management team and a significant track record of executing large-scale complex construction projects.

We are an international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the Middle East, Africa and the United States and Central Asia for public and private clients. In addition, we hold a 50% shareholding in the BESIX Group, which operates across Europe and the MENA region.

Members of the Group have consistently ranked among the world's top contractors and we currently rank number 67 on ENR's Top 250 International Contractors list published on 25 August/1 September 2014, making us the top ranked construction company in the Middle East and North Africa.

We have an extensive track record of successful timely and efficient execution of large, complex and demanding private and public sector projects in accordance with international quality and safety standards. We have executed projects in more than 20 countries across infrastructure, industrial and commercial sectors.

As at the date of this Prospectus, the Group employs approximately 53,000 employees worldwide.

Through our subsidiaries and joint ventures, we are engaged primarily in engineering and construction contracting. The Group operates under three distinct and separate brands: Orascom, Contrack International Inc. and The Weitz Company, each with a distinctive franchise and well-established customer base.

The following table sets for our principal operating subsidiaries in the engineering and construction business:

	<i>Orascom Construction Limited</i>		
			
Ownership	100%	100%	100%
Core Markets	Egypt, Saudi Arabia, Algeria and the United States	United States, Pacific Rim and Afghanistan	United States
Expertise	Infrastructure and industrial projects and select high-end commercial projects	Large-scale social infrastructure and federal projects	Commercial, industrial, infrastructure, and plant services construction projects

Our core brands are supported by a 50% shareholding in The BESIX Group and a network of subsidiaries and affiliates in complementary industries to construction. We account for BESIX as an associate company using the equity method of accounting.

Other businesses in which we are engaged comprise mainly of operations supporting this main business, as well as certain other investments in various industries.

During the year ended 31 December 2013 we generated USD 2.3 billion in revenues, gross profit of USD 92.3 million at a percentage of revenue (hereinafter referred to as **margin**) of 3.9% and losses from operating activities of USD 30.7 million.

The table below sets out a breakdown of total revenues of the Group by geographic market for the financial years ended 31 December 2011, 2012 and 2013 and for the nine months ended 30 September 2013 and the nine months ended 30 September 2014:

(USD millions)	For the years ended 31 December			For the nine months ended 30 September	
	2011	2012	2013	9M 2013	9M 2014
MENA	1,482.4	1,144.0	1,171.9	755.6	965.3
USA	328.9	313.3	1,177.8	868.7	1,192.1
Total Revenue	1,811.3	1,457.3	2,349.7	1,624.3	2,157.4

Source: Financial Statements

The table below sets out our backlog as at 31 December 2011, 31 December 2012, 31 December 2013 and 30 September 2013 and 30 September 2014.

(USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Backlog	3,321.3	4,869.4	3,839.9	4,015.5	5,566.2
New Awards	2,659.7	2,618.9	1,233.3	646.2	3,869.6

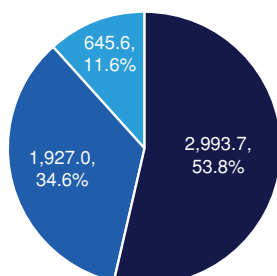
Source: Management estimates

The diagrams below set out our backlog as at 30 September 2014 according to sector and geography respectively:

30 September 2014 Backlog (USD millions and % of total)

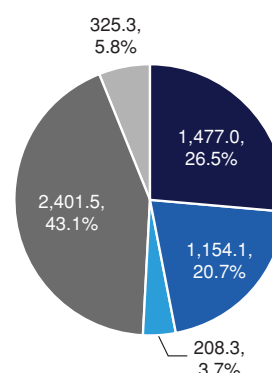
By Sector

■ Infrastructure ■ Industrial ■ Commercial



By Geography

■ Egypt ■ Saudi Arabia ■ Algeria ■ USA ■ Rest of World



8.2 Competitive strengths of the Group

We believe that our success is built upon a combination of competitive advantages that have enabled us to grow and become one of the leading international construction contractors.

The following competitive strengths we believe differentiate us from our competitors in the markets in which we operate:

A leading international contractor underpinned by more than a half century long heritage and a strong track record of project execution

We are a leading international construction player with a long history of over 60 years of operating experience in MENA markets and 160 years of experience in the United States through Weitz. Since 2003, we have consistently top ranked in the ENR's international contractors list. We currently rank 67th in the international contractors list—the top ranked construction Company in the MENA region. We believe we have an extensive track record of successful timely and efficient execution of large, complex and demanding projects in accordance with international quality and safety standards, enabling us to obtain a sustainable competitive advantage in the construction markets in which we operate. We are currently the

largest private contractor in Egypt, and have a fast growing presence across countries of the MENA region. Our extensive experience has allowed us to develop a deep understanding and knowledge of the specific dynamics of the MENA region and several other global markets.

We initially established our presence in Saudi Arabia in 2003. In 2011 we entered into a joint venture with Saudi BinLadin Group and since then we have grown our backlog in Saudi Arabia to USD 1,154.1 million, representing approximately 21% of our total backlog as of 30 September 2014.

We have also recently established our presence in the United States, through the acquisition and subsequent integration of Weitz, which is amongst the largest contractors in the United States and the oldest ranked on the ENR Top 400 list, lending the Group a wealth of experience in the United States construction industry. We are also the only contractor that has built a large scale green-field fertilizer plant in the United States in the past 25 years.

Our deep roots in all of our markets and our ability to match global standards while understanding local sensitivities enable us to execute projects challenging environments, which differentiate us from our competitors. We understand the economic, social and cultural challenges that our clients and partners face.

We aim to deliver excellence in every aspect of our operations, and to be a recognized leader in our industry. We believe that the reputation we have earned over the years will constantly enable us to secure new and repeat business in our markets, and leverage the platform to other high growth markets such as sub-Saharan Africa and the Pacific Rim.

Wide variety of core construction competencies

We are capable of executing large and complex projects, having invested in developing a wide range of niche core competencies that enhance our competitiveness. We believe this has enabled us to reduce the risk of dependence on any single project or industry sector, and mitigate against a reduction in projects being awarded in any single market segment, and has positively impacted our profitability due to the higher margin nature of more complex work, enhancing our competitive position. In addition, this has also allowed us to directly negotiate investment opportunities including equity investment opportunities.

The variety of our on-going projects demonstrates our wide construction competencies, which include projects relating to power, petrochemicals, public infrastructure, transportation, water and waste water, industrial projects, piling and foundation, marine works and high-end commercial and residential projects.

This varied skill-set has allowed us to establish a significant track record of proven industrial and infrastructure experience, as illustrated by our participation in the construction of the following projects:

- Over 40 million metric tons per annum of cement production capacity around the world;
- Over 12 million metric tons per annum of nitrogen fertilizer capacity completed in Egypt, Algeria, and under construction in the United States;
- The world's largest double swing rail bridge;
- Approximately 15,000 MW of power generation capacity in the Middle East;
- Over 1,020 kilometres of rail projects in the Middle East, through 15 railway projects in the last 15 years;
- Over 15 airports in the Middle East (we are currently involved in infrastructure works for King Abdul Aziz airport in Jeddah);
- Seven petrochemicals projects (excluding fertilizers) in the Middle East;
- The first wastewater treatment plan under Egypt's PPP program;
- Currently involved in the construction of the largest archaeological museum in the world, the Grand Egyptian Museum;
- Top contractor for the United States Army Corps of Engineers and other military and naval branches through Contrack.

In addition, it is our strategy to develop specialist construction services for our clients where we see opportunities in the market. Our dedicated and focused teams employ specialist resources and knowledge,

enabling us to offer our clients a better, more inclusive service. Our specialist divisions currently provide expertise in:

- foundation and geotechnical works;
- road construction and infrastructure;
- rail construction and infrastructure;
- concessions construction and operations and maintenance services; and
- facilities management through Contrack FM.

We have been and also continue to be involved in the construction of several landmark commercial projects.

We believe our wide variety of core construction competencies has enabled us to reduce risk and mitigate the full effects of the global economic downturn on our business.

Stable and visionary leadership and controlling Shareholders

We believe we have a highly skilled, stable and committed leadership team led by our Chairman and Chief Executive Officer with a proven track record of growing the business historically in local and international markets both organically and through acquisitions. The management team has strong operational experience in the international construction industry together with a clear sense of long term focus and commitment to the business which has been central to our strong track record. Our leadership team has been the principal driving force of our expansion strategy of entering new markets, growing our backlog outside Egypt (our home market), to 73% of total as at 30 September 2014, as well as our successful acquisitions of BESIX and Weitz in 2004 and 2012 respectively. We believe our leadership team has laid the foundation and roadmap for successful development of the Company with a vision of shaping the business for expansion and growth.

Our depth of knowledge and experience extends beyond our senior management and deep into our organization where we have a comprehensive structure of experienced and capable managers, and a large and highly skilled workforce. Due to our reputation, business ethics and leadership style, as well as our partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies, we have regularly attracted, developed and retained new generations of experienced managers to support the continuity of our business success. We believe that our qualified and experienced management team and employees put us in a strong position to successfully implement our business strategy.

We also have a stable shareholding structure which has ensured continuity in corporate strategy and relationships with business partners and customers and has historically been a key driving force of our success. Our majority Shareholders, the Sawiris Family (including our founder, Mr. Onsi Sawiris), are the founders of our business with a long-standing reputation in the construction industry and a proven entrepreneurial and value creation track record—with approximately 40% total shareholder return delivered to investors since the initial public offering of OCI S.A.E. in March 1999. Furthermore, we have a proven track record of incubating new businesses including:

- Cement: became a top 10 global cement producer at that time primarily through Greenfield projects in over 10 countries
- Ports: held a Build-Own-Operate (**BOT**) stake through construction of a key port in Egypt and exited at lucrative multiples that generated high returns;
- Fertilizers and Chemicals: built three of OCI N.V.'s operating plants in Egypt and Algeria, and in the construction phase for two plants in the United States, which will help transform the business of OCI N.V. to a top three global fertilizer producer.

As Orascom Construction's key executives have been with the Group for more than 10 years on average, we believe that its ability and intention to create shareholder value is secure.

We believe that prospective customers consider the quality of our employees to be an important factor when contracting for or purchasing our products or services. We believe that we have been able to attract, motivate and retain knowledgeable and experienced employees.

Strong and well-established client base comprising sovereign, sovereign-backed and blue chip clients with longstanding relationships and repeat business

We have established an extensive and stable network of clients in our markets. The quality and timely completion of our work has been well recognized by our clients, which include sovereign or sovereign-backed entities and large private sector clients. The quality of our work has enabled us to maintain, on the whole, strong and long-standing relationships with several repeat clients. This network of clients and the relationships we have established serves as a solid foundation for us to develop and grow our business.

As at 30 September 2014, approximately 50.7% of our customers were governments or state-owned or state-funded companies. Notable examples of our government or state-owned or state-funded clients include the following:

<u>Client</u>	<u>Milestone Projects</u>
Egyptian government and military	• El Minya—Assiut Road • Greater Cairo Metro • Abu Qir Thermal Power Plant
Sonatrach and the Algerian government . . .	• Hamma Water Desalination Plant • Terga Combined Cycle Power Plant • El Merk Central Processing Facility
Saudi Arabian government (primarily in partnership with Saudi BinLadin)	• King Abdulaziz International Airport Development • Saudi Arabia National Guard Military Housing • South Security Border Road
The United States Army Corps of Engineers and USAID	• Bahrain Waterfront Development Program • Camp Bastion Airbase • Bagram Airfield • Kandahar Airfield

These sovereign-related clients tend to be comparatively less susceptible to macroeconomic risks than non-governmental private sector clients.

Our private sector clients are primarily contractors, engineering firms, industrial or commercial developers, manufacturers, and technology providers. We perform due diligence on clients to ensure the solvency of projects and reliability of payments. The Company has had limited exposure to problematic receivables in the past and, due to our solid performance record, we have received repeat orders from our strategic industrial clients which assists in reducing engineering costs and reduces the time taken to complete a project.

Notable examples of our private clients include the following:

<u>Client</u>	<u>Milestone Projects</u>
Kellogg, Brown and Root (KBR) . . .	• Egypt Basic Industries Corporation (EBIC) • Iowa Fertilizer Company (IFCo) • Skikda LNG Train
ThyssenKrupp Uhde (Uhde)	• Egyptian Fertilizers Company (EFC) • Helwan Fertilizer Company • Iowa Fertilizer Company (IFCo)
Emaar Misr	• Marassi North Coast • Mivida New Cairo
Al Futtaim	• New York University Abu Dhabi • Cairo Festival City
Cargill Inc.	Weitz has completed more than 50 projects in the past 40 years in the United States
ITT	Awarded various Operation and Maintenance works in Afghanistan

Due in part to our track record of repeat work for our existing client base, we believe that we are well-positioned to sustain and develop our business and capture additional opportunities from key governmental and private clients.

Record level of quality backlog and strong balance sheet, now scaled to embark on next phase of growth and margin expansion

We believe we have a proven ability to capitalize on our more than 60 years' heritage, enabling us to become what we believe is today one of the most successful and largest players in the MENA region construction industry.

Our contract backlog of USD 5.6 billion as at 30 September 2014 is a record high level, and represents more than two times our financial year ending 31 December 2013 revenues, notwithstanding the difficult surrounding market conditions. The backlog momentum has accelerated during 2014 with approximately USD 3.9 billion of new awards for the nine months period ending 30 September 2014. The top 20 largest projects represented 64% of the total backlog as of 30 September 2014. Projects below 50% completion represented 87% of the total backlog as of 30 September 2014. Please refer to the section headed "Backlog" in this part 8 of this Prospectus.

We have substantially grown our backlog and execution capabilities over the past decade from USD 819 million as at 31 December 2004. Based on our historical backlog and our proven ability to win new contracts, we have consistently been able to maintain our project backlog value above USD 3.0 billion since January 2008.

Such consistent growth demonstrates the resilience and strength of our business model. We have faced minimal project cancellations over the past three years and we therefore believe that the strength of our current backlog provides a longer term indication of our future revenues.

Furthermore, we remain quite active in pursuing further projects and we currently have a promising bidding pipeline with significant bids and pre-qualification tenders outstanding.

To position the Group for its next phase of growth, we have worked to optimise the balance sheet and as at 30 September 2014 and we believe we have a strong financial and liquidity position with an equity base of USD 0.8 billion, and limited leverage represented in a net debt of USD 164.3 million, providing us with a margin of safety. We believe our strong capitalization and healthy liquidity position provides us with the requisite scale and capabilities to bid on and strongly compete for upcoming tenders in our current markets. We also believe our strong balance sheet positions us well to capitalise on growth opportunities in new markets as and when they arise.

In Saudi Arabia, we believe we are well placed to take advantage of opportunities as they arise as a result of strong regional infrastructure demand and spending, and to begin to benefit from normalization in core construction markets post the global financial crisis and regional political turbulence.

In addition, and as part of our strategy, margin optimisation will be a key focus area for the Group in the near term.

Well balanced geographic presence with strong focus on high growth markets and significant local resources

We have successfully executed projects in more than 20 countries, including our primary markets in Egypt, Saudi Arabia, Iraq, Algeria and the United States, amongst others. We have sought to build the necessary scale and track record, and have consolidated our position to allow us to become a significant market player within MENA markets, with a growing footprint and number of executions capacity in the United States that is underpinned by 160 years of experience and track record through Weitz. We are further growing our business organically building a track record in the United States, and are currently involved as the EPC contractor for the Nitrogen fertilizer and industrial chemical complex (Iowa Fertilizer Company), the first green-field world scale natural gas-based fertilizer plant to be built in the US in 25 years.

We have consistently sought to have a well-diversified and balanced backlog in terms of geography, sector and client base that we believe sets us apart from many of our competitors and helps offsets unfavourable impacts from market movements. This is illustrated by the fact that the backlog saw minimal cancellations or changes in scope throughout the economic downturn in the MENA region during 2008 to 2011 and we maintained solid results throughout this period.

We have excellent relationships with several strategic partners and technology providers (such as VINCI, Petrofac, Veolia, Alstom, FLSmidth, Polysius, Air Liquide, Maire Tecnimont, KBR and Uhde) that we leverage to further our market and sector expansion and assists in the replenishment of our backlog.

We believe certain factors enhance our competitive advantage compared to foreign contractors in the markets in which we operate, including the significant resources dedicated to these markets (with a global work force of approximately 53,000, and approximately 1,851 items of heavy equipment), our proven ability to mobilize these resources across regional markets, and our familiarity with local regulatory and legal requirements. These factors allow us to promptly respond to new opportunities as and when they arise in our existing as well as new markets.

Our business benefits from the opportunities that our MENA markets present to us, with a total planned projects pipeline estimated at USD 1.4 trillion through 2020 (according to MEED Projects and MEED Insights). We believe our market positioning, significant on-the-ground resources and presence, knowledge and know-how are all integral in allowing us to benefit from emerging trends across the MENA region.

Flexible business model with the ability to share project execution risk

We have acquired significant and diverse sector experience through participation as a subcontractor and/or joint venture partner. As evidenced by our rankings in ENR's International Contractors list, we have also progressed up the value chain and are currently a leader in our markets, typically acting as the main contractor for projects or as a joint venture partner or consortium member in larger projects.

When acting as the main contractor, we seek to manage project execution risk and liabilities by engaging subcontractors on terms which mirror the main contract and also meet our strict selection criteria. By engaging subcontractors, we seek to gain flexibility regarding our resource allocation and the use of our in-house skill set which allows us to engage in larger and more complicated projects. Subcontractors are selected according to certain established rules based on, among other things, qualification, experience and cost, which are utilized to review and rate subcontractors.

We rate our subcontractors after every project according to rules and procedures established in our total quality management procedures. We maintain a preferred subcontractor list for each type of construction project. Furthermore, several of our construction projects are undertaken through partnerships, many of which provide significant local expertise in order to facilitate timely and efficient project execution.

Most of our contracts are currency neutral through the entry into hedging arrangements against any currency fluctuations and any escalations in raw material prices are hedged through long term supply agreements with suppliers, while escalation clauses are sought in all contracts.

Growing complementary lines of business generating stable cash flows and generating new business opportunities for us

We are working to grow our sources of stable long-term cash flows through value accretive concessionary contracts. In 2009, and in partnership with Aqualia, we were awarded Egypt's first and only successful public-private partnership (PPP) concession to build and operate the New Cairo Wastewater Treatment Plant, the contract value of which was approximately USD 472 million. The success of this award established a blueprint for Egypt's PPP legislation and is the only successfully completed PPP project in Egypt to-date.

We plan to continue to build on this successful model going forward, whether participating as a standalone brand, or in consortiums, in other areas of business across our core markets to help sustain our business activity.

In line with that strategy, we also announced on 5 November 2014, together with IPIC, our intention to jointly commence studies to develop, construct, and operate a 2,000 to 3,000 MW coal-fired power plant in Egypt. A memorandum of understanding was also signed on 12 November 2014 by the partners and the Egyptian government to formalise the parties' co-operation. We believe our track record and positioning would allow us to develop new and further infrastructure investments opportunities.

Value creation track record in core markets through our project development expertise

As a contractor, we target markets with large populations that have large announced infrastructure spending plans, as well as opportunities to invest in value accretive projects. We believe that we are one of the few contractors in the core markets in which we operate that also develops infrastructure and industrial

projects, thereby creating value for the markets in which we operate by investing in such markets and hiring from a larger pool of local talent.

As a developer, we have a strong track record of effectively managing the time and cost of developing large and complex projects by leveraging our construction capabilities and developing an effective system to self-perform on an accelerated timeline, significantly shrinking the cycle time from conception to production and thereby maximizing returns. Our construction management team has historically been an integral source of idea generation for new investments in our pursuit of value enhancing greenfield opportunities, having developed and incubated businesses both independently and with partners for nearly 20 years.

Examples of local talent development include the construction of Sorfert Algérie, where Algerians constituted an average of 77% of the 5,630 labourers on site; we also trained approximately 200 Algerian technicians to run the Sorfert Algérie plant during the construction period. In Afghanistan, Contrack has been one of the country's largest employers and provides comprehensive vocational training and employment opportunities to the local population in Kabul. The Construction Training Center is a model program visited frequently by high-ranking officials from the United Nations, the Afghan Ministry of Education, USAID and the US Army Corps of Engineers, and has graduated over 1,800 students (including 113 deaf students and 49 mine victims). More than 80% of the graduates of the program are employed by Contrack on its various construction projects throughout Afghanistan.

8.3 Group strategy

Maintain and grow market leadership in MENA region and continued commitment to pursuing strategic market and geographic expansion

Our focus is on sovereign-backed large-scale infrastructure projects in MENA and the United States; specifically on populous countries with large surplus economies. To sustain economic growth and meet the needs of growing populations, we believe that MENA countries will need to continually invest a proportion of their annual GDP in infrastructure, as supported by the market opportunities in the MENA region as described in Part 7 (“*Industry Overview*”) of this Prospectus. We believe that, as a well-established and respected player in the region, we are strongly positioned to take advantage of such future infrastructure projects in our core markets and will continue to be served well by our perception as a local player regionally. We intend to continue enhancing and strengthening our position as the contractor of choice for large scale and complex projects in our market. We plan to further strengthen our activity in our key sectors of focus in Egypt, the United States, Saudi Arabia, Iraq and Algeria. Additional markets of medium-term interest for the Group include the United Arab Emirates and the Pacific Rim. We may potentially expand beyond our markets to certain select African markets. We will simultaneously selectively pursue and invest in new businesses at attractive valuations. The Company is bidding on a number of projects in each of the key jurisdictions in which it operates, for example, we have been shortlisted for the Egyptian Ministry of Electricity's wind and solar renewable energy program, and intend to pursue work in the USD40 billion housing project in Egypt.

In Saudi Arabia, we believe we have established a particularly strong record in the transport and social infrastructure sectors, having been awarded USD450 million worth of infrastructure work at the King Abdul Aziz Airport in Jeddah, the USD211 million Saudi Arabian National Guard's Military Housing project and a USD159 South Security Border Road, amongst other projects.

Currently, the majority of our work in Saudi Arabia is through our joint venture with Saudi Binladin Group. However, we have invested in Saudi Arabia over the last two years to establish a strong presence, and we believe that we are well-positioned to pursue and execute more projects independently.

We believe that our strategic approach to entering new markets, combined with our experience in successfully entering new markets to date, will enable us to successfully execute future strategic geographic expansion and ensure that revenue exposure is not concentrated in any one single market or country.

Establish and leverage strategic partnerships and joint ventures

By working in partnership with industry leaders, we have been able to increase our success rate in obtaining new project work, heighten our reputation for our products and services, obtain access to advanced technologies, know-how and management experience to minimise project risks and ensure the reliable, cost-effective delivery of services to our customers. These strategic partnerships have enabled us

to participate in some of the MENA region's largest construction projects and maintain a strong market position among local construction companies in North Africa. Examples of such partnerships include:

- Saudi Binladin Group, with whom we have worked on several large-scale infrastructure projects in Saudi Arabia through our joint venture, Orascom Saudi Limited;
- International Petroleum Investment Company (IPIC), with whom we were awarded the development and construction of Egypt's first coal-fired power plant;
- Aqualia, with whom we developed, constructed and currently operate the New Cairo Wastewater Treatment Plant;
- Polysius and FLSmidth, with whom we have partnered on the construction of more than 15 cement plants;
- Alstom, with whom we have constructed the Terga power plant and the tramway terminal at Bordj El Kiffan in Algeria as well as the electrical and mechanical works of line three of the Cairo Metro; and
- the construction of line three of the Cairo Metro with VINCI SA, with whom we also partnered on the Naga Hammadi barrage and hydropower plant in Egypt, the Skikda LNG train in Algeria and are currently bidding on the Assiut barrage in Egypt.

We intend to maintain our relationships with such existing strategic partners and develop new partnerships with other industry leaders to strengthen and expand our geographic and market segments.

Maintain revenue growth and improve profitability through project selection

We intend to continue to pursue large-scale, complex projects focusing on industrial and infrastructure markets where we believe we can capitalize on our expertise and track record. Through our brands, we are bidding aggressively for new projects throughout the jurisdictions in which we are present. By bidding on projects that have higher barriers to entry due to their complexity and size, we believe we will be able to maintain our revenue stream with a visibility of approximately two years while working to improve our consolidated margins. We target margins in our United States operations to turn positive in 2015.

Maintain a strong balance sheet and conservative financial profile

We believe the Group currently has a strong financial base in terms of capitalization and liquidity positions that positively position us for our next stage of development. Going forward, we intend to continue to maintain a disciplined financial strategy, seeking a sustainable and prudent capital structure and a solid financial position to achieve further sustainable growth. We intend to maintain leverage ratios in line with industry norms. As part of our strategy we plan to rebalance the currencies of our debt to reduce our cost of borrowing.

A conservative financial profile will allow us to bid and compete for upcoming tenders and capitalize on additional business opportunities in our markets as well as new markets as and when they arise. We intend to continue to actively manage our business and position to ensure self-sufficiency for our existing capital needs and maintain healthy levels of liquidity. We intend to maintain adequate levels of available facilities to support working capital and enhance liquidity.

We are committed to a disciplined approach in evaluating potential investments or acquisitions, our capital structure organization and the return of capital to Shareholders.

Pursue value enhancing investment opportunities in the construction and industrial spheres

Orascom Construction will continue to capitalize on its ability to identify and pursue new investment opportunities that provide stable cash flows, scalable platforms and potential further scope for growth, where it has developed an effective system to self-perform on an accelerated timeline, significantly shrinking the cycle time from conception to production. The construction team has been an integral source of idea generation for new investments and has developed and incubated businesses both independently and with partners.

In addition, we aim to focus on expanding our participation in infrastructure investments and concessionary projects both as standalone brands and in consortiums in all of our core markets, including Public-Private Partnerships (PPP) and Design Build Finance Maintain (DBFM) projects. We believe this will allow us to pursue larger industrial and infrastructure projects as well as benefit from steady returns.

We will also consider strategic tuck-in acquisitions that enhance our core competencies and add valuable human resources to our construction team. Examples of this in practice is our acquisition of Weitz in 2012, which provided us with an essential footprint in the United States, and our joint venture with Aqualia, gestión integral del agua S.A., based in Spain, which was awarded Egypt's first public private partnership concession, the New Cairo Wastewater Treatment Plant, for a total consideration of USD 472 million. In addition, we have recently signed a memorandum of understanding with the International Petroleum Investment Company (IPIC) and the Egyptian government formalizing cooperation in the development of a 2,000 to 3,000 Megawatt (MW) coal-fired power plant in Egypt.

In the United States, we expect a strong and sustained recovery in the US construction market on several fronts, which we will aim to participate in to capture through Orascom E&C, Weitz and Contrack. Construction spending in the US has returned to pre-financial crisis levels and we expect it to continue expanding to fulfill the country's growing infrastructure needs. While there may be a slowdown in global energy investments due to lower oil and gas prices, the US benefits from lower energy production costs and is therefore, we believe, less affected by this trend. On another front, consumer spending and consumer confidence, which are enhanced by lower energy costs, are key drivers of the US economy. As US consumers benefit from lower energy costs, we expect a resulting upturn in US economic activity and construction expenditure. Given our experience as the construction contractor executing the first world-scale fertilizer complex in the US in 25 years and one of the largest new methanol plants in the US, we believe we are well-positioned to capitalize on future opportunities in the US construction market.

Operational excellence through continued commitment to quality, safety and ethical business practices

We aim to offer superior products and services that are compliant with international quality and safety standards and that exceed customer specifications and expectations. We work continually to improve our business operations using high ethical standards and effective and efficient systems and technologies in an effort to continue to meet customers' changing needs. Our commitment to quality and safety is driven by our belief that customers consider these key factors when contracting for products and services, and our safety records as listed below are strong:

Brand	2011 LTIR	2012 LTIR	2013 LTIR
Orascom	0.014	0.016	0.014
Contrack	0.025	0.081	0.032
Weitz	0.100	0.200	0.300
Group Average	0.046	0.099	0.115

We intend to continue to implement and strengthen our quality control mechanisms to ensure the consistent delivery of high-quality products and services and maintain various industry certifications to strengthen our position when bidding for projects to assure customers that we operate in accordance with international quality and safety standards.

We also view personnel training, activity planning and subcontractor selection as essential for accident prevention and successful and timely execution of our projects and intend to continue developing these aspects. We aim to highlight our commitment to quality and safety as important factors for successfully marketing our products and services to new and existing clients.

Continued growth through solid succession planning, management retention, and comprehensive employee training and development programs

We are committed to fostering an environment that encourages employees to seek opportunities for professional growth and enrichment. We recognise the importance of training and development for all of our staff, and have implemented a number of initiatives, including the OCI Academy (which focuses on training employees) and the Onsi Sawiris Institute for Vocational Training (which trains and introduces young talent to the business at an operational level).

We are also committed to attracting, developing and retaining the best available personnel for positions of substantial responsibility and have established training and development programs to grow high potential employees for future management positions.

Continued focus on management strength

We have a strong, committed and long-serving management team with extensive experience in the construction industry. We will continue to focus on management excellence and discipline, and will continue to develop appropriate succession planning to ensure that our management strength continues into the medium and long term.

8.4 Our Group

History

The Sawiris Family has been active in the construction business since 1950 when Onsi Sawiris first founded a construction company, which has now become one of the world's leading general contractors.

The business was nationalised in 1961 and later became known as the El Nasr Civil Works Company. Not content to be an employee in his own company, Mr. Sawiris left for Libya where he continued his construction career.

In 1976, Mr. Sawiris returned to Egypt and founded Orascom Onsi Sawiris & Co (the **Predecessor Partnership**) as a general contracting and trading company. By the early 1990s, the Predecessor Partnership had established itself as Egypt's leading private sector building materials and construction contractor. Working with domestic and international partners, members of the Sawiris Family also established several building materials manufacturing companies in Egypt.

Mr. Onsi Sawiris served as Chief Executive Officer until 1998, thereafter as Chairman until 23 December 2009 when he became Chairman Emeritus. However, starting in the mid-1990s, Mr. Sawiris transferred management control to his son, Nassef Sawiris, who embarked upon an ambitious diversification strategy through investments in complementary businesses such as cement and building materials. In March 1998, the Predecessor Partnership was converted from a limited partnership into a joint-stock company and renamed "Orascom Construction Industries S.A.E." (**OCI S.A.E.**). In early 1998, the Sawiris Family consolidated their holdings of construction and building materials manufacturing companies into a diversified construction enterprise.

In 1999, OCI S.A.E. launched an initial public offering of its shares on the Cairo and Alexandria Stock Exchanges (now the EGX) at a value of approximately USD600 million, instantly becoming the largest company on the EGX.

In 2002, OCI S.A.E. established a Global Depository Receipts (GDR) programme pursuant to which GDRs were listed on the London Stock Exchange.

In 2006, OCI S.A.E. conducted its first rights issue in an amount of approximately USD400 million.

In 2009, OCI S.A.E. started making plans to operate the construction and fertiliser businesses on a stand-alone basis.

In 2010, OCI S.A.E. launched an over-the-counter (OTC) American depository receipts (ADR) program to accommodate significant demand for OCI S.A.E. shares in the United States.

In 2013, OCI S.A.E. was acquired in a public tender offer by OCI N.V., a former wholly owned subsidiary which is listed on the NYSE Euronext in Amsterdam.

In 2014, as part of the Demerger, OCI N.V. established the Company in the DIFC to act as the new holding company for its construction business and transferred the relevant subsidiaries operating the construction business to the Group. Please see section 4.4 of Part 3 ("*The Demerger*") of this Prospectus for further details of the restructuring steps taken in connection with the Demerger.

Development of the construction business

In 1985, the Predecessor Partnership established its first overseas company, Contrack International LLC (**Contrack**) in McLean, Virginia to pursue USAID and US government financed construction projects in Egypt.

After successfully completing several subcontracts, Contrack was awarded its first US Army Corps of Engineers prime contract in 1990.

In 1991, Contrack was recognized as a Top 400 US Contractor by ENR for the first time.

During 1998, OCI S.A.E. purchased the shares of companies in the construction and building materials industries held by members of the Sawiris family, including Contrack International, Inc., United Paints and Chemicals, S.A.E. (UPC), the National Bag Company, S.A.E. (NBC), the National Steel Fabrication Company, S.A.E. (NSF) and the National Pipe Company, S.A.E. (NPC).

In 1999, OCI S.A.E. acquired all of the remaining shares in Contrack and formed Orascom Roads Construction (ORC). The construction group was also awarded the contract to construct El Ferdan Bridge,

the world's longest double swing rail and road bridge over the Suez Canal. At the time of OCI S.A.E.'s IPO, the construction group was present in approximately four countries.

In 2002, OCI S.A.E. announced the 50-05 Action Plan, a companywide strategic initiative that aimed to have 50% of consolidated revenue generated from outside Egypt by 2005. A Contrack/Darwish joint venture was awarded the civil and electro-mechanical works contract for the Weill Cornell Medical College at Qatar's Education City, in addition to the infrastructure and utilities work for the entire Education City Campus. During the year, Orascom added projects in Algeria and Tunisia for the first time. An Orascom, Bilfinger Berger and Vinci consortium was also awarded the Naga Hammadi Hydropower Barrage.

In 2003, Orascom was recognized as a Top 225 International and Global Contractor by ENR for the first time. Contrack was awarded its first major indefinite delivery / indefinite quantity (IDIQ) contract by the United States Army Corps of Engineers (USACE) in Afghanistan as well as its first contract in Iraq, and Orascom added contracts in Kuwait and Nigeria.

In 2004, OCI S.A.E. acquired a 50% shareholding in the BESIX Group in a leveraged buyout with management. Through this acquisition, OCI S.A.E. achieved its 50-05 Action Plan a year early with 66% of revenues generated from outside Egypt and added significant exposure to the European and Gulf construction markets. The BESIX Group, in consortium with Samsung and Arabtec, was awarded the landmark Burj Khalifa contract to build the world's tallest building. In addition to The BESIX Group's significant presence in the United Arab Emirates, Contrack also expanded into the country in 2004, receiving a contract for an airbase from the USACE.

In 2005, we were awarded the Engineering, Procurement and Construction (EPC) contract to construct the Hamma sea water desalination plant in Algeria, Africa's largest desalination plant and the second largest of its kind in the world. An Orascom and BESIX joint venture constructed a new reverse osmosis desalination plant on a brownfield site east of the Port of Algiers that purifies 200,000 cubic meters of sea water every day supplying essential drinking water to over 20% of the capital's population. In Qatar, the Contrack/Darwish joint venture was awarded further work at the Education City, receiving the contract for the Science and Technology Park. Contrack also expanded its engineering capabilities by forming a partnership with Stanley Consultants to more effectively pursue design-build projects.

In 2007, we were awarded the contract to construct and install Egypt's first parabolic trough solar field, Kuraymat, by Egyptian Ministry of Electricity and Energy's New and Renewable Energy Authority (NREA). Orascom partnered with Solar Millennium to construct and install Egypt's first hybrid solar-thermal plant. Kuraymat uses parabolic trough technology to produce a total of 150MW electric capacity. The plant supplies nearly 2 million people with power.

In 2008, we established a specialist foundations unit as a response to the lack of specialist foundation and geotechnical engineering services across North Africa and the Middle East (particularly the Gulf territories). This unit capitalized on our knowledge and resources to help kick start many large-scale projects where progress was hindered due to the noticeable shortage of these specialist services. Contrack and Orascom were also awarded several large-scale infrastructure and roads contracts in the UAE, primarily for the Sorouh Island and Al Reem Island projects, as well as in Qatar.

In 2009, we were awarded Egypt's first Public-Private Partnership (PPP) project, the New Cairo Waste Water Treatment plant in partnership with Spain's Aqualia. The plant has a capacity to pump 250,000 cubic metres a day and serve 1 million people. The success of this award established a blueprint for Egypt's PPP legislation and was awarded in 2010 both "Water Deal of the Year" by Global Water Intelligence and "PPP African Deal of the Year" by Euromoney/Project Finance Magazine.

In 2010, Orascom continued to expand its presence in the Middle East, focusing on large-scale infrastructure and industrial projects that capitalized on our expertise and by their nature presented higher barriers to entry to competitors.

In October 2010, we formed Orascom Saudi Limited (OSL), a 60% owned joint venture with Saudi Bin Ladin Group targeting infrastructure and industrial projects in the Kingdom of Saudi Arabia. During the year, OSL was awarded USD450 million worth of infrastructure work at the King Abdul Aziz Airport in Jeddah.

In 2012, OCI S.A.E. acquired The Weitz Company (**Weitz**), a United States general contractor based in Des Moines, Iowa. Weitz allowed us to establish a strong presence in the United States construction market for the first time.

In 2013, Watts Constructors, a former Weitz wholly owned subsidiary focused on federal projects in the United States and the Pacific Rim, was consolidated into Contrack due to the complementary nature of their activities.

In 2014, we signed a memorandum of understanding with the International Petroleum Investment Company (IPIC) and the Egyptian government formalizing cooperation in the development of a 2,000 to 3,000 Megawatt (MW) coal-fired power plant in Egypt.

The Group

Orascom Construction currently operates under three business units, encompassing their respective operating and non-operating subsidiaries. The business units consist of:

- Orascom: established in 1976 with origins dating back to 1950 and based in Cairo, Orascom is an engineering, procurement and construction contractor with over 60 years of construction experience targeting large industrial, commercial and infrastructure projects for public and private clients principally in the MENA region and the United States.
- Contrack: established in 1985 and based in Virginia in the United States, Contrack undertakes engineering, procurement and construction services, as well as facilities operation and maintenance primarily on institutional and infrastructure projects throughout the Middle East and Central Asia.
- The Weitz Company: established in 1855, Weitz is a leading general contractor, design-builder and construction manager based in Des Moines, Iowa. Weitz targets commercial, industrial, infrastructure, and plant services construction projects in the United States, and is the largest contractor by revenue in the state of Iowa according to ENR's 2014 top 400 contractors list.

Orascom Construction also has investments in a number of complementary construction and materials businesses. The Group has a 50% shareholding in the BESIX Group. The BESIX Group was established in 1909 and is based in Brussels. It is an engineering, procurement and construction contractor and undertakes major commercial, industrial and infrastructure projects in 20 countries throughout Europe, the Middle East and northern and central Africa. The BESIX Group is accounted for as an associate company using the equity method of accounting. Financial information on the BESIX Group is available on its website (www.besix.com). The Company does not accept any responsibility for the accuracy of such information or any other information on such website.

Orascom Construction also has investments in manufacturers of fabricated steel products, glass curtain walling, paints and concrete pipes as well as investments in two property management companies and a waste water treatment plant concession.

Company's international rankings

The Construction Business's brands have consistently ranked in ENR's ranking of the world's top international contractors based on revenue. Rankings for the last four years are:

<u>List</u> <u>Year</u>	<u>International</u> <u>Contractors list</u>	<u>Global</u> <u>Contractors list</u>		<u>Top 400 US</u> <u>Contractors</u>	
	<u>Orascom</u> <u>Construction</u>	<u>Orascom</u> <u>Construction</u>	<u>Weitz</u>	<u>Contrack</u>	<u>Weitz</u>
2011	94	128	200	79	53
2012	111	156	203	86	57
2013	141	182	215	102	65
2014*	67	138	N/A	145	120

Rankings are based on the previous year's revenue

* Group ranked in 2014 as OCI N.V. which included Orascom, Weitz and Contrack (excludes BESIX)

Financial performance

Beginning 1 January 2014, the Company recognises BESIX and certain other construction joint ventures (JV's) according to the equity method rather than proportional consolidation, in compliance with International Financial Reporting Standards. The adoption of IFRS 11 in 2014 was also reflected in the Group's consolidated backlog. Accordingly, the 31 December 2011, 2012, 2013 and 30 September 2014

financial performance, backlog and new awards are consolidated using the equity method. The equivalent figures for 30 September 2013 are provided using equity method consolidation for comparative purposes.

Overview

The tables below set out the Company's recorded revenue and gross profit margins for the years ended 31 December 2011, 2012 and 2013 and the nine months ended 30 September 2014 and comparative 30 September 2013:

		For the nine months ended 30 September 2013	For the nine months ended 30 September 2014
(USD millions)			
Revenue		1,624.3	2,157.4
Gross Profit		94.9	19.0
Gross Profit Margin		5.8%	0.9%
	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013
(USD millions)			
Revenue	1,811.3	1,457.3	2,349.7
Gross Profit	299.2	83.7	92.3
Gross Profit Margin	16.5%	5.7%	3.9%

Source: Financial Statements

Backlog

The tables below set out the Company's diversified backlog (or order book), which is the total value of its awarded, signed and on-going contracts (which have not yet completed). The Company takes a conservative view in relation to calculating backlog. As at 30 September 2014, our backlog amounted to USD 5.6 billion, up from USD 4.0 billion as at 30 September 2013.

	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
(USD millions)					
Backlog	3,321.3	4,869.4	3,839.9	4,015.5	5,566.2
New Awards	2,659.7	2,618.9	1,233.3	646.2	3,869.6
Contribution to backlog by sector (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Infrastructure	2,604.3	2,774.4	2,136.7	2,265.2	2,993.7
Industrial	264.1	1,373.4	1,142.0	1,888.8	1,927.0
Commercial	452.9	721.5	561.1	561.6	645.6
Total	3,321.3	4,869.3	3,839.9	4,015.6	5,566.2
Contribution to backlog by client (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Sovereign	2,534.2	2,761.7	2,061.7	2,306.3	2,820.4
Private	739.5	878.5	829.2	719.6	1,259.1
OCI N.V. F&C*	47.6	1,229.1	948.9	989.6	1,486.7
Total	3,321.3	4,869.3	3,839.9	4,015.6	5,566.2

Contribution to backlog by geography (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Egypt	1,770.6	1,571.6	1,185.6	1,229.5	1,477.0
Saudi Arabia	634.3	603.9	815.9	886.1	1,154.1
Algeria	235.6	70.4	83.6	94.8	208.3
USA**	—	1,674.0	1,434.3	1,311.4	2,401.5
Rest of World***	680.7	949.4	320.5	493.8	325.3
Total	3,321.3	4,869.3	3,839.9	4,015.6	5,566.2

* OCI N.V. F&C refers to the Fertilizer and Chemicals business of OCI N.V.

** Hawaii and Guam comprise a part of the USA backlog

*** The “Rest of the World” category is comprised of Afghanistan, Kuwait, Bahrain, Iraq, UAE, and Qatar which individually account for less than 2.5-3% of total backlog

Source: Management estimates

The sector and geographic breakdown of the Company’s backlog has a significant impact on the Company’s overall profitability as a result of the variability of margins between regions and sectors.

Egypt has historically constituted the largest market for the Company, maintaining a position ranging from 53.3% to 26.5% of the backlog from 31 December 2011 until 30 September 2014. During the periods under review, the Group’s backlog contribution by geographic region has diversified into new markets, with the United States surpassing Egypt as the Company’s single largest market in 2012, primarily as a result of the acquisition of The Weitz Company and significant awards from OCI N.V. The Company is currently pursuing more work primarily in Saudi Arabia and the United States, in addition to other areas including Algeria, where we have a strong track record. During the nine months ended 30 September 2014, Saudi Arabia constituted 20.7% and the United States constituted 43.1% of the backlog. The Group aims to maintain an evenly split exposure to the United States and MENA markets in its backlog, as the different market dynamics create a natural hedge against downturns in any of our core markets.

Generally, the most profitable projects for the Group are private industrial projects, followed by large-scale infrastructure and trailed by commercial projects. Private sector work is generally higher margin work compared to public sector work, and work in the MENA region is generally higher margin work than similar projects in Europe and Asia, due to lower labour costs and milder, more predictable winters. Accordingly, both the nature of our backlog mix by sector and by geography will impact the Company’s blended gross profit margin, depending on the weighted contribution of these factors to the revenue recognised.

The business units of our Company

The Company is headquartered in the Dubai International Financial Centre, UAE and operates under three distinct and separate business units, which frequently work together to leverage expertise required in large-scale industrial, infrastructure and commercial projects. The chart below summarises key information for the Company's main business units:

<i>Orascom Construction Limited</i>			
			
Ownership	100%	100%	100%
Core Markets	Egypt, Saudi Arabia, Algeria and the United States	Qatar, Bahrain, United States, Pacific Rim and Afghanistan	United States
Expertise	Infrastructure and industrial projects and select high-end commercial projects	Large-scale social infrastructure and federal projects	Commercial, industrial, infrastructure, and plant services construction projects
Backlog (As at 30 September 2014)	USD 4,386.1 million	USD 716.7 million	USD 463.5 million

Source: Management estimates

Orascom

The Orascom business unit is based in Cairo, and is an engineering, procurement and construction contractor with over 60 years of construction experience targeting large industrial, commercial and infrastructure projects for public and private clients, principally in the MENA and US regions. The business includes a number of projects covered by the Conditional Sale Agreement.

Orascom had an order backlog of USD 3.2 billion as at 31 December 2013 and USD 4.4 billion as at 30 September 2014.

Orascom first obtained its ISO certification 9001:2000 for quality management and its ISO certification 14001:2004 for environmental management in 2008, and renewed both in 2011. Further, in 2012, Orascom received the American Society of Mechanical Engineers Stamp "A" and "P" and the relevant certificates from the American Society of Mechanical Engineers as a token of recognition of the quality of service in the construction of power plants and high pressure piping in various industrial projects.

The tables below set out the backlog by region, sector and client for the Orascom business unit for the years ended 31 December 2011, 2012 and 2013 and the nine months ended 30 September 2014:

Backlog by region (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Egypt	1,732.6	1,552.6	1,180.4	1,221.9	1,468.9
Middle East	685.9	940.5	979.5	1,105.6	1,222.7
Africa ²¹	237.3	70.5	83.6	94.8	208.3
United States	—	1,226.6	948.9	989.6	1,486.2
Total	2,655.8	3,790.2	3,192.4	3,411.8	4,386.1

²¹ Africa is primarily Algeria with some minor projects outside Algeria

Backlog by sector (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Infrastructure	2,006.1	1,988.4	1,787.5	1,902.1	2,210.8
Industrial	217.3	1,361.4	1,129.9	1,177.8	1,909.3
Commercial	432.4	440.4	275.0	332.0	266.0
Total	2,655.8	3,790.2	3,192.4	3,411.8	4,386.1

Backlog by client (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Sovereign	1,939.6	1,979.7	1,716.8	1,940.4	2,052.9
Private	668.7	581.4	526.7	481.8	847.0
OCI N.V. F&C	47.5	1,229.1	948.9	989.6	1,486.2
Total	2,655.8	3,790.2	3,192.4	3,411.8	4,386.1

Source: Management estimates

Orascom recognises revenue from construction contracts on a percentage realisation basis. Some industrial contracts with a large equipment procurement portion are priced on a cost-plus basis.

Orascom has completed or is currently constructing the following significant projects:

- Power plants** The Abu Qir Thermal Power Plant 2x650 megawatts (MW) gas/oil fired thermal power plant in Egypt was awarded to an Orascom Construction-BESIX joint venture in 2009.
- The Baiji 1,000MW gas turbine power plant was awarded to Orascom Construction in February 2012 and is the first major power project awarded in the country since the start of the Iraq war in 2003.
- The Terga combined cycle power plant in Algeria was awarded to Orascom Construction in partnership with Alstom in 2007.
- The Sidi Krir 750MW combined cycle power plant was awarded to an Orascom Construction-BESIX joint venture in 2007.
- The Kuraymat solar power plant in Egypt is the country's first solar power plant and was awarded to Orascom Construction in 2007.
- The Naga Hammadi barrage and 64MW hydropower plant in Egypt was awarded to a VINCI-Bilfinger Berger-Orascom Construction joint venture in 2002.
- Petrochemicals** The El Merk Central Processing facility in Algeria was awarded to Orascom Construction in 2009.
- The Skikda LNG train in Algeria was split into three contracts awarded to Orascom Construction, an Orascom Construction-Trevi joint venture and an Orascom Construction-Vinci-Entrepose joint venture in 2008.
- The civil and piling works for the Borouge polyethylene and polyolefin plant in Abu Dhabi were awarded to Orascom Construction in 2011.
- Iowa Fertilizer Company, a 2 million metric ton per annum (mmtpa) fertilizer and industrial chemicals plant in Iowa, USA, was awarded to Orascom Construction's US-subsiidiary, Orascom E&C, in 2012.
- The Sorfert Algérie 1.2 mmtpa urea and 0.8 mmtpa ammonia fertiliser production facility in Algeria was awarded to Orascom Construction in 2007.

Waste and wastewater

infrastructure

The intake, booster station and pipelines to the 6th of October City 1.6 million cubic meters per day water treatment plant in Egypt was awarded to an Orascom Construction—Hassan Allam joint venture in 2009.

The Assiut barrage and 32 MW hydropower plant in Egypt was awarded to an Orascom Construction / VINCI / Arab Contractors joint venture in 2011.

The Hamma water desalination plant in Algeria was awarded to an Orascom Construction-BESIX joint venture in 2005.

The 250,000 cubic meter per day New Cairo Waste Water Treatment plant, Egypt's first Public Private Partnership project, was awarded to an Orascom Construction-Aqualia joint venture called Orasqualia in 2009.

Transport infrastructure . .

The El Ferdan double swing rail and road bridge in Egypt, the world's longest, was awarded to an Orascom Construction-BESIX-Krupp consortium in 1999.

The King Abdul Aziz Airport infrastructure project was awarded to Orascom Saudi Limited, Orascom Construction's 60% owned joint venture with the Saudi Binladin Group, in 2012.

The 360 kilometre Méchéria to Béchar railway line was awarded to an Orascom Construction / Contrack / TSO consortium in 2005.

The contracts for line three of the Greater Cairo Metro were awarded to an Orascom Construction-VINCI-Arab Contractors consortium, an Orascom Construction-Spie Rail-Alstom consortium and an Orascom Construction-Vossloh Infrastructure joint venture in 2007 and 2009.

Other industrial

Four plants for Proctor and Gamble were awarded to Orascom Construction in Egypt and Nigeria between 2000 and 2010.

Three contracts for the Ezz Steel bar mill and casting factories were awarded to Orascom Construction between 1999 and 2009.

Commercial

The Cairo Festival City in Egypt was awarded to an Orascom Construction-Carillion joint venture in 2008.

The Grand Egyptian Museum was awarded to an Orascom Construction-BESIX joint venture in 2011.

The Mall of Egypt was awarded to an Orascom Construction-BESIX joint venture in 2012.

The Nile City Complex, including two office towers and the Fairmont Hotel, was awarded to an Orascom Construction-BESIX joint venture in 1999.

The construction of over ten commercial headquarters in Smart Village in Egypt, along with the entire Smart Village infrastructure contracts, was awarded to Orascom Construction between 2002 and 2012.

The Contrack Group (Contrack)

The Contrack business unit is a wholly-owned subsidiary of the Group. Established in 1985 and based in Virginia in the United States, Contrack undertakes engineering, procurement and construction services as well as facilities operation and maintenance primarily on institutional and infrastructure projects throughout the Middle East and Central Asia.

Contrack had an order backlog of USD 338.5 million as at 31 December 2013 and USD 716.7 million as at 30 September 2014.

In 2011 the government of the United States recognised Contrack for its outstanding safety record in Afghanistan, where Contrack has logged over 63 million man hours with a Lost-Time Frequency Rate of 0.054. Contrack holds accreditations from the Association of General Contractors (AGC) and the Society of American Military Engineers (SAME), which are renewed annually. Contrack is currently working towards receiving ISO certification.

The tables below set out Contrack's diversified backlog by region, sector and client for the years ended 31 December 2011, 2012 and 2013 and the nine months ended 30 September 2014:

Backlog by region (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Egypt	38.0	19.0	5.2	7.7	8.2
Middle East	83.6	76.75	85.4	103.1	109.2
Asia	543.9	536.0	71.5	171.2	147.4
United States		150.2	176.4	76.6	451.9
Total	665.5	782.0	338.5	358.6	716.7

Backlog by sector (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Infrastructure	598.2	762.4	331.3	347.7	707.9
Industrial	46.7	5.7	2.2	3.7	0.7
Commercial	20.5	13.8	4.9	7.2	8.0
Total	665.5	782.0	338.5	358.6	716.7

Backlog by client (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Sovereign	594.6	761.8	331.3	347.4	707.9
Private	70.8	20.2	7.2	11.3	8.7
OCI N.V. F&C					
Total	665.5	782.0	338.5	358.6	716.7

Source: Management estimates

Contrack has completed or is currently constructing the following significant projects:

- Institutional** Watts Constructors, a Contrack subsidiary, was awarded the contract to rebuild the USS Arizona Memorial Visitor Center in Hawaii in 2008.
- Contrack was awarded the design and build contract for Camp Bastion in Afghanistan in 2009. This is the first contract from the US Air Force, AFCEE Division.
- Contrack was awarded the operations and maintenance services contract for the Afghan National Army bases throughout Afghanistan in 2006.
- Contrack has been a preferred contractor for the United States government since 1985, having completed works exceeding USD2.0 billion for the US Army Corps of Engineers and USAID over the last ten years in Egypt, Afghanistan, Iraq, Bahrain, Lebanon, Algeria, Russia, Uzbekistan, and Botswana. Milestones include:
- over USD 500 million of military installations in Egypt;
 - more than 10 airfield projects completed in the last 10 years;
 - more than 6 airfield/airport fuel storage / distribution projects completed in the last 10 years;
 - c. USD 900 million of Operation and Maintenance works throughout Egypt and Afghanistan; and
 - over USD 1.5 billion completed on USG contracts in Afghanistan since 2003.
- Infrastructure** Contrack was awarded Bunya Enterprise's Al Reem Island infrastructure and roads project in Abu Dhabi in 2008.

Contract was awarded the Al Saraya infrastructure development project in Abu Dhabi in 2007.

Contract, primarily in joint venture with Darwish, was awarded five contracts at the Education City project in Qatar, which included the Science and Technology Park and Weill Cornell Medical College between 2002 and 2008.

The Weitz Company (Weitz)

Established in 1855, Weitz is a leading general contractor, design-builder and construction manager based in Des Moines, Iowa. Weitz is one of the oldest commercial general contractors in the United States and targets commercial, industrial, infrastructure, and plant services construction projects in the United States. Weitz is the largest contractor in the state of Iowa and was historically a top 50 contractor on ENR's Top 400 US Contractors list with a 2007 backlog of approximately USD 1.5 billion prior to the financial crisis.

OCI acquired 100% of Weitz in 2012 as a platform for entry into the US's industrial and infrastructure markets, and to support the construction of the OCI Fertilizer & Chemicals Group's projects in the US.

Weitz operates only in the US and is active in twelve states. Prior to the acquisition of Weitz by OCI N.V., the majority of Weitz's projects were in the commercial sector with some industrial and infrastructure works (excluding Watts as discussed below). However, Weitz has been expanding into the industrial sector through subcontracted work on the Iowa Fertilizer Company from our US subsidiary, Orascom E&C. While revenue and backlog from this intercompany work is eliminated on a consolidated level, Weitz is gaining critical experience that we believe will enable it to pursue similar complex industrial projects in the future.

Weitz had an order backlog of USD 309.0 million as at 31 December 2013 and USD 463.5 million as at 30 September 2014.

In 2013 Weitz was awarded the OSHA CHASE Partnership Blue Level—Associated General Contractors and the Award of Honour with Distinction—National Safety Council, in recognition of its safety performance:

The tables below set out Weitz's diversified backlog by region, sector and client for the year ended 31 December 2013 and the nine months ended 30 September 2014:

Backlog by region (USD millions)	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
United States	297.2	309.0	245.1	463.5
Total	297.2	309.0	245.1	463.5
Backlog by sector (USD millions)	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Infrastructure	23.7	17.9	15.4	75.0
Industrial	6.3	9.9	7.3	17.0
Commercial	267.2	281.0	222.4	371.5
Total	297.2	309.0	245.1	463.5
Backlog by client (USD millions)	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Sovereign	20.3	13.6	18.6	59.6
Private	276.9	295.3	226.5	403.4
OCI N.V. F&C	—	—	—	0.5
Total	297.2	309.0	246.1	463.5

Source: Management estimates

Weitz has completed or is currently constructing the following significant projects:

Transport	Weitz was awarded the contract to construct a 2.2 mile dual lane guideway system for the Phoenix Sky Harbor Automated Train System in 2011. Weitz was awarded the contract for 2 million square feet of site development for the Signature Flight Support project at the San Jose Airport in San Jose, California in 2014.
Education	Weitz has completed five projects to-date for the University of Missouri-Kansas City.
Industrial	A Weitz/DPR Construction joint venture was awarded the contract to build the Max Planck Florida Institute in Florida in 2008. Weitz was awarded the contract for the Sprayer Tractor Assembly Building, a 280 thousand square foot manufacturing and assembly space and associated works, located in Ankeny, Iowa. The project was awarded in 2011.
Commercial	Weitz was awarded the Trillium Woods contract, a 568 thousand square foot continuing care retirement community, in 2013. Weitz was awarded the construction contracts for the 140 thousand square meter Apex Meridian Apartments development for Shea Properties in 2013.

Our investment in The BESIX Group

The BESIX Group business unit is a 50% owned investment, jointly acquired by OCI S.A.E. and the management of BESIX through a 50/50 leveraged buy-out in 2004. Established in 1909 and based in Brussels, the BESIX Group is a global multi-service group offering engineering, procurement and construction services. The BESIX Group operates in the construction, real estate and concessions sectors in 20 countries across the Middle East, Benelux, France and Central and North Africa. The BESIX Group is Benelux's largest contractor focused on high-end commercial and infrastructure projects. It currently employs approximately 18,000 employees worldwide.

In addition to EPC services, the BESIX Group, a leading contractor in the MENA and European Construction Markets, is active in real estate development and holds concessions in several PPPs and 'design, build, finance, and maintain/operate' contracts, through which it develops, operates and maintains projects.

BESIX has provided us with an annual dividend, and allowed us to benefit from various synergies from our partnership such as access to specialty projects in commercial and marine sectors. This is exemplified by our most recent partnerships on the Grand Egyptian Museum (the world's largest archaeological museum) and Mall of Egypt (a new super-mall in Egypt spanning 160,000 square meters).

Recent significant projects of BESIX Group include:

- Burj Khalifa in Dubai
- Abu Dhabi National Oil Company (ADNOC) headquarters
- North Manama Causeway in Bahrain
- King Abdallah Sports City in Saudi Arabia
- Sheikh Zayed Bridge in Abu Dhabi
- Carpe Diem Tower in France

BESIX Group is also currently engaged in concessions and PPP projects in the Middle East and Europe such as the BOT contract for a sewerage system and a waste water treatment plant of 48,000 m³/day and 380,000 habitants with Ajman Sewerage Co. Ltd.

The BESIX Group obtained its latest ISO certification 9001:2000 for quality management in 2009 and its latest ISO certification 14001:2004 for environmental management in 2010. In addition, the BESIX Group received CO2 conscious level 5 certification from ProRail and Foundation for Climate-Friendly Procurement and Business (SKAO) under the Dutch government's auspices in 2010.

The BESIX Group is consolidated into our financials using the equity accounting method beginning 1 January 2014 as per IFRS.

The BESIX Group has completed or is currently constructing the following significant projects:

- Transport infrastructure . .** BESIX was awarded the DoDo tunnel in Utrecht. This was the Netherlands' first overland tunnel, and was awarded in 2006.
- A BESIX/Vinci/ CFE/Dredging International/and others consortium was awarded the Design, Build, Finance, Maintain (DBFM) 30 year concession for the second Coentunnel, in Amsterdam, in 2009.
- BESIX was awarded the contract to construct the Shahama-Saadiyat Freeway, a 10 km highway including 17 bridges, in 2007.
- BESIX was awarded 2.5km the North Manama causeway in 2010, which at the time was the largest infrastructure project ever launched in Bahrain.
- Marine works** BESIX was awarded the contract to construct one of the United Kingdom's key marine works projects, the jetty for the South Hook Liquefied Natural Gas Terminal facilities in Wales in 2006.
- Following the successful delivery of Morocco's Tanger Med Port in 2008, the BESIX Group was awarded the second phase, Tanger Med II, in a consortium with Bouygues, Saipem and Somagec.
- BESIX was awarded the construction contract for the 3.8 km quay wall, inner harbour and dredging and excavation of approximately 4 million cubic metres at Sharjah's Hamriyah Port in the UAE in 2008.
- Water treatment** A BESIX/Veolia joint venture was awarded two wastewater treatment plant concessions in the UAE in 2008. The Abu Dhabi and Al Ain wastewater treatment plants are 25-year concessions to build, own and operate the plants.
- Power and industrial plants** BESIX was awarded the contract to construct the first phase of the Georges Besse II uranium enrichment plant in the South of France in 2006.
- BESIX was awarded the construction contract for a natural gas-fired power plant at Emile Huchet, the existing power plant site in Saint Avold, France, in 2009.
- Buildings** BESIX was awarded its most high profile, high-rise commercial project, Dubai's Burj Khalifa, in 2004 as part of a consortium with Samsung and Arabtec.
- BESIX was awarded the contracts to construct two high-rise towers in the Netherlands in 2006 and 2007, respectively: the 165 metre Maastoren building (the country's tallest building) and the 158 metre New Orleans building (the country's tallest residential tower).
- The contract to construct a branch of the Cleveland Clinic in Abu Dhabi was awarded to a partnership comprising the BESIX Group and Samsung in March 2010. The clinic covers an area of 400,000 cubic meters, including 200,000 cubic meters of parking areas and 375 state-of-the-art medical rooms.
- In 2010, Qatari Diar Real Estate Development awarded to Six Construct and Midmac Contracting Co in a 50/50 joint venture a contract to build an additional phase of Doha Convention Center and Tower in Qatar.

Core construction competencies of the Group

The Company via its business units has executed numerous large and complex projects through which it has developed a wide range of niche core competencies that enhances its market positioning in both regional and international markets.

Core competency

Infrastructure

Power generation

- Wind
- Solar
- Hydro
- Thermal
- Diesel
- Gas-fired
- Combined cycle

Water and wastewater

- Treatment plants
- Desalination plants
- Booster stations
- Sewerage
- Pumping stations
- Water tanks
- Distribution networks

Transport

- Road and bridge networks
- Rail networks
- Airport infrastructure
- Ports and jetties

Public infrastructure and services

- Installation of essential services
- Public sector buildings
- Educational institutions
- Healthcare complexes

Track record highlights

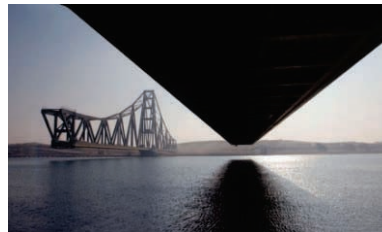
Kuraymat: First Parabolic Trough Solar Field in Egypt



Hamma Desalination Plant: Largest Desalination Plant in Africa



El Ferdan: World's Longest Double Swing Rail Bridge



Grand Egyptian Museum: World's largest archaeological museum



Core competency

Federal infrastructure

- Military / government funded defence infrastructure
- Barracks and housing
- Hangars and airbases
- Bulk fuel storage and distribution
- Service centres

Industrial

Petrochemicals

- LNG facilities
- Processing units
- Transmission systems

Heavy industrials

- Heavy industrial complexes including cement plants and fertilizer plants

Manufacturing

- Pharmaceuticals (for example, AstraZeneca's first pharmaceutical plant in Egypt)
- Steel
- Food and beverage
- Agricultural seed and grain
- Production lines
- Warehousing

Track record highlights

DCGS-5 Intelligence Squadron Operations Facility



Damietta LNG Port: *Third Largest LNG Train in the World*



Iowa Fertilizer Company: *First world scale natural gas-based fertilizer plant built in US in 25 years*



Syngentia Seeds Pasco Facility



Commercial**Civil buildings**

- Commercial buildings and high-rises
- Residential communities
- Leisure centres
- Hotels and resorts

Nile City Towers

**Turnkey services****Design-build**

Pre-design services through to detailed design for clients that require a design-build approach

Operations & maintenance

Complete range of integrated facilities and asset management services

Marketing

The Group has a fully established and effective regional marketing strategy centred on the core competencies of its main construction brands.

The Group markets its industrial, infrastructure and high-end commercial construction competencies in its markets through several strategic directives, including:

- Branding of the Company's three main construction arms: through each brand's track record, Orascom Construction, Contrack and Weitz have achieved a high level of brand recognition associated with high quality, complex work in several core competencies.
- Strategic partnerships: by working in partnership with domestic and international industry leaders, the Company has been able to expand its business lines, obtain access to advanced technologies, create strong brand identities for its products, improve the production efficiency of its manufacturing plants, develop its human resources and reduce its financial risks. These partnerships have enabled the Company to participate in some of the region's largest construction projects and maintain its position among regional construction companies.
- Repeat client relationships borne out of the Company's reputation for quality and customer service: through the Company's track record of high quality construction capabilities, investment in state-of-the-art equipment, and strong customer service, the Company has cultivated client relationships that help it sell its products and services, generate repeat business, recruit talented new employees, and attract business partners.
- Commitment to quality and safety: the Company has implemented stringent quality control programmes at each of its businesses to ensure the consistent delivery of high-quality services and products, which are key factors considered by clients who are contracting for their services or products. These certifications strengthen the Company's position when bidding for contracts by assuring customers that these businesses operate in accordance with internationally recognised quality standards. The Company also ensures thorough personnel training, activity planning and subcontractor selection to prevent accidents. The Company has established general safety procedures for its project work sites and manufacturing plants.

- Management of the Company: as prospective customers consider the quality of the Company's employees to be an important factor when contracting for its services or products, the Company strives to employ, develop, and retain talented employees to maintain the Company's high quality operations and management. The Company has been able to attract, motivate and retain knowledgeable and experienced employees due to its reputation and market position as well as its strategic partnerships with industry leaders, which offer employees exposure to high profile projects and advanced technologies.

Types of contracts

The construction industry is generally governed by two main types of contractual systems: (i) Design-bid-build or (ii) Design-build.

The "Design-bid-build" system is the traditional method for contractual arrangement. It is a project delivery system in which the design and construction services are contracted with separate entities for the design and construction of a project.

"Design-build" is a project delivery system used in the construction industry and is a method to deliver a project in which the design and construction services are contracted to a single entity (the contractor). In contrast to "design-bid-build", design-build relies on a single point of responsibility contract and is used to minimize design risks for the project owner and to reduce the delivery schedule by overlapping the design phase and construction phase of a project. With its single point of responsibility, this system normally carries the clearest contractual remedies and enhances the project's performance and efficiency.

Payment for work under either of the above systems could be on lump sum basis, re-measured (unit price) basis, or cost plus subject to client's requirements.

- Lump Sum: the project is built with a specific scope for a fixed price. A lump-sum contract is suitable when the scope and schedule of the project are sufficiently defined to allow the contractor to fully estimate project costs.
- Unit Price: this is based on estimated quantities of items included in the tender and their unit prices. The final price of the project is dependent on the actual quantities needed to carry out the work. In general, this contract is only suitable for projects in which the scope is reasonably well established, and the different types of items (but not their numbers) can be accurately identified in the contract documents.
- Cost Plus: wherein the client agrees to pay the cost of the work, including all trade contractor work, labour, materials, and equipment, plus an amount for contractor overhead and profit. These types of contracts are favoured where the scope of work is indeterminate or highly uncertain, and the kinds of labour, material, and equipment needed are also uncertain.

Variation orders

Variation orders are changes to the original scope of work which come in the form of addition, substitution or omission. Variations are inevitable in any construction project and they occur as projects progress from design through execution. Almost all construction projects vary from the original design and scope.

Variation orders are normally issued by the client or the client's representative. Depending on the terms and conditions of the contract, the Contractor is generally obliged to start with the works even prior the agreement on cost and time related to the variation order. In certain cases, the contracts give the contractor the right not to start the variation order works except after the related costs and time are agreed and approved by the client.

Depending on size and complexity of the variation order, related cost estimate and time are prepared on site or in the headquarters of the contractor.

Claims

Claims are notified by the contractor to the client within the timeframe indicated in the contract. The earlier a claim is identified the more options are available to mitigate potential risk associated with it. Most of the time the contractor will be faced by additional works that may be requested by the client or become necessary when things are discovered on site which lead to delays and/or additional costs. Common claims are due to any of the following reasons; variations, fluctuation, extension of time, loss and/or expense due to matters affecting regular process of works. Claims are handled by the project management team with the support of the headquarters in case needed.

Escalation

Any contract, other than a cost plus contract will be either “firm price” or “fluctuating price”. Firm price contracts are those not subject to any adjustment unless certain provisions are included in the contract. Fluctuating price contracts are those containing provisions for reimbursement of changes (escalation formula) in a wide range of labour costs and material prices.

In case of no allowance within the contract provisions for an escalation formula, the contractor normally will consider escalation impacts to materials, consumables and labour/staff in its overall pricing. Relevant historical values are generally used to calculate the appropriate escalation allowance.

Competitors

Our main competitors in the MENA construction market vary according to the country and the market segment in which the projects are being tendered and generally include, but are not limited to, Arab Contractors Company, Saudi Binladin Group, CCC-Athens, Saudi Oger Limited, Drake and Scull, Arabtec and Hassan Allam Group. In the United States, our competitors generally include, but are not limited to, McCarthy, Caddell, Construction, American International Contractors, Inc (AICI), ECC, Mortenson Construction, and Kiewit Corporation. We also often partner with competitors on larger projects.

Raw materials

The main raw materials utilised by the Company in its projects are general construction materials including steel, concrete, cement, glass, aluminium, asphalt and other materials based on the requirements of each project. Such materials are subject to commodity price fluctuation. Our main suppliers of basic construction materials vary from market to market due to our geographically diversified construction activities and also due to the different requirements of construction projects from market to market. We include cost estimates for energy and raw materials in our overall estimate provided during the tender process.

Key suppliers

Our suppliers are primarily our own construction materials and services subsidiaries, such as Alico, A-Build and National Steel Fabrication. Our top external suppliers during the periods under review vary from market to market and between segments. They generally include Greater Cairo Foundries Company (GCF), ABB for Electrical Industries, Schneider Electric, Uni-Tech, MCC, ACE (Sierra), Eimco Water Technologies, MOBICA, and SEMCO. The top suppliers for our United States-based brands include API, Merchant, ICS, Graybar, Polygon, Cummins Power Generation, France Metal, McAninch Corporation, Paynecrest Electric Inc., Hardman Construction, E&S Construction Engineers, Blackhawk Foundation Company, and General Electric.

Ownership of construction and manufacturing equipment

The Company benefits from a large fleet of equipment that is maintained through a strict and regular maintenance programme to ensure maximum efficiency. For the year ended 31 December 2013, management estimates that the equipment owned by the Group had a market value of nearly USD 180 million, including 41 tower cranes, 132 mobile and crawler cranes, 560 pieces of earth moving equipment, 93 pieces of concrete equipment, 109 pieces of asphalt equipment, 32 pieces of foundation equipment and 884 other pieces of miscellaneous equipment. In core markets, we own certain of the equipment required and lease certain other more specialised pieces of equipment. For specific projects where there is a need for more equipment, we acquire or lease the equipment based on the project's financing arrangements.

Concessions, Construction Materials, property management and related investments

In addition, to complement our construction business, the Group has investments in manufacturers of fabricated steel products, glass curtain walling, paints and concrete pipes (**Construction Materials**) and two property management companies. The Group has also established a wastewater treatment plant which is Egypt's first public-private partnership.

Concessions and infrastructure investments

The Group also pursues value accretive concessionary contracts that are sources of stable long-term cash flows. These include Public-Private Partnerships (PPP) and Design Build Finance Maintain (DBFM) in which we are able to participate as standalone brands or in consortiums in all of our core markets. Concessions allow us to pursue larger industrial and infrastructure projects as well as lock in steady returns.

Orasqualia

Orascom Construction and Aqualia (a leading wastewater management company based in Spain) established Orasqualia, Egypt's first public-private partnership, in 2009.

Orasqualia, a 50/50 joint venture between Orascom Construction and Aqualia, was awarded Egypt's first PPP concession for the construction and operation and maintenance (O&M) of the New Cairo Waste Water Treatment Plant in Cairo with a capacity to pump 250,000 cubic meters per day and serve 1 million people. The overall contract value during the 20-year concession period is EGP 2.646 billion and includes the EPC and operation and maintenance of the plant.

The USD 472 million project was initiated by the New Urban Communities Authority (NUCA) and was tendered by the Egyptian Ministry of Housing, Utilities and Urban Development in coordination with the Ministry of Finance as a 20 year public-private partnership.

Orasqualia entered into a take-or-pay agreement on 29 June 2009 with the NUCA securing future cash flows to Orascom Construction. Construction was completed in 2013 and the effective start date of the plant was September 2013. We receive payments on a quarterly basis, comprising a primarily fixed portion plus some variable components. The payments are made by the Egyptian Ministry of Housing and are guaranteed by the Egyptian Ministry of Finance. The project achieved financial close in seven months on 4 February 2010. The landmark EGP 566 million debt package is the longest EGP funding structure for private sector without benchmarks for matching tenors. The package has a 15 year tenor with 3% over Bid Corridor, and was provided by NSGB, CIB, Arab African International Bank S.A.E. and Ahli United Bank Egypt S.A.E. NSGB is acting as a facility agent and CIB is the security agent and technical bank.

The success of this award established a blueprint for Egypt's PPP legislation and was awarded in 2010 both "Water Deal of the Year" by Global Water Intelligence and "PPP African Deal of the Year" by Euromoney/Project Finance Magazine.

Joint venture with IPIC

In November 2014, we signed a memorandum of understanding with the International Petroleum Investment Company (IPIC) and the Egyptian government formalizing cooperation in the development of a 2,000 to 3,000 Megawatt (MW) coal-fired power plant in Egypt.

The project is in the early stages of studies and therefore investment costs and financing considerations have not yet been finalized. We intend to fund any equity investment we may be required to make in the project from internally generated cash flow. Our equity funding will not be required at the outset of the project and will be due on a pro-rata basis during the course of construction.

Construction Materials

The Construction Materials business is organised through the following subsidiaries:

National Steel Fabrication S.A.E. (NSF)

Established in 1995, NSF is wholly-owned subsidiary which manufactures fabricated steel products primarily for energy, petroleum, industrial and construction clients.

NSF's product range includes:

- steel structure
- steel collector elements (solar energy applications)
- plate works
- pressure vessels

- boilers
- HRSGs
- heat exchangers
- piping
- tanks
- packaged skids

NSF operates from four plants in Egypt and Algeria with a total combined production capacity of 120,000 metric tons per annum.

Alico Egypt S.A.E. (Alico)

Alico was established in 1999 as a 50/50 joint venture between Orascom Construction Industries and Alico UAE, a leading architectural products manufacturer. Alico manufactures and installs aluminium and glass curtain walls, doors and windows as well as architectural aluminium works primarily for building projects.

Alico operates from one 12,000 meter plant in Ain Sokhna, Egypt, supplying customers primarily in Egypt and North Africa. They have supplied architectural products to many landmark projects over the years including the Nile City Towers complex, Heliopolis Citystars complex, San Stefano Hotel, Cairo International Airport, Borg el Arab Airport and several buildings at the prestigious Smart Village business park.

United Paints & Chemicals (UPC)

Established in 1999, UPC is a 56.5% owned subsidiary of the Company. UPC operates under the brand name DryMix, and is the largest manufacturer of cement-based ready mixed mortars in powdered form used by the construction industry in Egypt with a total production capacity of 240,000 tons per annum.

UPC operates from a plant in Egypt, supplying products to clients primarily in Egypt and North Africa. Core ranges include mortars for plaster and skim coats, putty for smoothing cementitious substrates, decorative façade renders, tile adhesives for internal and external use, coloured tile grout, sealing slurries and a flooring range.

United Holding Company (UHC)

UHC is a 56.5% owned subsidiary of the Company which is the holding company for each of the following 50% owned subsidiaries of UHC:

- The Egyptian Gypsum Company

Egyptian Gypsum Company was established in 1999 and represents a strategic partnership with Saint Gobain. The company is one of the largest producers of gypsum and its derivatives in the Egyptian market, where it operates three production facilities in Alexandria (Amereyah), Ismailia (Balah) and Monufeya (Sadat). These facilities are strategically located close to the quarries from which the company extracts gypsum. The company's main product mix comprises traditional gypsum products, building plasters, finishing plasters, plaster boards and industrial plasters.

- BASF Construction Chemicals

BASF Construction Chemicals was established in 2000 and is currently one of the largest producers of specialty chemicals in the Egyptian and Algerian markets. It represents a strategic partnership with BASF International. The company operates two production facilities one in Egypt (Sadat) and the other in Algeria (Baba Aly) on an approximate area of 10,000 square meters and 2,000 square meters, respectively. BASF offers a variety of products, namely admixture for concrete and for mortar, surface improvement, grouting, repair systems and protective coating, tiling systems, flooring systems, waterproofing, joint sealants, corrosion protection and PVS membranes. The company's biggest customers include major ready mix producers as well as major contractors.

- A-Build Egypt

A-Build Egypt was established in 2000 and is a specialised contracting company focused on construction protection and repair, mainly in waterproofing, concrete repair injection, industrial flooring protective coatings and joints sealants, maintenance of oil facilities, and construction of air fields. The company operates in a niche segment in Egypt and therefore does not face significant competition.

National Pipe Company (NPC)

Established in 1993, NPC is a 40% owned investment of the Company and is an Egyptian manufacturer of precast concrete pipes and pre-stressed concrete cylinder pipes primarily for water transmission pipelines and wastewater force mains applications in infrastructure projects.

NPC operates from two plants in Egypt with a production capacity of 86 km of concrete piping that range from 700 to 3,000 millimetres, supplying products to clients primarily in Egypt and North Africa.

SCIB Chemical (SCIB)

Established in 1981, SCIB is a 14.7% owned investment of the Company which manufactures decorative paints and industrial coating primarily for the construction industry. SCIB, which is majority owned by Asian Paints Ltd of India, operates two plants in Egypt with a production capacity of 130,000 kilolitres of paint per year, supplying products to clients primarily in Egypt and North Africa.

Property management

The Group's property management business is organised through the following subsidiaries:

Contrack FM

Established in 2004, Contrack FM is a wholly-owned, indirect subsidiary of the Company. Contrack FM is an integrated property and facilities management company providing a full range of operations and maintenance services primarily in Egypt, with additional operations in the MENA region.

Contrack FM specialises in the provision of hard and soft services for high value facilities in the commercial, retail industries and health care, as well as in hospitality support functions industry.

Hard services include all the technical engineering, as well as architectural and civil maintenance and asset preservation services. Soft services include security, housekeeping, specialist façade cleaning and pest control services.

Suez Industrial Development Company (SIDC)

Established in 1998, SIDC is a 60% owned subsidiary of the Company. It is a developer, operator and utility facilitator of an industrial park located in Ain Sokhna, Egypt. The SIDC industrial park has a utilities network providing power, water, fire fighting, sewage treatment and telecommunications connections in addition to flood control protection, solid waste disposal and access to roads and railways.

SIDC services are provided to light, medium and heavy industrial users in Ain Sokhna.

Please refer to section 19.5 ("Legal Proceedings") for a summary of proceedings currently ongoing in relation to SIDC.

8.5 Property

<u>Facility</u>	<u>Owned / Leased</u>	<u>Principal use</u>
NSF plants	Owned	Production facility
SIDC	Allocated	Industrial Development
Nile City Towers	Owned	Office space
DIFC office	Leased	Office space

The Company intends to relocate to new offices in the DIFC in the short term.

8.6 Environment

We place great importance on environmental protection and every aspect of our business operations reflects our environmental sensitivity. We are dedicated to the protection of natural resources and minimisation of adverse effects on the environment. To date we have not suffered significant environmental issues.

A system is in place for responding to the environmental demands of the various countries where we operate. At the start-up phase of a worksite, an environmental assurance plan identifies and assesses the

environmental aspects and impacts of the various activities to be undertaken and defines appropriate preventive measures.

8.7 Health and safety

Each of our construction brands has developed stringent rules and regulations that are implemented and enforced on all projects and tailored to meet the unique environments of the locations in which they operate.

Prior to the start of any construction project, a safety and accident prevention plan is prepared stating the health and safety rules to be applied in the project, how to conduct safe work, and preserve personnel, property, and equipment. The plan includes an activity hazard analysis to address the different hazards associated with the work and the means of preventing them from happening. All our subcontractors are required to abide by the same rules and regulations.

Employees are provided on-going continuous safety training during projects, beginning with an induction session prior to arriving on site. Weekly tool-box meetings are conducted to keep the workers aware of the safety hazards associated with their specific tasks. Safety personnel are trained and certified by recognized international safety organizations, including Occupational Safety and Health Administration (OSHA), a federal agency of the United States government, and the National Examination Board in Occupational Safety and Health (NEBOSH), an independent examining board based in the United Kingdom.

All employees are required to complete extensive safety and environment orientation programmes which include an orientation programme, employee health and safety programme and onsite safety training programmes. All employees are required to adhere to a 'buddy' system to ensure safe conduct. Orascom Construction and the BESIX Group hold ISO 9001:2008 Quality Reassurance System Certifications and ISO 14001 Environmental Management System Certifications that demonstrate the Group's commitment to quality and safety. We also adhere to Occupational Safety and Health Administration (OSHA) health and safety standards.

The following table reflects the lost time injury rates (**LTIR**) for each subsidiary:

Brand	2011 LTIR	2012 LTIR	2013 LTIR
Orascom	0.014	0.016	0.014
Contrack	0.025	0.081	0.032
Weitz	0.100	0.200	0.300
Group average	0.046	0.099	0.115

For our commitment to health and safety, and for no lost time injuries (LTIs), we have received safety awards and recognition letters from several international partners and clients, including the US Army Corps of Engineers, Kellogg Brown & Root, and ThyssenKrupp Uhde. These awards include:

Project Name	Location	Client	Million man-hours without LTIs
Orascom			
El Merk Project, Lot 1 and 7	Algeria	Petrofac UAE International Limited	9
King Abdel Aziz	Saudi Arabia	Saudi Binladin Group	7
Baiji Power Plant	Iraq	The Iraqi Ministry of Electricity	4
Marassi Project, PKG 13	Egypt	Turner International Middle East	3.6
Credit Agricole Egypt Head Office .	Egypt	Credit Agricole Bank	3
Terga Power Station Combined Cycle	Algeria	The Algerian Ministry of Electricity	2.5
National Eye Hospital	Egypt	National Hospital Eye	2
Contrack			
SIDRA Medical Center	Qatar	Qatar Foundation	10
Al Reem Island Roads and Utilities Infrastructure Package 1	UAE	Sorouh	9.6
Navy Milcon (all phases)	Bahrain	US Army Corps of Engineers	6
Waterfront Phases I and II	Bahrain	US Army Corps of Engineers	4
Peace Vector Village	Egypt	US Army Corps of Engineers	1

Multiple Weitz locations have also worked over 1 million man-hours without a lost time injury:

<u>Location</u>	<u>Million man-hours without LTIs</u>
Florida	2.6
Phoenix	2.4
Iowa	1.3
Denver	1

In 2013 Weitz was awarded the OSHA CHASE Partnership Blue Level—Associated General Contractors and the Award of Honor with Distinction—National Safety Council, in recognition of its safety performance:

8.8 Insurance

The Company maintains comprehensive insurance coverage of its assets and operations at levels which management believes to be appropriate. However, our operations are subject to certain uninsurable risks (including, but not limited to, unforeseen conditions encountered during construction, the impact of inflation upon costs and changes in political and legal circumstances in foreign countries), particularly since contracts for major projects are performed over an extended period of time. Management believes, however, that our experience in analysing purchasing trends and project needs and our use of such information in preparing and negotiating bids and purchase orders enable it to minimise such risks. We focus on carefully selecting projects that provide a sufficient margin to offer a profit as well as adequately cover the risk involved, and management believes that our extensive experience in each of our industry segments allow us to establish accurate cost estimations. To further reduce the above risks, the Company seeks to include in its contracts provisions to exclude consequential damages, to cap liquidated damages, to generally limit our liability and to allow for price adjustments in the event of changes in the law that affect the project. Whenever possible, we seek to limit exposure to unforeseen events by obtaining indemnification from our customers, subcontractors and joint venture partners against certain claims relating to injury to our employees, damage to our property and consequential damages. We also generally include a cap for potential environmental damages and require our customers and subcontractors to indemnify us up to an agreed amount for certain claims and liabilities relating to environmental damage. In addition, the Company obtains appropriate and specialised insurance to cover construction and financing risks for each of its projects and generally maintains comprehensive insurance covering its assets and operations at levels which management believes to be appropriate.

8.9 Information technology

Information technology is a key component to our ability to operate efficiently. We invest in and maintain information technology systems at our headquarters, branch offices, construction sites, plants, and related subsidiaries in order to support our performance and growth strategy.

Our information technology systems include both third-party applications and in-house developments tailored to maximise our performance and improve cost efficiency.

8.10 Brands and intellectual property

The Company's wholly-owned operating brands comprise Orascom, Orascom Construction, Orascom Engineering & Construction, OE&C USA, Contrack International LLC (Contrack), and The Weitz Company (Weitz), which in turn include various subsidiaries and operating joint ventures.

Many of our subsidiaries and branches operate under the Orascom Construction brand name which the Company has the right to use. We have also registered a number of domain names for our key subsidiaries, most of which are in use and some of which are either under construction or link to one of our functioning websites.

8.11 Material licences

The Group does not require any material construction licences to operate. The primary business brands hold ISO 9001:2008 Quality Reassurance System Certifications and ISO 14001 Environmental Management System Certifications that demonstrate the Group's commitment to quality and safety. We also adhere to Occupational Safety and Health Administration (OSHA) health and safety standards. Our United States based brands also hold Certificates of Good Standing and contracting licenses to operate.

8.12 Risk management, internal control, integrity and compliance

We adhere to a strict risk management, internal control, integrity and compliance framework, ensuring local and international best practices, transparency and compliance objectives are achieved.

Our internal oversight functions comprise both independent and executive directors to provide a comprehensive and reliable oversight mechanism. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. This committee reports regularly to the Board of Directors on its activities. We also employ third party auditors and monitoring. We believe that risk management, internal control, integrity and compliance frameworks are fundamental to the successful management and operations of its activities and to the execution of our strategy.

Our risk management, internal control, integrity and compliance frameworks incorporate international best practices, and are implemented by all employees, controlled subsidiaries, and joint ventures. We also require our partners to observe our frameworks to the fullest extent possible.

8.13 Employees

We have an experienced and knowledgeable workforce. Orascom Construction Limited's employees comprise approximately:

	31-Dec-2011	31-Dec-2012	31-Dec-2013	31-Dec-2014
Permanent (Salaried)	22,168	22,579	23,582	24,923
Temporary (Hourly)	28,168	20,445	23,883	28,343
Total	50,336	43,024	47,465	53,266

The labour force is hired based on project requirements and therefore fluctuates in size based on Orascom Construction's project cycles. In core markets, key labour forces are stable and are transferred from project to project according to long term business needs. We seek to hire local labour where appropriate and possible in order to mitigate the risk of availability of labour. To date, we have not experienced any significant labour disputes or strikes. We believe that, overall, current relations with our employees are good.

We are committed to fostering an environment that encourages employees to seek opportunities for professional growth and enrichment. We recognise the importance of training and development of all staff, and have implemented a number of initiatives, including the OCI Academy (which focuses on training employees) and the Onsi Sawiris Institute for Vocational Training (which trains and introduces young talent to the business at an operational level).

A highlight of our training program's success is Contrack's training program in Afghanistan, where it provides comprehensive vocational training and employment opportunities to the local population in Kabul. The Construction Training Center is a model program visited frequently by high-ranking officials from the United Nations, the Afghan Ministry of Education, USAID and the US Army Corps of Engineers, and has graduated over 1,800 students (including 113 deaf students and 49 mine victims). More than 80% of the graduates of the program are employed by Contrack on its various construction projects throughout Afghanistan.

8.14 Financing of the Group

In the ordinary course of our business, we obtain bilateral credit facilities for both the direct and contingent needs of the Group which are both in line with construction industry norms. The direct exposure is used to partially fund the Group's working capital requirements and is structured in the form of overdrafts facilities that are callable on demand and in line with construction industry norms. The contingent exposure is used for all aspects of the construction contract life cycle from the start of the bidding process to the expiration of our liability towards the client in accordance with the terms of each respective contract. These facilities are structured in the form of bid, advance, performance and retention guarantees or standby letters of credit which allow us to bid, execute and guarantee our deliverables to our clients. Tenor requirements for these guarantee facilities are structured to match the underlying construction contracts with the respective counterparties.

Although unlikely in the view of the Directors, there is a risk of a simultaneous demand for immediate repayment or collateralization on a significant number of the direct and/or contingent facilities. These would require a repayment or collateralization immediately upon the demand of the applicable lenders. There is also a risk of liquidation of a significant number of outstanding guarantees issued on our behalf by lenders to our clients should we fail to meet our contractual obligations. If any significant simultaneous callability or liquidation events take place, this would have a material adverse effect on our working capital and in turn, would have a material effect on our business, financial position, results of operations and/or prospects.

Consistent with the past operating experience of the Group, the Directors believe that (i) the overdraft facilities obligations of the Group that are by their own terms repayable to the applicable lenders upon demand will not become simultaneously payable; and (ii) the securing bid, advance payment, performance, retention guarantees, letters of credit and similar instruments that are potentially payable by the Group to counter-parties to the construction contracts that the Group is a party to in accordance with the terms and conditions of such contracts, will not become simultaneously payable and will continue to become only payable following a call in accordance with the terms and conditions of such construction contracts.

Further, in the ordinary course of business, the Group's credit facilities have different maturity or renewal dates and credit facilities will come up for renewal either annually or for longer tenors during our business lifecycle. There can be no guarantee that the Group will be able to renew its credit facilities either on the same terms or even at all as they become due for renewal. If the Group failed to renew a material proportion of its facilities with the applicable lenders this would have a material adverse effect on our working capital and in turn, would have a material effect on our business, financial position, results of operations and/or prospects.

In the view of the Directors, historically, the Company has not had any material issues in renewing its credit facilities as they came up for renewal or finding an alternative lender willing to provide an alternative facility on similar terms. The Group also has a wide and varied spread of approximately 25 lenders as at the date of this Prospectus who have continued to provide facilities to the Group and so the risk of losing one or more lender relationship is mitigated. It should also be noted that on certain occasions, renewals of credit facilities have resulted in more favourable lending terms for the Group.

Although it is contractually possible that one or more of these facilities could be called, the Group has never experienced an immediate callability event. In addition, the Group has a very limited history of liquidated guarantees. There are certain risk factors associated with the financing of the Group as highlighted in the risk factor entitled "*We may have difficulty raising additional capital in the future on favourable terms, or at all, which could impair our ability to operate our business or achieve our growth objectives*" at section 2.3 of Part 2 ("*Risk Factors*") of this Prospectus.

The table below sets out the Group's debt repayment schedule and key terms relating to its outstanding debt as at 30 September 2014:

Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank overdraft	Collateral / Guarantee given (if applicable)
Orascom Construction Industries	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%	Renewed annually	0.2	0.0	0.0	0.2	Promissory notes
Orascom Construction	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%	Renewed annually	409.3	0.0	0.0	409.3	Corporate guarantee from OCI S.A.E. and promissory notes from Orascom Construction
Orascom Saudi	Secured	Libor +2.0%	2014	71.0	0.0	0.0	71.0	Guarantee letter with 710M Signed by the client and Guarantor, Obligation letter for the client invoices to be paid in ANB Bank
	Secured	Libor +2.75%	2014	21.3	0.0	21.3	0.0	
	Secured	Libor +2.75%	2015	5.3	5.3	0.0	0.0	
Orascom Construction Industries—Algeria	Secured	Variable 6.5%	2014	43.4	0.0	43.4	0.0	USD 43.4 mln cash cover at Citi bank Dubai
Contrack international	Unsecured	LIBOR +2.5%	2014	0.5	0.0	0.0	0.5	Corporate guarantee from OCI S.A.E.
The Weitz Group, LLC	Unsecured	Multiple rates	Mar-18	34.5	30.9	3.6	0.0	
Total as per 30 September 2014				585.5	36.2	68.3	481.0	

8.15 Material contracts

Save as set out below, there are no contracts, not being contracts entered into in the ordinary course of business, and which are or may be material: (a) which have been entered into by the Group within the two years immediately preceding the date of this Prospectus; or (b) which have been entered into by the Group and which contain any provision under which any such member has any obligation or entitlement which is material to the Group as at the date of this Prospectus:

Shared Services Agreement

Please see section 16.1 of Part 16 (“*Related Party Transactions and Conflicts of Interest*”) of this Prospectus for details of the Shared Services Agreement.

Conditional Sale Agreement

Please see section 16.1 of Part 16 (“*Related Party Transactions and Conflicts of Interest*”) of this Prospectus for details of the Conditional Sale Agreement.

Tax Claim Agreement

Please see section 16.1 of Part 16 (“*Related Party Transactions and Conflicts of Interest*”) of this Prospectus for details of the Tax Claim Agreement.

BESIX Joint Venture Agreement

The Company's 50% shareholding in The BESIX Group is subject to a shareholders' agreement dated 16 June 2013 (as amended) between its subsidiary OCI Luxembourg S.a.r.l and ManCo Investment Company (the **BESIX Shareholders Agreement**). The BESIX Shareholders' Agreement sets forth the

BESIX Group's authorised share capital of EUR 70,000,000, and governs the composition, conduct, and procedures for the management of The BESIX Group. The Company holds three of six board director seats on the BESIX Group board. Certain matters are reserved for action by the BESIX board, including significant changes to the share capital and the incurrence of material indebtedness and capital expenditures. In addition, the BESIX Shareholders Agreement provides the Company the ability to exit its investment in The BESIX Group through an Initial Public Offering. The agreement is governed by Belgian law.

On 27 November 2014, the Companies signed an addendum to the joint venture relating to the transfer of OCI N.V.'s shares to OC IHC 3 B.V. In addition, the Company warrants to ManCo that OC IHC 3 B.V. is a member of a wholly-owned Group of which the Sawiris Family exercise control.

Underwriting Agreement

The Company, EFG-Hermes UAE Limited, EFG Hermes Promoting and Underwriting, HSBC Bank Middle East Limited and CI Capital Investment Banking (together, the **Managers**) have entered into the Underwriting Agreement. Pursuant to the Underwriting Agreement, each of the Managers (acting in its own capacity and, where required under Egyptian regulations, through its subsidiary incorporated under the laws of the Arab Republic of Egypt) has agreed, subject to certain conditions, to seek subscribers for the New Shares in the private offering to qualified institutional investors and each of the Managers (acting in its own capacity and, where required under Egyptian regulations, through its subsidiary incorporated under the laws of the Arab Republic of Egypt) has agreed, subject to certain conditions, in the event of the failure of any subscriber who has signed a subscription form and indicated its agreement to subscribe through or with such Manager to fulfil its commitments to subscribe for New Shares, to subscribe itself for such New Shares (up to the Manager's agreed portion of the New Shares). Pursuant to the General Rules for the Egyptian Offer, the Underwriting Agreement effectively relates to all the New Shares on the basis that (i) if the Second Tranche is not fully covered then those unallocated New Shares will be re-allocated to the First Tranche; and (ii) if the First Tranche is not fully covered then those unallocated New Shares are then re-allocated to the Second Tranche. Please see Section 5.5 ("*Size and structure of the Egyptian Offer*"). All such subscriptions or purchases will be at the offer price for the Egyptian Offer. The Underwriting Agreement contains provisions entitling the Managers to terminate the Underwriting Agreement at any time prior to Admission in certain circumstances. The Underwriting Agreement provides for the Managers to be paid commissions in respect of the New Shares sold in the private offering to qualified institutional investors. The Company has given certain representations, warranties and undertakings to the Managers. In addition, the Company has given an indemnity to the Managers in a form that is typical for an agreement of this nature.

8.16 Joint ventures

We participate in joint ventures and other partnerships in order to conduct our business. We also sometimes enter into operational joint ventures for the purpose of particular projects in our construction business. In 2011, we formed Orascom Saudi Limited (OSL), a 60% owned joint venture with Saudi Binladin Group targeting infrastructure and industrial projects in the Kingdom of Saudi Arabia. During the year, OSL was awarded USD450 million worth of infrastructure work at the King Abdul Aziz Airport in Jeddah.

We also have a joint venture with Aquialia in relation to Orasqualia and a joint venture with IPIC in relation to the development of a coal-fire power plant in Egypt (please see the paragraph headed "*Concessions and infrastructure investments*" under Section 8.4 ("*Our Group*").

Please refer to Section 19.3 of Part 19 ("*General Information*") for a comprehensive list of the Group's joint ventures and significant subsidiaries.

9. SELECTED FINANCIAL INFORMATION

9.1 Overview

The following table presents selected combined financial information for the Group as of and for the years ended 31 December 2011, 2012 and 2013 and as of and for the nine months ended 30 September 2014 and 2013. This selected financial information should be read in conjunction with the Financial Statements. The Financial Statements are presented in USD with all amounts rounded to the nearest one decimal place.

COMBINED INCOME STATEMENTS

(USD millions)	For the nine months ended 30 September		For the year ended 31 December		
	2014 (reviewed)	2013 (unaudited)	2013	2012 (audited)	2011
Revenue	2,157.4	1,624.3	2,349.7	1,457.3	1,811.3
Construction cost and cost of sales	(2,138.4)	(1,529.4)	(2,257.4)	(1,373.6)	(1,512.1)
Gross profit	19.0	94.9	92.3	83.7	299.2
Other income	12.6	20.0	22.1	15.3	33.0
Selling, general and administrative expenses	(226.8)	(94.6)	(139.3)	(151.1)	(139.3)
Other expenses	(4.6)	(2.3)	(5.8)	(26.6)	(3.7)
Operating (loss) / profit	(199.8)	18.0	(30.7)	(78.7)	189.2
Finance income	26.0	52.9	81.9	29.3	10.2
Finance cost	(19.5)	(64.9)	(109.2)	(75.2)	(43.6)
Net finance cost	6.5	(12.0)	(27.3)	(45.9)	(33.4)
Income from associates (net of tax)	(174.9)	71.5	58.4	79.7	109.1
(Loss) / profit before income tax	(368.2)	77.5	0.4	(44.9)	264.9
Income tax	288.7	(10.7)	(0.7)	(555.8)	(56.4)
Net (loss) / profit	(79.5)	66.8	(0.3)	(600.7)	208.5
Other comprehensive income:					
items that are or may be reclassified to profit or loss					
Changes in fair value of cash flow hedges	(3.8)	8.8	10.5	(12.9)	0.1
Foreign currency translation differences	—	(13.2)	(10.5)	(18.9)	(20.3)
Other comprehensive income, net of tax	(3.8)	(4.4)	—	(31.8)	(20.2)
Total comprehensive income	(83.3)	62.4	(0.3)	(632.5)	188.3
(Loss) / profit attributable to:					
Owners net investment	(89.9)	56.3	(14.7)	(609.3)	199.9
Non-controlling interest	10.4	10.5	14.4	8.6	8.6
Net (loss) / profit	(79.5)	66.8	(0.3)	(600.7)	208.5
Total comprehensive income attributable to:					
Owners net investment	(98.0)	56.1	(10.6)	(634.5)	180.0
Non-controlling interest	14.7	6.3	10.3	2.0	8.3
Total comprehensive income	(83.3)	62.4	(0.3)	(632.5)	188.3

COMBINED STATEMENTS OF FINANCIAL POSITION

(USD millions)	As of 30 September 2014	As of 31 December		
	(reviewed)	2013	2012 (audited)	2011
Non-current assets	687.1	1,154.0	912.9	794.0
Current assets	1,996.6	1,927.3	1,789.4	1,830.4
Total assets	2,683.7	3,081.3	2,702.3	2,624.4
Owner's net investment	726.1	815.6	380.1	1,058.7
Non-controlling interest	70.8	58.9	51.2	52.5
Total net investment	796.9	874.5	431.3	1,111.2
Non-current liabilities	71.2	292.0	323.1	50.7
Current liabilities	1,815.6	1,914.8	1,947.9	1,462.5
Total liabilities and net investment	2,683.7	3,081.3	2,702.3	2,624.4

COMBINED CASH FLOWS

(USD millions)	For the nine months ended 30 September		For the year ended 31 December		
	2014 (reviewed)	2013 (unaudited)	2013	2012 (audited)	2011
Cash and cash equivalents at the beginning of the period	419.7	428.0	428.0	448.1	150.7
<i>Net cash from/(used in) operating activities</i>	<i>330.7</i>	<i>(193.0)</i>	<i>(423.4)</i>	<i>(143.1)</i>	<i>475.5</i>
<i>Net cash from/(used in) investing activities</i>	<i>(92.7)</i>	<i>15.1</i>	<i>5.0</i>	<i>(13.0)</i>	<i>35.1</i>
<i>Net cash from/(used in) financing activities</i>	<i>(233.9)</i>	<i>272.8</i>	<i>415.5</i>	<i>139.2</i>	<i>(210.4)</i>
Net increase/(decrease) in cash and cash equivalents .	4.1	94.9	(2.9)	(16.9)	300.2
Effect of exchange rate fluctuations on cash held	(2.6)	(6.2)	(5.4)	(3.2)	(2.8)
Cash and cash equivalents at the end of the period . .	421.2	516.7	419.7	428.0	448.1

10. OPERATING AND FINANCIAL REVIEW

The following discussion and analysis should be read together with the special purpose combined financial statements, including the accompanying notes, included elsewhere in this Prospectus. The special purpose combined financial statements and the accompanying notes have been prepared in accordance with IFRS.

Some of the information in the discussion and analysis set forth below and elsewhere in this Prospectus includes forward-looking statements that involve risks and uncertainties. See paragraph 1.7 of the section headed “*Important Information About This Prospectus*” and Part 2 (“*Risk Factors*”) in this Prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in the forward-looking statements contained in this Prospectus.

References in this operating and financial review to “we”, “our”, “the Group” and “the Company” are references to Orascom Construction and its subsidiaries.

10.1 Basis of presentation

As described in further detail in paragraph 1.5 of the section titled “Presentation of Financial and Other Information” of this Prospectus, the Company was established on 18 January 2015 as part of the Demerger and until this date the businesses of the Company were performed under various entities which were controlled by OCI N.V. The Demerger resulted in the transfer of the Engineering & Construction Group assets to Orascom Construction Limited.

Solely for the purposes of seeking Admission, the Company prepared special purpose combined financial statements as of and for the years ended 31 December 2011, 2012 and 2013 (which have been audited) and interim combined financial information as of 30 September 2014 (reviewed) and for the nine months ended 30 September 2013 (unaudited), to present the net assets, financial position and results of operations of the companies and net assets which became part of the Group, as if the Group had been operating as a stand-alone group, independent of OCI N.V., during these periods.

The special purpose combined financial statements and interim financial information have been prepared by aggregating the financial information relating to the activities and assets and liabilities which entered into the Group’s scope of consolidation on the Demerger and which until then were part of OCI N.V. In preparing the special purpose combined financial statements and interim financial information, the revenues and costs of Orascom Construction which were not directly attributable to it, and in particular those relating to central services performed by the former holding company, were allocated using drivers appropriate to the revenue or cost to be allocated.

However, it should be highlighted that if the Group had been operating as a stand-alone group during this period, the net assets, financial position and results of operations could have been materially different. Therefore the combined financial information is not necessarily indicative of results that would have occurred if the Orascom Construction assets had been a separate group during the entire period presented, or of the future results of the Group.

See paragraph 1.5 “Presentation of Financial and Other Information” in the section titled (Important Information About This Prospectus” of this Prospectus for further information. The criteria used in the preparation of such combined financial information are described in Note 2 to the special purpose combined financial statements.

In addition, the special purpose combined financial information differ from those previously disclosed as part of the construction segment of OCI NV consolidated financial statements due to retrospective application of IFRS 11 Joint Ventures, and the following significant allocations:

Corporate administrative expenses

Under the “carve-out” basis of presentation, these Combined Financial Statements include certain allocations for various expenses, including corporate administrative expenses incurred by OCI N.V. or companies not belonging to Orascom Construction Limited and an allocation of certain assets and liabilities historically maintained by OCI N.V. or companies not belonging to Orascom Construction Limited, and an allocation of income and expenses related to such assets and liabilities. These include corporate overhead allocations, pension expenses and liabilities and other post-employment benefit expenses.

OCI has applied historical a charge out for corporate expenses for management accounting purposes and in its segments reporting based on 85% fertilizers and chemicals and 15% for engineering and construction

based on a complexity factor and the level of management need. These corporate costs include cost and remuneration such as those related to the Board of Directors, Legal, Treasury, Corporate Governance, Communications, Investor Relations and Internal Audit and other consultancy fees incurred by OCI N.V. In these combined financial statements the same allocation of corporate administrative expenses has been applied for all years. The new Board of Directors has not been appointed yet, therefore no disclosure on 'Directors remuneration expenses' has been included in these Combined Financial Statements.

Allocation of corporate administrative expenses (USD millions):	For the nine months ended		For the year ended		
	30-Sep-14	30-Sep-13	31-Dec-13	31-Dec-12	31-Dec-11
Salaries and wages	2.2	2.1	2.4	2.1	1.4
Consultancy fees	0.7	0.4	0.6	0.6	0.4
Rent and office expenses	0.2	0.2	0.2	—	0.2
IT expenses	0.1	0.1	0.2	0.2	0.2
Travel expenses	0.6	0.5	0.6	0.2	0.6
Other expenses	1.6	0.3	0.2	0.2	0.2
Total	5.4	3.6	4.2	3.3	3.0

Share-based payment expenses

Cost of share-based payment arrangements issued by OCI N.V. towards employees of the Orascom Construction Limited as 'group share-based payment arrangements' have been recognized in these Combined Financial Statements based on the requirements of IFRS 2. Cost of share-based payments of the Board of Directors have not been allocated.

Orascom Construction Industries S.A.E. (OCI S.A.E.) Financial Tax liability

The OCI S.A.E. Financial Tax liability relates to the tax claim issue with respect to sale of the cement segment to Lafarge in 2007. Further reference is made to Note 11.3 in the Financial Statements. As this transaction does not relate to either the Engineering & Construction segment or to the Fertilizers & Chemicals segment, OCI N.V. has decided to allocate the OCI S.A.E. Financial Tax liability on a 50% basis between both segments.

Transaction cost OCI N.V. restructuring 2013

In 2013 the Orascom Construction Industries S.A.E. changed its head office from Egypt to the Netherlands and became listed at the NYSE Euronext in Amsterdam via an exchange offer and tender offer towards existing shareholders with transaction cost totalling USD 242 million in order to have OCI N.V. be the new listed holding company of the OCI Group. Management is of the opinion that these cost do not relate to the Construction business, therefore no cost have been allocated to Orascom Construction Limited.

Allocation of OCI S.A.E. Guarantees

Over the years OCI S.A.E. provided several guarantees towards several entities within the Engineering and Construction segment. As part of the Conditional Sale Agreement in order to transfer the construction activities from OCI S.A.E. to Orascom Construction Limited, any related guarantees will be part of this arrangement. The Company is working with banks to obtain approvals to replace OCI S.A.E. guarantees with Orascom Construction Limited guarantees.

Allocation assumptions

Management believes the assumptions underlying the Combined Financial Statements to be a reasonable reflection of the utilization of services provided by OCI N.V. However the costs Orascom Construction Limited would have incurred or will incur as a separate standalone group may be higher or lower than the cost allocations reflected in these combined financial statements. As such, the combined financial statements may not necessarily reflect the financial positions, results of operations or cash flows that Orascom Construction Limited might have in the past, or might have in the future, if Orascom Construction Limited had existed as a separate, standalone business during the periods presented.

10.2 Overview

We are an international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the United States, the Middle East, Africa and Central Asia for public and private clients.

We have consistently ranked among the world's top contractors and were ranked number 67 on ENR's Top 250 International Contractors list published on 25 August/1 September 2014.

Through our subsidiaries and joint ventures, we are engaged primarily in engineering and construction contracting. Other businesses in which Orascom Construction is engaged comprise mainly of operations supporting this main business, as well as certain other investments in various related industries. As at 31 December 2014, Orascom Construction employed approximately 53,000 employees worldwide.

Orascom Construction operates under three distinct and separate brands:

- **Orascom:** established in 1976 with origins dating back to 1950 and based in Cairo, Orascom Construction Egypt is an engineering, procurement and construction contractor with over 60 years of construction experience targeting large industrial, commercial and infrastructure projects for public and private clients principally in the MENA region and the United States.
- **Contrack:** established in 1985 and based in Virginia in the United States, Contrack undertakes engineering, procurement and construction services, as well as facilities operation and maintenance primarily on institutional and infrastructure projects throughout the Middle East and Central Asia.
- **The Weitz Company:** established in 1855, Weitz is a leading general contractor, design-builder and construction manager based in Des Moines, Iowa. Weitz targets commercial, industrial, infrastructure, and plant services construction projects in the United States.

Orascom Construction also has investments in a number of complementary construction and materials businesses. The Group has a 50% shareholding in The BESIX Group. The BESIX Group was established in 1909 and is based in Brussels, Belgium. It is an engineering, procurement and construction contractor and undertakes major commercial, industrial and infrastructure projects in 20 countries throughout Europe, the Middle East and northern and central Africa.

Orascom Construction also has investments in manufacturers of fabricated steel products, glass curtain walling, paints and concrete pipes as well as investments in two property management companies and a waste water treatment plant concession.

Beginning 1 January 2014, the Company recognises BESIX and certain other construction joint ventures (JV's) according to the equity method rather than proportional consolidation, in compliance with International Financial Reporting Standards (IFRS). The adoption of IFRS 11 in 2014 was also reflected in consolidated backlog and new awards for the years 2011, 2012, 2013 for comparative purposes.

The tables below set out the Company's recorded revenue and gross profit margins for the years ended 31 December 2011, 2012 and 2013 and the nine months ended 30 September 2014 and comparative 30 September 2013:

	As at 30 September 2014		As at 30 September 2013
(USD millions)			
Revenue	2,157.4		1,624.3
Gross Profit	19.0		94.9
Gross Profit Margin	0.9%		5.8%
	As at 31 December 2013		As at 31 December 2012
(USD millions)			As at 31 December 2011
Revenue	2,349.7	1,457.3	1,811.3
Gross Profit	92.3	83.7	299.2
Gross Profit Margin	3.9%	5.7%	16.5%

Segmentation of Revenue

The Group determines and presents operating segments on the information that internally is provided to the Chief Executive Officer during the period. Each of the segments is managed separately because they require different operating strategies and use their own assets and employees. Factors used to identify the

Group's reportable segments, are a combination of factors and whether operating segments have been aggregated and types of products and services from which each reportable segment derives its revenues. Segment revenues have been presented based on the location the entity managing the contracts. To that end, revenue designated under the United States includes Contrack's operations in the Middle East and Asia, in addition to Weitz's and Orascom's activities in the United States. Revenues designated under MENA are Orascom's activities in the region and Contrack's activities in Qatar and Bahrain.

10.3 Key factors affecting our results of operations

Economic conditions in the MENA region

The MENA region is a substantial component of our business. The Group's largest markets in the Middle East and North Africa (MENA) region include: Egypt, the Kingdom of Saudi Arabia, Algeria and Iraq. Our current and future business as well as our equity-accounted for investees may be affected by the general macro-economic conditions prevailing in the MENA region. The Group's principal markets in the MENA region are primarily characterised as emerging markets comprising primarily of populous and not so populous nations that are supported primarily by historical budget surpluses. Such markets have relatively unique characteristics in comparison to other emerging and developed markets in terms of high population growth, increased demand for utilities and social infrastructure, demand for transportation services, historical underinvestment in infrastructure, and housing supply shortage that should offer immense opportunities for contractors.

According to the International Monetary Fund (IMF), the collective GDP in the Group's largest markets in MENA is expected to reach USD3.0 trillion by 2019 from USD2.2 trillion in 2013. According to the IMF, the collective GDP of countries in the Group's largest markets in MENA is expected to grow by 5.4%, 6.1% and 6.2% in 2015, 2016 and 2017, respectively, up from 3.9% in 2014. Supported by the strong underlying demographic, macroeconomic and infrastructure related trends, the MENA construction market is expected to continue its strong growth trajectory over the coming six years. The outlook for new construction awards for the medium term is broadly positive across the Core Markets with the planned project pipeline currently estimated at USD1.4 trillion for the next six years (excluding oil and gas projects), representing a 125% growth over the total value of awarded projects in the previous six years. Our principal focus sectors, power, transport and water projects are expected to represent 46% of the region's project pipeline over the next six years according to MEED. Of such pipeline, 8% of projects value worth approximately USD120 billion are currently in the bidding stage.

A general downturn or instability in certain industries of the MENA region economies, as well as political or economic developments outside the MENA region, could also materially adversely impact the Group's business and future financial performance. Increased uncertainty could reduce foreign-direct investment in the region and lead to capital outflows, increased volatility in regional markets, amongst other factors. Also, with oil and gas prices significantly declining over the last six months by more than 59% from over USD 108 per barrel in June 2014 to under USD 44 per barrel as of 29 January 2015, if such trend continues, would reduce revenues flowing to these countries which may lead to budget deficits, and accordingly impede their ability to implement their development strategies and fund infrastructure investments. Any unexpected changes in the economic or other conditions in our principal and potential growth markets in the MENA region could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

Political unrest in our key regional markets

Economic changes, terrorist activity and political unrest may result in business interruption, inflation, deflation or decreased demand for our products and services. Our success will depend in part on our ability to manage continued global political and/or economic uncertainty, especially in our significant geographic markets in the MENA region, as well as any political or economic disruption due to terrorist and other hostile activities. The current construction backlog is diversified across key markets in the MENA region, Africa and Asia. We believe that the diversification has enabled us to relatively mitigate unforeseen political unrest in any single market.

Political unrest in our key regional markets has affected and may continue to affect our prospects. Due to the events in Egypt in 2011, we lost approximately ten days of construction site activity in our Egyptian projects during the first quarter of 2011. We also experienced delays in payments from some government projects within manageable limits (when compared to our overall portfolio). However, despite a slow tendering/award environment in Egypt that year, we were awarded approximately USD 1.4 billion of

construction contracts in Egypt alone during 2011. Our core markets have since seen a resurgence in sovereign infrastructure spending stimulating these markets' economies and creating immediate employment. For example, Egypt is expected to continue to tender infrastructure work as seen by its Suez Canal expansion project, and has re-launched its Public-Private Partnership (PPP) programme, which will cover healthcare, roads, water, and wastewater projects.

Demand for construction services on large commercial, industrial and infrastructure projects

Demand for construction services on large projects is affected by changes in the general state of economic activity, foreign direct investment flows, foreign aid flows and government investment incentives. The timing of awards of major construction projects can result in significant fluctuations in the Group's revenues and earnings between periods. During 2013, there was a reduction in awards in Egypt during the first half of the year due to social and political instability in the country. This was mitigated in part by increased awards in Egypt during the second half of the year, as well as increased awards in the Kingdom of Saudi Arabia and in the United States.

Competition in core markets

The Company's primary markets are populous countries which have announced large medium term infrastructure spending packages. Accordingly, these countries have attracted contractors resulting in a general increase in competition in tenders, particularly in Saudi Arabia, the UAE, Algeria, and Egypt.

Acquisitions and new businesses

During the periods under review, we completed an acquisition, entered into new joint ventures and invested in new associates all in order to grow our business. These acquisitions and joint ventures also impact the comparability of the results of our operations during the periods under review. The principal acquisitions and joint ventures include:

Consolidated:

- 2011: establishment of Orascom Saudi Limited, a 60% owned joint venture with Saudi Binladin Group. Orascom Saudi Limited focuses on infrastructure and industrial work in the Kingdom of Saudi Arabia and a substantial portion of its work is subcontracted from Saudi Binladin Group. By nature of the market, Saudi Arabia is a low-to-medium margin market depending on the nature of the project and subcontracted work tends to share the margin with the subcontracting contractor;
- 2012: acquisition of 100% of The Weitz Company. The Weitz Company was fully consolidated in 2013, resulting in a decline in margins due to the significantly lower margin nature of the United States construction industry as compared to the MENA region; and
- 2013: establishment of Orascom E&C USA, which is the primary contractor on the Iowa Fertilizer Company (IFCo), a greenfield nitrogen fertilizer plant under construction for OCI N.V. Projects awarded by OCI N.V. are awarded at an arm's length basis, and the Engineering, Procurement and Construction (EPC) contract between Orascom Construction (or its subsidiaries) and OCI N.V. for the construction of IFCo required bondholder approval at the IFCo level, ensuring the full independence of each entity involved

Equity method:

- 2011: establishment of Orasqualia for Operation and Maintenance, a 50% owned joint venture with Aqualia to provide operations and maintenance work for the New Cairo Wastewater treatment plant.

Diversification of backlog

Backlog is calculated as an aggregate of remaining work to be completed in the relevant construction period for each contract. Backlog is not subject to a present value discount. Backlog is computed based on facts known and assumptions deemed appropriate at the computation date. Backlog is calculated as per management's best estimate of the remaining contractual value of a project as at the date of announcement, and is generally conservatively calculated to include signed contracts and in some instances direct orders. The Company may decide to include or exclude any projects in the backlog it deems necessary to accurately reflect estimated revenue visibility. Historically, management's prudent calculation of backlog has resulted in minimal changes to reported figures from date of announcement. Our definition of backlog may not necessarily be the same as that used by other companies engaged in activities similar to

ours. As a result, the amount of our backlog may not be comparable to the backlog reported by such other companies.

Backlog calculation is based on, and is affected by a number of factors. Amounts in different currencies comprising the backlog at a given date are converted to US Dollar at the closing exchange rate on that date as per the balance sheet rate used in the financial statements of the relevant reporting period. Percentages of completion of our contracts are based on estimates provided by local project managers. New awards, changes in contract values, variation orders and change orders on a given contract are only included on the backlog if they are agreed and signed on the backlog date. Contingencies that could affect the realization of our backlog as future revenue or cash flows include contract termination or suspension, project delays or cancellations resulting from weather conditions, other project deferrals or delays, scope adjustments, foreign exchange rate movement, force majeure, legal impediments, default by our customers, external market factors and economic or other factors beyond our control. Consequently, backlog as of any particular date may not be indicative of actual results of operations for any succeeding period. See “*Risk Factors—Risks relating to our construction business—Amounts included in our backlog are management estimates that may not result in actual revenue or translate into profits, and our backlog is subject to cancellation, delay and unexpected adjustments and therefore is an uncertain indicator of future operating results.*”. Backlog does not, however, constitute a profit forecast or estimate.

The sector and geographic breakdown of the Group’s backlog has a significant impact on its overall profitability as a result of the variability of margins between regions and sectors.

Projects are classified as industrial, infrastructural or commercial. Industrial projects include but are not limited to oil and gas, fertilizer and cement plants. Infrastructural projects include but are not limited to airports, roads, railways, power plants and water plants. Commercial projects include but are not limited to buildings, hotels and malls.

During the periods under review, the Group’s backlog was diversified across the MENA markets, the United States and Central Asia. The tables below set out the Company’s diversified backlog (or order book), which is the total value of its awarded, signed and on-going contracts (which have not yet completed):

(USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Backlog	3,321.3	4,869.4	3,839.9	4,015.5	5,566.2
New Awards	2,659.7	2,618.9	1,233.3	646.2	3,869.6
Contribution to backlog by sector (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Infrastructure	2,604.3	2,774.4	2,136.7	2,265.2	2,993.7
Industrial	264.1	1,373.4	1,142.0	1,888.8	1,927.0
Commercial	452.9	721.5	561.1	561.6	645.6
Total	3,321.3	4,869.3	3,839.9	4,015.6	5,566.2
Contribution to backlog by client (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Sovereign	2,534.2	2,761.7	2,061.7	2,306.3	2,820.4
Private	739.5	878.5	829.2	719.6	1,259.1
OCI N.V. F&C*	47.6	1,229.1	948.9	989.6	1,486.7
Total	3,321.3	4,869.3	3,839.9	4,015.6	5,566.2
Contribution to backlog by geography (USD millions)	As at 31 December 2011	As at 31 December 2012	As at 31 December 2013	As at 30 September 2013	As at 30 September 2014
Egypt	1,770.6	1,571.6	1,185.6	1,229.5	1,477.0
Saudi Arabia	634.3	603.9	815.9	886.1	1,154.1
Algeria	235.6	70.4	83.6	94.8	208.3
USA**	—	1,674.0	1,434.3	1,311.4	2,401.5
Rest of World***	680.7	949.4	320.5	493.8	325.3
Total	3,321.3	4,869.3	3,839.9	4,015.6	5,566.2

* OCI N.V. F&C refers to the Fertilizer and Chemicals business of OCI N.V.

** Hawaii and Guam comprise a part of the USA backlog.

*** The “Rest of the World” category is comprised of Afghanistan, Kuwait, Bahrain, Iraq, UAE, and Qatar which individually account for less than 2.5%-3% of total backlog.

Source: Management estimates

The sector and geographic breakdown of the Company's backlog has a significant impact on the Company's overall profitability as a result of the variability of margins between regions and sectors. The breakdown of our backlog by currency as of 30 September 2014 is approximately 50% in USD, 20% in EGP, 20% in Saudi Arabian Riyal, and the remaining 10% is split among EUR, JPY and DZD. However, it is difficult to quantify total construction costs in the backlog by currency as these vary by project depending on labor, material and procurement costs.

Generally, the most profitable projects for the Company are private industrial projects, followed by large-scale infrastructure and trailed by commercial projects. Private sector work is generally higher margin work compared to public sector work, and work in the MENA region is generally higher margin work than similar projects in the United States and Asia, due to lower labour costs and predictable winters. Accordingly, both the nature of our backlog mix by sector and by geography will impact the Company's blended gross profit margin, depending on the weighted contribution of these factors to the revenue recognised.

In addition, our backlog is subject to significant customer concentration. As of 30 September 2014, our largest five projects in the backlog account for 40% of the total backlog. These projects are in USA, Saudi Arabia and Egypt. Work for OCI N.V. Fertilizer and Chemicals group in the US accounts for 26.7% of total backlog. The weighted average percentage of completion of these five projects is 20% as of 30 September 2014.

Our largest ten projects in the backlog, as of 30 September 2014, totalled USD 2,875.7 million, representing 52% of the total backlog. The weighted average percentage of completion of the top 10 projects is 17% as of 30 September 2014. These projects include King Abdulaziz International Airport in Saudi Arabia, Bani Suef-Zaafra Road in Egypt, the Headquarters for the Ministry of Interior in Saudi Arabia, and Natgasoline methanol complex in Beaumont, Texas.

Ability to achieve business plans

Our ability to obtain and execute contracts will determine the extent to which we are able to grow existing operations profitably, especially with respect to the types of projects and geographic markets (including developing markets) on which we have chosen to focus. There are high levels of competitive activity in the environments in which we operate. To address these challenges, we must respond to competitive factors, including pricing and industry terms, and carefully select our partners. We must manage each of these factors, and maintain mutually beneficial relationships with our key customers, in order to effectively compete and achieve our business plans. Since our goals include a growth component tied to acquisitions, we must manage and integrate key acquisitions, including achieving cost and growth synergies in accordance with stated goals.

Cost pressures

Our costs are subject to fluctuations, particularly due to changes in building materials prices, raw materials, and cost of labour and foreign exchange. Our success is therefore dependent, in part, on our continued ability to manage these fluctuations through pricing actions, cost savings, sourcing decisions and sound contracting practices. For example, it is commonplace for construction contracts with clients to include cost escalation clauses which act as a hedge against unforeseen inflation in key building material prices and components related to the contract. We also must manage our debt and currency exposure, especially in volatile countries. Typically, a given construction contract will be denominated almost exclusively in the respective market's native currency, i.e. both revenues generated and costs incurred are in the same currency. This acts as a natural hedge against any unforeseen currency movements. In addition, some contracts could carry a dollar or euro denominated component and typically foreign currency portions of the contract act as a hedge against the volatility of a given market's native currency. We need to maintain key manufacturing and supply arrangements, including subcontracting and sole supplier arrangements. We must implement, achieve and sustain cost improvement plans, including our outsourcing projects and those related to general overhead and workforce rationalisation.

Cyclicality

Our business is highly linked to the growth and performance of the sectors we serve, including but not limited to power generation, infrastructure, industrial, commercial and real estate. The demand for such services in these sectors has been, and will likely continue to be, cyclical in nature and vulnerable to general downturns in the global economy, public and private sector investments, and accordingly may result in

volatility between periods of low and high demand and activity in these sectors. Given the recent financial markets turmoil, customers may not have the ability to fund capital expenditures for infrastructure, or may have difficulty in obtaining financing, which may result in cancellations of announced projects or deferrals of projects to a later date. Slowdowns in real estate, fluctuations in commodity prices and decreased demand by end-customers for services could also affect our customers and their capital expenditure plans. Such cancellations or deferrals could result in decreased demand for our services or the profitability of those services and could materially adversely affect our results of operations, cash flows and liquidity, and prospects. To mitigate the impact of potential slowdowns, we continually monitor our customers' industries and their relative health compared to the economy as a whole. Additionally, during the current economic downturn and in any future downturn, our customers may not have the ability or desire to continue to fund capital expenditures for infrastructure or may determine to outsource less work. A decrease in any of these projects or any other services which we provide could materially adversely affect our results of operations, cash flows and liquidity.

Seasonality and weather

Due to the generally warm and dry climate in many of our areas of operation, our construction activity levels are not significantly affected by weather conditions. Occasional exceptions to this are projects in remote desert areas in Algeria and Saudi Arabia, where we witness some seasonal sand storms or hot weather conditions during summer time, and projects in Iowa, where we occasionally reduce construction activity during peak winter conditions.

Regulatory environment

Changes in laws, regulations and the related interpretations may alter the environment in which we do business (for example, in 2011 the Egyptian government decided to increase the corporate income tax rate from 20% to 25%). This includes changes in environmental, competitive and product-related laws, as well as changes in accounting standards and taxation requirements. Accordingly, our ability to manage regulatory, tax and legal matters (including product liability and project performance), and to resolve pending matters within current estimates, may impact on our results.

10.4 Recent developments

Since 30 September 2014, we have had the following material developments:

- On 4 November 2014, the ETA's Independent Appeals Committee, the responsible body overseeing the tax dispute between OCI S.A.E. and the ETA, ruled in favour of OCI S.A.E. On 11 December 2014, OCI S.A.E. received a notification that the ETA lodged an appeal application before the first instance court. On 6 January 2015, the court decided to postpone the first hearing to 27 March 2015. The appeal did not include new facts or documents but was rather filed as a legal formality by the ETA which is also customary by any government entity. The proceedings take between two to three years before the court issues its judgment. OCI S.A.E. and its tax advisors are confident that the likelihood of a judgment issued in favour of the Tax Authority is unlikely. The tax dispute liability has been allocated to Orascom Construction on a 50% basis. The tax amounts of USD 360 million already paid in 2012 will not be recognized in the balance sheet as a deferred tax asset because it is uncertain at the balance sheet date whether OCI S.A.E. or its Egyptian subsidiaries will have the right to settle any current or future tax payables against this amount in the first place.
- On 5 November 2014, the Company announced, together with International Petroleum Investment Company (**IPIC**), the intention to jointly commence studies to develop, construct, and operate a 2,000-3,000 MW coal-fired power plant in Egypt. A Memorandum of Understanding (**MoU**) was also signed on 12 November 2014 by the partners and the Egyptian government to formalize the parties' cooperation. Orascom Construction and IPIC aim to develop this project on a fast-track basis to help meet Egypt's rising demand for electricity. This is a strategic step in further developing Orascom Construction's infrastructure focus in Egypt and other key regional markets.
- In December 2014, an Orascom Construction and General Electric consortium signed the construction contracts for two power plants as part of Egypt's Emergency Power Generation Program. The projects have been stipulated to be completed in phases during the second and third quarters of 2015 to meet expected high demand for power during the summer months of 2015. Orascom Construction's share of the contract value is approximately USD 642 million.

- Since 30 September 2014, Orascom Construction was also awarded the construction of three tunnels estimated at EGP 12 billion (USD 1.6 billion) as part of the New Suez Canal mega-project in Port Said, which will enlarge the canal's transit capacity and increase industrial activity in the area. Additional awards total approximately USD 330 million primarily in the US and Egypt.

10.5 Critical accounting policies and judgments

The discussion and analysis of the combined results of operations and combined financial condition are based on the special purpose combined financial statements and combined interim financial information which have been prepared in accordance with IFRS.

The preparation of the Group's special purpose combined financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expenses during the period under review. Actual results may differ from these estimates. The accounting estimates that require the more subjective judgement of management in making assumptions or estimates regarding the effects of matters that are inherently uncertain and for which changes in conditions may significantly affect the results reported in the financial statements are summarised below.

Detailed information regarding accounting policies applied in the preparation of the special purpose combined financial statements is provided in note 3 to the special purpose combined financial statements and note 3 to the combined interim financial information.

10.6 Explanation of key income statement items

For the purposes of the following discussion of our results of operations, we have aggregated certain income statement line items as discussed below.

10.7 Revenues

Revenues comprise the fair value of the considerations received or receivable from the sale of goods and services to third parties in the ordinary course of the Group's activities excluding the taxes levied on revenues and taking into account any discounts granted. The Orascom Construction Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Orascom Construction Group and specific criteria have been met as described below.

Construction contracts

Construction contracts are stated at cost incurred and allocated result in line with the progress of the construction, less total expected losses and invoiced instalments. The cost price consists of all costs which are directly related to the project and directly attributable indirect cost based on the normal production capacity. If the outcome of a contract can be estimated reliably, project revenue and cost are recognized in profit or loss based on the progress of work performed. If the outcome of a contract cannot be estimated reliably, revenue is recognized only to the extent of the contract costs incurred that are likely to be recoverable. Onerous sales contracts are identified by monitoring the progress of the project and updating the estimate of total contract costs which also requires significant judgment relating to achieving certain performance standards as well as estimates involving warranty costs and estimates regarding project delays including the assessment of responsibility splits between the contract partners for these delays. If it is probable that the total contract cost exceed the total contract revenue, the total expected loss is recognized as an expense.

The Group uses the 'percentage-of-completion method' to determine the appropriate amount of revenue (and cost) to be recognized in a given period. The stage of completion is measured by reference to the contract cost incurred as a percentage of total actual or estimated project cost. In case of fixed price contracts, revenue is recognized when the total contract revenue can be measured reliable, it is probable that future economic benefits will flow to the entity, both the contract cost and the stage of completion can be measured reliably at the end of the period and the contract cost attributable to the contract can be clearly identified so that actual cost incurred can be compared with prior periods. For cost plus contract revenue is recognized when it is probable that future economic benefits associated with the contract will flow to the entity and the contract cost attributable to the contract whether or not specifically reimbursable, can be clearly identified and measured reliable. Projects are presented in the statement of financial position as receivables from or payables to customers on behalf of the contract. If the costs

incurred (including the result recognized) exceed the invoiced instalments, the net contract position is presented as a receivable. If the invoiced instalments exceed the costs incurred (including the result recognized) the net contract position is presented as a liability.

The percentage-of-completion method relies on estimates of the extent of progress towards completion, including estimates regarding the scope of deliveries and services required for fulfilling the contractually defined obligations, total contract costs, remaining costs to completion, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. Management continually reviews such estimates and adjusts these as necessary. Such revisions to estimated costs may lead to an increase or decrease in revenues in the reporting period in which they are recorded, and such increase or decrease could be material. See Part 2 *“Risk Factors—Risks relating to our construction businesses—The Company’s use of the percentage-of-completion accounting method for construction contracts could result in a reduction of previously recorded profits.”*

Contracts containing the construction of a project and the possibility of subsequent long-term maintenance of that project as separate components, or for which these components could be negotiated individually in the market, are accounted for as two separate contracts. Revenue and results are recognized accordingly in the combined statement of comprehensive income as construction contract revenue or the rendering of services, respectively.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group’s accounting policy on recognizing revenue on construction contracts. Operation or service revenue is recognized in the period in which the services are provided by the Group. If the Group provides more than one service in a service concession arrangement, then the consideration received is allocated with reference to the relative fair values of the services delivered if the amounts are separately identifiable.

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement, which usually transfer occurs when the product is received at the customer’s warehouse or the products leave the Company’s warehouse; however, for some international shipments transfer occurs on loading the goods onto the relevant carrier at the port. Generally for such products the customer has no right of return.

Costs

Costs related to construction projects, including costs related to raw materials and consumables, finished goods and work in progress, represent the largest component of the Group’s costs.

Construction project costs include all direct material, equipment, labour, subcontract and indirect costs related to contract performance, such as indirect labour, maintenance, and applicable administrative costs. Construction project costs also include general and administrative expenses directly related to these projects.

Other income

Other income includes primarily gains and losses on the sale of property, plant and equipment, sale of scrap and reversal of unutilized provisions.

Administrative expenses

The Group's administrative expenses are comprised of expenses that are not directly allocated to projects, including non-project specific wages and salaries, employee profit share and benefits, depreciation and amortisation of property, plant and equipment, consultancy expenses and other expenses.

Net finance cost

Net finance cost consists of finance income and finance cost.

Finance income comprises:

- interest income on funds invested (including available-for-sale financial assets);
- gains on the disposal of available-for-sale financial assets;
- fair value gains on financial assets at fair value through profit or loss;
- gains on the re-measurement to fair value of any pre-existing interest in an acquired business combination;
- gains on hedging instruments that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance costs comprise:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- losses on disposal of available-for-sale financial assets;
- fair value losses on financial assets at fair value through profit or loss; and
- impairment losses recognized on financial assets (other than trade receivables).

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

Income from associates (net of tax)

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, which is presumed to exist when the Group holds 20% to 50% of the shareholding and related voting rights of the other entity. Associates are accounted for by the 'equity method'. The Group's share of profit or loss of an investee is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases. Investments in associates with negative shareholder's equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognized directly in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

The Group's main equity-accounted investees are:

<u>Name</u>	<u>Parent</u>	<u>Country</u>	<u>Participation %</u>
BESIX Group	MANOCI Belgium	Belgium	50.0
Medrail Ltd.	Orascom Construction Ltd.	UAE	50.0
Egyptian Gypsum Company	UHC	Egypt	28.3
Alico	Orascom Construction Ltd.	Egypt	50.0
Sidra Medical Center	Contrack Int.	USA	45.0
URS Contrack Pacer Forge IV	Contrack Int.	USA	45.0
Watts—Webcor Obayashi	Contrack Int.	USA	34.0
RW Constructors LLC	The Weitz Group	USA	50.0
Alexander—Weitz	The Weitz Group	USA	49.0
National Pipe Company	Orascom Construction Ltd.	Egypt	40.0
El Yamama	Orascom Construction Ltd.	Egypt	50.0
Orasqualia, Orasqualia for Construction S.A.E. and Orasqualia for Maintenance	Orascom Construction Ltd.	Egypt	50.0

Income tax expense

Orascom Construction Limited is subject to income taxes in numerous jurisdictions. Estimates are required in determining the worldwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Group recognizes deferred tax assets to the extent that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which the Group operates and the period over which deferred tax assets are recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss.

Profit attributable to Non-controlling interest

The Group also recognizes its share of net profits from its non-controlling interests in other companies. The majority of the Group's non-controlling interest is attributable to Orascom Saudi Limited, a 60% owned joint venture in Saudi Arabia with Saudi Binladin Group, United Holding Company, a 56.5% owned subsidiary of the Company, and Suez Industrial Development Company, a 60.5% owned subsidiary of the Company.

Results of operations

The financial data in the following table is derived from our audited financial statements and unaudited financial statements and sets forth certain profit and loss account items for the periods indicated.

COMBINED INCOME STATEMENTS

(USD millions)	For the nine months ended 30 September		For the year ended 31 December		
	2014 (reviewed)	2013 (unaudited)	2013	2012 (audited)	2011
Revenue	2,157.4	1,624.3	2,349.7	1,457.3	1,811.3
Construction cost and cost of sales	(2,138.4)	(1,529.4)	(2,257.4)	(1,373.6)	(1,512.1)
Gross profit	19.0	94.9	92.3	83.7	299.2
Other income	12.6	20.0	22.1	15.3	33.0
Selling, general and administrative expenses	(226.8)	(94.6)	(139.3)	(151.1)	(139.3)
Other expenses	(4.6)	(2.3)	(5.8)	(26.6)	(3.7)
Operating (loss) / profit	(199.8)	18.0	(30.7)	(78.7)	189.2
Finance income	26.0	52.9	81.9	29.3	10.2
Finance cost	(19.5)	(64.9)	(109.2)	(75.2)	(43.6)
Net finance cost	6.5	(12.0)	(27.3)	(45.9)	(33.4)
Income from associates (net of tax)	(174.9)	71.5	58.4	79.7	109.1
(Loss) / profit before income tax	(368.2)	77.5	0.4	(44.9)	264.9
Income tax	288.7	(10.7)	(0.7)	(555.8)	(56.4)
Net (loss) / profit	(79.5)	66.8	(0.3)	(600.7)	208.5
Other comprehensive income:					
items that are or may be reclassified to profit or loss					
Changes in fair value of cash flow hedges	(3.8)	8.8	10.5	(12.9)	0.1
Foreign currency translation differences	—	(13.2)	(10.5)	(18.9)	(20.3)
Other comprehensive income, net of tax	(3.8)	(4.4)	—	(31.8)	(20.2)
Total comprehensive income	(83.3)	62.4	(0.3)	(632.5)	188.3
(Loss) / profit attributable to:					
Owners net investment	(89.9)	56.3	(14.7)	(609.3)	199.9
Non-controlling interest	10.4	10.5	14.4	8.6	8.6
Net (loss) / profit	(79.5)	66.8	(0.3)	(600.7)	208.5
Total comprehensive income attributable to:					
Owners net investment	(98.0)	56.1	(10.6)	(634.5)	180.0
Non-controlling interest	14.7	6.3	10.3	2.0	8.3
Total comprehensive income	(83.3)	62.4	(0.3)	(632.5)	188.3

10.8 Nine months ended 30 September 2014 compared with nine months ended 30 September 2013

For the nine months ended 30 September 2014, Orascom Construction recorded USD 2.2 billion in revenue, USD 19.0 million in gross profit and USD 199.8 million in operating losses, compared to revenue of USD 1.6 billion, USD 94.9 million in gross profits and USD 18.0 million in operating profit for the nine months ended 30 September 2013.

Revenues

Revenues from continuing operations increased by USD 533.1 million, or 32.8%, from USD 1,624.3 million for the nine months ended 30 September 2013 to USD 2,157.4 million for the nine months ended 30 September 2014.

During the nine months ended 30 September 2014, the Group's revenue was derived from the following geographic contributions as compared to the nine months ended 30 September 2013:

(USD millions)	For the nine months ended 30 September		Variance %
	2014	2013	
MENA	965.3	755.6	27.8%
USA	1,192.1	868.7	37.2%
Total	2,157.4	1,624.3	32.8%

The contribution from the Middle East and Africa increased by 27.8% during the period under review, primarily due to growth in Egypt and Saudi Arabia. At the end of 2013, we were able to sign several significant projects in these markets that began contributing to revenue in 2014, including several social infrastructure projects in the healthcare sector in Egypt and the phase two of the Cairo-Alexandria freeway. Other significant contributors in Egypt during the period under review were Egyptian Grand Museum, Hurghada Airport, Giza North power plant and the Mall of Egypt. Significant contributors in Saudi Arabia during the period under review were the King Abdul Aziz Airport and the Saudi Arabian National Guard's military housing project, for which we rapidly executed during the period and for which we received additional work.

The contribution from the United States increased by 37.2% during the period under review, primarily due to the rapid execution of certain larger projects in the United States. Significant contributors to revenue in the United States during the period under review were the Iowa Fertilizer Company's greenfield fertilizer plant (IFCo), the Trillium Woods Senior Living Centre, and the Wells Fargo campus. During the period under review, we were awarded several significant projects in the United States that began contributing to revenue, including the Hillcrest Grand Lodge.

The top five contracts in the backlog contributed approximately 41.9% of the total revenue during the first nine months of 2014 as compared to approximately 25.2% of revenue during the first nine months of 2013. The increase is primarily due to the execution of IFCo, King Abdul Aziz Airport and the Saudi Arabian National Guard's military housing project. Revenue transactions with related parties amounted to USD 671.9 million for the nine month period ended 30 September 2014 as compared to USD 438.5 million for the nine month period ended 30 September 2013. This is primarily due to revenue recognized from the execution of IFCo.

Cost of construction and goods sold

Cost of construction and goods sold increased by USD 609.0 million, or 39.8%, from USD 1,529.4 million for the nine months ended 30 September 2013 to USD 2,138.4 million for the nine months ended 30 September 2014. The increased cost is in line with the increase in revenue over the period for the nine months ended 30 September 2013.

The increase in construction costs was driven by increased activity due to the start of new projects in Saudi Arabia and the United States. The start of new projects typically requires the Company to purchase raw materials upfront, take on mobilization, labour, and administrative costs, and other costs. Cost of construction during the nine months ended 30 September 2014 also includes a USD 12.8 million impairment related to lost equipment and inventory write-off in Iraq following the evacuation of our construction workers from the Baiji power plant site.

In addition, as per the accounting standards for construction projects, expected loss on a construction contract should be recognised as a provision expense. Accordingly, expected future losses were booked in full on certain projects in Egypt (representing approximately 4.7% of backlog as at 30 September 2014) and Afghanistan (immaterial contribution to backlog as at 30 September 2014) that resulted in a reduction in the Group's gross profit. However, discussions with clients are on-going to recover these losses. These provisions amounted to approximately USD 31 million.

Gross profit

Gross profit from continuing operations decreased by USD 75.9 million, or 80.0%, from USD 94.9 million for the nine months ended 30 September 2013 to USD 19.0 million for the nine months ended 30 September 2014. The gross margin decreased to 0.9% for the nine months ended 30 September 2014, as

compared to 5.8% during the same period in 2013. This decrease was primarily attributable to higher costs of construction during the period under review, as described above.

In addition, the mix of projects contributing to the Group's gross profit affects the Group's profitability levels at any given point, as both the nature of our backlog mix by sector and by geography will impact the Company's blended gross profit margin, depending on the weighted contribution of these factors to the revenue recognised. During the period under review, this mix was primarily impacted by the significant increase in contribution from the United States, and particularly commercial projects under construction by Weitz.

Other income

Other income decreased by USD 7.4 million, or 37.0%, from USD 20.0 million for the nine months ended 30 September 2013 to USD 12.6 million for the nine months ended 30 September 2014. This decrease was primarily attributable to a reduction in the sale of equipment during the period under review as compared to the same period last year.

Selling, general and administrative expenses (S,G&A)

S,G&A expenses increased by USD 132.2 million, or 139.7%, from USD 94.6 million for the nine months ended 30 September 2013 to USD 226.8 million for the nine months ended 30 September 2014.

<u>S,G&A (USD millions)</u>	<u>For the nine months ended 30 September</u>	
	<u>2014</u>	<u>2013</u>
Distribution expenses	(3.9)	(3.7)
Administrative expenses	(124.5)	(90.3)
Provision	(98.5)	(0.6)
Total	(226.8)	(94.6)

This increase was primarily attributable to USD 98.5 million in provisions, of which significant contributors include USD 48.5 million in valuation allowances in Algeria related to Value Added Tax (VAT) for work completed that is owed to the Company, and a one-off USD 22.9 million provision related to an Algerian project in respect of expected losses. In addition, some smaller valuation allowances totalling USD 18.0 million were taken to cover risks related to accounts receivable as well as under billings and aged accounts receivable that are older than 360 days in other MENA markets. In addition, administrative expenses for the nine months ended 30 September 2014 include an USD 8.4 million provision related to valuation allowances on salaries in Algeria.

Excluding provisions, S,G&A would have increased by USD 25.9 million, or 28.4%, in line with the increase in revenue during the period.

Other Expenses

Other expenses increased by USD 2.3 million from USD 2.3 million for the nine months ended 30 September 2013 to USD 4.6 million for the nine months ended 30 September 2014.

Depreciation and Amortization

Depreciation and amortization decreased by USD 8.4 million, or 14.8%, from USD 56.7 million for the nine months ended 30 September 2013 to USD 48.3 million for the nine months ended 30 September 2014.

Net finance cost

Net finance cost decreased by USD 18.5 million, or 154.2%, from USD 12.0 million for the nine months ended 30 September 2013 to a net finance income of USD 6.5 million for the nine months ended 30 September 2014. This decrease in net finance cost resulted from a 50.9% decrease in finance income, from USD 52.9 million for the nine months ended 30 September 2013 to USD 26.0 million for the nine months ended 30 September 2014, and a 70.0% decrease in finance costs, from USD 64.9 million for the nine months ended 30 September 2013 to USD 19.5 million for the nine months ended 30 September 2014.

The decrease in finance income was primarily attributable to a reduction in foreign exchange gains on the EGP-JPY related to the JPY-financed portion of the Egyptian Museum project, for which the Japan International Cooperation Agency (JICA) has financed 65% of the contract. In addition, finance income in 2013 included a one-off foreign exchange gain on the tax settlement with the ETA. The decrease in finance costs was primarily attributable to the reversal of a USD 36.7 million non-cash interest expense taken in 2013 related to the non-cash interest charge on the tax settlement with the ETA for the years 2007-2010.

	Nine Months Ended 30 September	
	2014	2013
(In millions of USD)		
Interest income on loans and receivables	6.0	9.0
Interest income on available-for-sale financial assets	0.2	—
Foreign exchange gain	19.8	43.9
Finance income	26.0	52.9
Interest expense on financial liabilities measured at amortized cost	(18.5)	(64.9)
Foreign exchange loss	(1.0)	—
Finance costs	(19.5)	(64.9)
Net finance costs recognized in profit or loss	6.5	(12.0)

Income from associates (net of tax)

The Group's income from associates (net of tax) decreased by USD 246.4 million, from USD 71.5 million for the nine months ended 30 September 2013 to USD (174.9) million for the nine months ended 30 September 2014. This decrease resulted from USD 187.9 million in provisions taken by Contrack due to the termination of the contract for the Sidra Medical Centre project in Qatar, further details of which are set out on page 191 of this Prospectus.

Income tax expense

Income tax expense decreased by USD 299.4 million from USD 10.7 million for the nine months ended 30 September 2013 to tax income of USD 288.7 million for the nine months ended 30 September 2014. This is attributable to the exoneration of the Company of all tax evasion charges by the ETA's Independent Appeals Committee, following which the first instalment of the tax settlement paid by the Company is now considered a tax credit that has been allocated to the Company on a 50% basis. The total impact of the tax liability amounted to USD 335 million of profit during the nine months ended 30 September 2014. In addition, corporate tax rates in Egypt increased from 25% to 30% during 2014.

Profit attributable to Non-controlling Interest

Non-controlling interest decreased by USD 0.1 million, or 0.9%, from USD 10.5 million for the nine month period ended 30 September 2013 to USD 10.4 million for the nine month period ended 30 September 2014. Non-controlling interest is primarily due to minority shareholdings in subsidiaries and joint ventures listed in the financial statements and fluctuates depending on the contribution of each entity.

Profit for the period

Due to the aforementioned factors, net loss for the nine months ended 30 September 2014 was USD 79.5 million as compared to profit of USD 66.8 million for the nine months ended 30 September 2013.

10.9 Year ended 31 December 2013 compared with year ended 31 December 2012

For the year ended 31 December 2013, Orascom Construction recorded USD 2.4 billion in revenue, USD 92.3 million in gross profit, and USD 30.7 million in losses from operating activities, compared to revenue of USD 1.5 billion, USD 83.7 million in gross profit and USD 78.7 million in losses from operating activities for the year ended 31 December 2012.

Revenues

Revenues from continuing operations increased by USD 892.4 million, or 61.2%, from USD 1,457.3 million for the year ended 31 December 2012 to USD 2,349.7 million for the year ended 31 December 2013.

During the year ended 31 December 2013, the Group's revenue was derived from the geographic split as compared to the year ended 31 December 2012:

(USD millions)	2013	2012	Variance %
MENA	1,171.9	1,144.0	2.4%
USA	1,177.8	313.3	275.9%
Total	2,349.7	1,457.3	61.2%

The contribution from the United States increased during the period under review primarily due to the rapid execution of certain larger projects in the United States, as well as the integration of Weitz for the first time, which contributed USD 408.0 million to total revenues. Significant contributing projects to revenue in the United States during the period under review were the Iowa Fertilizer Company's greenfield fertilizer plant, the Taubman Prestige Outlets Chesterfield which was completed in 2013, Monaco Row apartments for Shea Properties, in addition to awarded projects during the year including Trillium Woods and the Wells Fargo campus.

The contribution from the Middle East and North Africa (MENA) remained relatively unchanged at an increase of 2.4% during the period under review. Significant contributing projects to revenue in MENA region include the Giza North power plant in Egypt, Terga power plant in Algeria, the Cairo Festival City, and the King Abdul Aziz Airport. New awards that contributed to revenue during the year included the Assiut barrage and the Saudi Arabian National Guard's military housing project.

The top five contracts in the backlog contributed approximately 23.3% of the total revenue during the year ended 31 December 2013 as compared to approximately 30.8% of revenue during the year ended 31 December 2012. Revenue transactions with related parties amounted to USD 438.5 million for the year ended 31 December 2013 as compared to USD 6.3 million for the year ended 31 December 2012. This is primarily due to revenue recognized from the execution of IFCo.

Cost of construction and goods sold

Cost of construction and goods sold increased by USD 883.8 million, or 64.3%, from USD 1,373.6 million for the year ended 31 December 2012 to USD 2,257.4 million for the year ended 31 December 2013. This was primarily due to the corresponding increase in revenue during the same period.

The increase in construction costs was primarily driven by the consolidation of Weitz due to the higher nature of the construction costs in the United States. In addition, cost of construction and goods sold was impacted by inflationary pressures in Egypt and operations in Egypt were reduced by approximately 60 days in Egypt due to curfews imposed across the country during the summer months, which caused inefficiencies and increased construction costs in the second half of the year. In addition to inflationary pressures and the interruptions caused by curfews, the Company's construction activities in Egypt were generally impacted by the devaluation of the Egyptian Pound, a series of wage increases imposed by the Egyptian government between 2011 and 2013, an increase in fuel prices in the country, security costs at sites in the vicinity of a sit-ins in Cairo, and the application of overtime labour laws in the country that increased overtime salaries.

Gross profit

Gross profit from continuing operations increased by USD 8.6 million, or 10.3%, from USD 83.7 million for the year ended 31 December 2012 to USD 92.3 million for the year ended 31 December 2013. The gross margin decreased to 3.9% as compared to 5.7% during the same period in 2012. This decrease was primarily attributable to the full integration of lower margin United States-based work from Weitz. Following the financial crisis in the United States, Weitz suffered from a reduction in margins as construction spending slowed down in the country. Following the acquisition, Weitz was awarded several new projects (as evidenced its backlog growth), and margins have improved following the stabilization of its operations as part of the Group instead of as a standalone company.

In addition, the mix of projects contributing to the Group's gross profit affects the Group's profitability levels at any given point, as both the nature of our backlog mix by sector and by geography will impact the Company's blended gross profit margin, depending on the weighted contribution of these factors to the revenue recognised. During the period under review, this mix was primarily impacted by the inclusion of a significant portion of work in the United States for the first time. Furthermore, profitability was generally

impacted in Egypt due to the Group's decision to take on lower margin projects in Egypt in 2011, which filtered through the Company's accounts during the years 2011, 2012, and 2013. The majority of the work was completed by the end of 2013. The rationale for taking on lower margin work during the period is explained in the "Revenue" section of 2012 of section 12.5 of Part 10 ("Operating and Financial Review") of this Prospectus.

Other income

Other income increased by USD 6.8 million, or 44.4%, from USD 15.3 million for the year ended 31 December 2012 to USD 22.1 million for the year ended 31 December 2013. This increase is primarily due to the reversal of provisions in Egypt and the receipt of late payment penalties from clients.

(USD millions)	2013	2012	Variance %
Net gains on sale of property and equipment	3.0	9.8	(69.4)%
Reversal of provisions	5.7	—	
Late payment penalties received from clients	5.8	—	
Other	7.6	5.5	38.1%
Total	22.1	15.3	44.4%

Selling, general and administrative expenses (S,G&A)

S,G&A expenses decreased by USD 11.8 million, or 7.8%, from USD 151.1 million for the year ended 31 December 2012 to USD 139.3 million for the year ended 31 December 2013, primarily due to the one-off impact of the USD 88.0 million in provisions taken in 2012 described in the relevant section below.

S,G&A (USD millions)	31-Dec-13	31-Dec-12
Distribution expenses	(5.6)	(1.5)
Administrative expenses	(125.9)	(61.6)
Provision	(7.8)	(88.0)
Total	(139.3)	(151.1)

Excluding provisions, S,G&A would have increased by USD 68.4 million, or 108.4%, due to the integration of the Weitz Company.

Other Expenses

Other expenses decreased by USD 20.8, or 78.2%, from USD 26.6 million for the year ended 31 December 2012 to USD 5.8 million for the year ended 31 December 2013. The decrease relates to the one-off loss of USD 25.1 million on the sale of steel materials at National Steel Fabrication in 2012.

Depreciation and Amortization

Depreciation and amortization decreased by USD 14.9 million, or 15.9%, from USD 93.5 million for the year ended 31 December 2012 to USD 78.6 million for the year ended 31 December 2013.

Net finance cost

Net finance cost decreased by USD 18.6 million, or 40.5%, from USD 45.9 million for the year ended 31 December 2012 to USD 27.3 million for the year ended 31 December 2013. This decrease in net finance cost resulted from a 179.5% increase in finance income, from USD 29.3 million for the year ended 31 December 2012 to USD 81.9 million for the year ended 31 December 2013, and a 45.2% increase in finance costs, from USD 75.2 million for the year ended 31 December 2012 to USD 109.2 million for the year ended 31 December 2013.

The increase in finance income was primarily attributable to a USD 44.1 million net foreign exchange gain on the tax settlement with the ETA as a result of the depreciation of the Egyptian Pound against the US Dollar. The increase in finance cost was primarily attributable to a USD 36.7 million non-cash interest expense related to the non-cash interest charge on the tax settlement with the ETA for the years 2007-2010.

Profit attributable to Non-controlling Interest

Non-controlling interest increased by USD 5.8 million, or 67.4%, from USD 8.6 million for the year ended 31 December 2012 to USD 14.4 million for the year ended 31 December 2013. Non-controlling interest is primarily due to minority shareholdings in subsidiaries and joint ventures listed in the financial statements and fluctuates depending on the contribution of each entity. During the period under review, the increased contribution from Orascom Saudi Limited, in which we own 60%, resulted in an increase in profit attributable to our partner.

(USD millions)	2013	2012
Interest income on loans and receivables	9.3	14.4
Interest income on available-for-sale financial assets	0.2	—
Foreign exchange gain	72.4	14.9
Finance Income	81.9	29.3
Interest expense on financial liabilities measured at amortised cost	(107.9)	(73.4)
Foreign exchange loss	(1.3)	(1.8)
Finance costs	(109.2)	(75.2)
Net finance costs recognised in profit or loss	(27.3)	(45.9)

The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not measured at fair value through profit or loss:

(USD millions)	2013	2012
Total interest income on financial assets	9.5	14.4
Total interest expenses on financial liability	(107.9)	(73.4)

Income from associates (net of tax)

The Group's income from associates (net of tax) decreased by USD 21.3 million, or 26.7%, from USD 79.7 million for the year ended 31 December 2012 to USD 58.4 million for the year ended 31 December 2013. This is primarily due to lower contribution from BESIX.

Income tax expense

Income tax expense decreased by USD 555.1 million, from USD 555.8 million for the year ended 31 December 2012 to USD 0.7 million for the year ended 31 December 2013. This decrease was primarily attributable to the reversal of the payment of the first instalment of the tax settlement made to the ETA following the Company's exoneration of any tax evasion by the Independent Appeals Committee in 2014, which was allocated to the Company on a 50% basis. The total impact of the tax liability amounted to USD 525 million in 2012.

Profit for the period

Due to the aforementioned factors, net loss for the year ended 31 December 2013 was USD 0.3 million as compared to USD 600.7 million for the year ended 31 December 2012.

10.10 Year ended 31 December 2012 compared with year ended 31 December 2011

For the year ended 31 December 2012, Orascom Construction recorded USD 1.5 billion in revenue, USD 83.7 million in gross profit and USD 78.7 million in losses from operating activities, compared to revenue of USD 1.8 billion, USD 299.2 million in gross profit and USD 189.2 million in income from operating activities for the year ended 31 December 2011.

Revenues

Revenues from continuing operations decreased by USD 354.0 million, or 19.5%, from USD 1,811.3 million for the year ended 31 December 2011 to USD 1,457.3 million for the year ended 31 December 2012.

During the year ended 31 December 2012, the Group's revenue was derived from the following geographic contributions as compared to year ended 31 December 2011:

(USD millions)	2012	2011	Variance %
MENA	1,144.0	1,482.4	– 22.8%
USA	313.3	328.9	– 4.7%
Total	1,457.3	1,811.3	– 19.5%

The contribution from the Middle East and North Africa decreased by 22.8% during the period under review, primarily due to a revolution-related slow-down in Egypt, which resulted in disruptions throughout the year due to protests and unrest in areas around our construction sites, and the completion of large projects in Algeria. Significant contributing projects in the region were Terga power plant, Sorfert Algeria, El Merk Central Processing Unit, Skikda LNG train, and the King Abdul Aziz Airport in Saudi Arabia. New awards which contributed to revenue during the period include the Baiji power plant in Iraq, the Giza North power plant in Egypt, and the Grand Egyptian Museum.

The contribution from the United States decreased by 4.7% during the period under review primarily due to the reduction in projects in Afghanistan as a result of the United States' demobilization from the country that began in 2012. We had neared completion on many of our projects in Afghanistan by 2012 and these were not replaced with new contracts in the country. However, with the acquisition of Weitz in 2012 and its integration beginning 2013, we were able to replace the reduction in Afghanistan work with US navy work in the Pacific Rim in 2013 as described in the relevant section above.

The top five contracts in the backlog contributed approximately 30.8% of the total revenue during the year ended 31 December 2012 as compared to approximately 35.9% of revenue during the year ended 31 December 2011. Revenue transactions with related parties amounted to USD 6.3 million for the year ended 31 December 2012 as compared to USD 77.0 million for the year ended 31 December 2011. This is primarily due to the completion of a capacity expansion turnaround at Egyptian Fertilizers Company in Egypt and Sorfert in Algeria.

Cost of construction and goods sold

Cost of construction and goods sold decreased by USD 138.5 million, or 9.2%, from USD 1,512.1 million for the year ended 31 December 2011 to USD 1,373.6 million for the year ended 31 December 2012. This was primarily due to the corresponding decrease in revenue during the same period.

The decrease in construction costs was muted as compared to the decrease in revenue primarily due to the revolution-related inflationary environment in Egypt, where the government implemented several salary increases during the year that increased fixed labour costs in the country as compared to the previous year, as well as an increase in other construction costs including increased site security needs, high inflation affecting raw material costs, and lack of compensation from clients on projects delays related to time lost during the revolution.

Gross profit

Gross profit from continuing operations decreased by USD 215.5 million, or 72.0%, from USD 299.2 million for the year ended 31 December 2011 to USD 83.7 million for the year ended 31 December 2012. The gross margin decreased to 5.7% as compared to 16.5% during the same period in 2011.

This decrease was primarily as a result of the Group's decision to take on lower margin projects in Egypt in 2011 to mitigate costs and to maintain its presence in the country during the revolution. The projects being tendered during this period declined significantly while competition remained high, reducing margins across sectors. In addition, client's reluctance to make significant investments in Egypt during the period further impacted margins. Accordingly, as the Group recognized revenue from projects awarded during the revolution, and therefore the Group's margin declined. These projects were all completed by the end of 2013 and all related impacts were taken in 2012-2013.

In addition, the mix of projects contributing to the Group's gross profit affects the Group's profitability levels at any given point, as both the nature of our backlog mix by sector and by geography will impact the Company's blended gross profit margin, depending on the weighted contribution of these factors to the

revenue recognised. During the period under review, the low margin work described above awarded during 2011 and 2012 were primarily commercial projects in Egypt that negatively affected gross profit margins.

Other income

Other income decreased by USD 17.7 million, or 53.6%, from USD 33.0 million for the year ended 31 December 2011 to USD 15.3 million for the year ended 31 December 2012. This decrease was primarily attributable to the following:

(USD millions)	2012	2011	Variance %
Net gains on sale of property and equipment	9.8	7.0	40.0%
Reversal of provisions	—	6.4	
Rental income of equipment	—	9.5	
Compensation from Bay Power Station at Libya	—	5.8	
Other	5.5	4.3	27.9%
Total	15.3	33.0	(53.6)%

Selling, general and administrative expenses (S,G&A)

S,G&A expenses increased by USD 11.8 million, or 8.5%, from USD 139.3 million for the year ended 31 December 2011 to USD 151.1 million for the year ended 31 December 2012. The increase is primarily due to valuation allowances booked in 2012.

S,G&A (USD millions)	31-Dec-12	31-Dec-11
Distribution expenses	(1.5)	(1.5)
Administrative expenses	(61.5)	(107.7)
Provision	(88.0)	(30.1)
Total	(151.1)	(139.3)

Excluding provisions S,G&A would have decreased by USD 46.2 million, or 42.3%, primarily due to a 13.3% reduction in headcount at Orascom as a result of the revolution and a 32.1% reduction in headcount at Contrack due to the wind-down of operations in Afghanistan.

Other Expenses

Other expenses increased by USD 22.9 million from USD 3.7 million for the year ended 31 December 2011 to USD 26.6 million for the year ended 31 December 2012. The increase is primarily due to a loss of USD 25.1 million on the sale of steel materials at National Steel Fabrication.

Depreciation and Amortization

Depreciation and amortization decreased by USD 7.8 million, or 7.7%, from USD 101.3 million for the year ended 31 December 2011 to USD 93.5 million for the year ended 31 December 2012.

Net finance cost

Net finance cost increased by USD 12.5 million, or 37.4%, from USD 33.4 million for the year ended 31 December 2011 to USD 45.9 million for the year ended 31 December 2012. This increase in net finance cost resulted from a 187.3% increase in finance income, from USD 10.2 million for the year ended 31 December 2011 to USD 29.3 million for the year ended 31 December 2012, and a 72.5% increase in finance costs, from USD 43.6 million for the year ended 31 December 2011 to USD 75.2 million for the year ended 31 December 2012.

The increase in finance income was primarily attributable to increases in net foreign exchange gains due to the depreciation of the Egyptian Pound against the US Dollar, and an increase in interest income on loans and receivables. The increase in finance costs was primarily attributable to additional interest expense of USD 41.6 million related to delayed interest payments on the agreed tax settlement with the ETA for the years 2007-2010.

(USD millions)	2012	2011
Interest income on loans and receivables	14.4	5.7
Interest income on available-for-sale financial assets	—	0.2
Foreign exchange gain	14.9	4.3
Finance Income	29.3	10.2
Interest expense on financial liabilities measured at amortized cost	(73.4)	(34.7)
Foreign exchange loss	(1.8)	(8.9)
Finance costs	(75.2)	(43.6)
Net finance costs recognized in profit or loss	(45.9)	(33.4)

The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not measured at fair value through profit or loss:

(USD millions)	2012	2011
Total interest income on financial assets	14.4	5.9
Total interest expenses on financial liability	(73.4)	(34.7)

Income from associates (net of tax)

The Group's income from associates (net of tax) decreased by USD 29.4 million, or 26.9%, from USD 109.1 million for the year ended 31 December 2011 to USD 79.7 million for the year ended 31 December 2012. This decrease was primarily attributable to a reduction in Contrack's share of profit in the Sidra Medical Centre project, which was nearing completion and therefore saw a reduction in revenue recognition, and lower contribution from BESIX versus 2011.

Income tax expense

Income tax expense increased by USD 499.4 million from USD 56.4 million for the year ended 31 December 2011 to USD 555.8 million for the year ended 31 December 2012. This increase was attributable to the payment of the first instalment of USD 360 million of the tax settlement made to the ETA following the Company's settlement of the tax dispute in Egypt in 2012.

Profit attributable to Non-controlling Interest

Non-controlling interest remained unchanged during the period at USD 8.6 million. Non-controlling interest is primarily due to minority shareholdings in subsidiaries and joint ventures listed in the financial statements and fluctuates depending on the contribution of each entity.

Profit for the period

Due to the aforementioned factors, net loss for the year ended 31 December 2012 was USD 600.7 million as compared to profit of USD 208.5 million for the year ended 31 December 2011.

10.11 Liquidity and capital resources

Overview

We have funded our operations principally through bank overdrafts, loans, cash, cash equivalents and working capital facilities, which include revolving credit facilities. We have three principal sources of short-term liquidity: (i) existing cash and cash equivalents; (ii) cash generated by operations; and (iii) short-term borrowings under credit facilities. For longer-term investments, such as Public-Private Partnership (PPP) projects, we have access to long-term financing from financial institutions that allow us to pursue concessionary contracts that are sources of stable long-term cash flows. Cash is used to meet continuing operating obligations, investing activities, payment of long- and short-term debt, and for

distribution of profit to Shareholders. Historically, as part of OCI N.V., the Construction Group's financing needs for its operations were financed predominantly independently from the Fertilizer Group, with some intercompany loans when required. Some of the Construction Group's financing arrangements were guaranteed by the former parent company, OCI S.A.E. However, this has been restructured and Orascom Construction Limited is adequately capitalized and has sufficient financing facilities to allow it to operate as a standalone entity, and will stand as the guarantor for all facilities to be arranged. As of the date of the Prospectus, Orascom Construction Limited's financing are arranged independently of OCI N.V., and Orascom Construction Limited's financing arrangements are listed in Note 15 of the accompanying Financial Statements.

In the ordinary course of business, we obtain bilateral credit facilities for both the direct and contingent needs of the Group which are both in line with the construction industry norm. The direct exposure is used to partially fund the Group's working capital requirements and is structured in the form of overdrafts facilities that are callable on demand and in line with industry norms.

The contingent exposure is used for all aspects of the construction contract life cycle from the start of the bidding process to the expiration of our liability towards the client as per the terms of each respective contract. These facilities are structured in the form of bid, advance, performance and retention guarantees or standby letters of credit which allow us to bid, execute and guarantee our deliverables to our clients. Tenor requirements for these guarantee facilities are structured to match the underlying construction contracts with the respective counterparties.

As of 30 September 2014, the group had outstanding contingent facilities of USD 995 million, representing 18% of our USD 5.57 billion backlog. Unutilized contingent facility limits provide significant headroom for future backlog expansion.

Existing cash and cash equivalents totalled USD 421.2 million as at 30 September 2014 and USD 419.7 million at 31 December 2013. Total debt stood at USD 585.5 million as at 30 September 2014 and USD 806.8 million as at 31 December 2013. Net debt stood at USD 164.3 million as at 30 September 2014 down from USD 387.1 million as at 31 December 2013. OCI N.V. capitalized the Company via debt settlements of approximately USD 150 million over the nine month period ended 30 September 2014. The cash and cash equivalents breakdown is summarized as:

(USD millions)	30-Sep 2014	31-Dec 2013	31-Dec 2012	31-Dec 2011
Cash on hand	2.0	1.3	0.4	0.4
Bank balances	323.7	289.1	263.1	213.4
Call deposits	60.4	91.7	126.7	204.9
Restricted cash	35.1	37.6	37.8	29.4
Total	421.2	419.7	428.0	448.1

Restricted cash is held as collateral against letters of credit and letter of guarantees issued.

10.12 Contingent liabilities for litigation and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defenders or claimants. These litigations are carefully monitored by the entities management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties.

Orascom Construction Group does not expect these proceedings to result in liabilities that have a material effect on the Company's financial position. In case where it is probable that the outcome of the proceedings will be unfavourable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements, which is disclosed in note 17 'Provisions' of the Financial Statements. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, Orascom Construction Limited cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice

and information received, that the final outcome will not materially affect our combined financial position but could be material to our results of operations or cash flows in any one accounting period.

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or litigation cases as defendants or claimants. These disputes are carefully monitored by the entities management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties. Orascom Construction does not expect these proceedings to result in liabilities that have a material effect on the Company's financial position. In case where it is probable that the outcome of the proceedings will be unfavourable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements and disclosed in this Prospectus in Part 19.5 (*Legal proceedings*) and in note 24 of the Financial Statements.

Loans and Borrowings

The Group's current loans and borrowings include overdraft, letters of guarantee, and other short term borrowings. Some overdrafts have no turnover requirements, some require a minimum turnover of one time, and in some instances a maximum turnover of two times. The Company has received all necessary waivers and approvals in relation to the demerger, and no terms have been breached as a result of the demerger.

All facilities are arranged on a project basis based on project cash flows with proper construction proceeds assignment, and contingent facilities will be arranged at the project level on a bilateral basis.

Working capital statement

In the opinion of the Directors the working capital of the Group is sufficient for its present requirements; that is, for at least 12 months following the date of this Prospectus.

Cash flows

The table below presents a summary of the Group's cash flows for the nine months ended 30 September 2014 and 2013 and the three years ended 31 December 2013, 2012 and 2011.

(USD millions)	For the nine months ended 30 September		For the years ended 31 December		
	2014 (reviewed)	2013 (unaudited)	2013 (audited)	2012 (audited)	2011 (audited)
Net (loss) / profit	(79.5)	66.8	(0.3)	(600.7)	208.5
Adjustments for:					
Depreciation and amortisation	48.3	56.7	78.6	93.5	101.3
Loss on derecognition of subsidiary	—	—	—	2.1	—
Interest income (excluding foreign exchange gain)	(6.2)	(9.0)	(9.5)	(14.4)	(5.9)
Interest expense (excluding foreign exchange loss)	18.5	64.9	107.9	73.4	34.7
Foreign exchange gain and loss	(18.8)	(43.9)	(71.1)	(13.1)	4.6
Share in income of associates	174.9	(71.5)	(58.4)	(79.7)	(109.1)
Gain on disposal of property and equipment	0.2	(2.9)	(3.0)	(9.8)	(7.0)
Equity-settled share-based payment transactions	4.3	3.2	4.5	8.5	4.9
Income tax expense	(288.7)	10.7	0.7	555.8	56.4
Changes in:					
Inventories	14.2	(55.0)	(39.4)	14.2	7.6
Trade and other receivables	483.2	(234.7)	(355.9)	6.7	620.9
Construction contract receivable	(211.1)	58.5	31.2	(120.0)	(19.9)
Trade and other payables	354.1	(25.0)	(55.4)	182.4	(55.6)
Billing in excess of construction contracts	(134.6)	233.3	187.0	(84.6)	(243.0)
Provisions	31.0	(1.0)	20.5	(74.4)	(23.9)
Cash flows:					
Interest paid	(54.9)	(65.2)	(70.7)	(73.6)	(34.5)
Interest received	6.2	9.0	9.5	14.4	5.9
Income taxes paid	(10.4)	(7.7)	(19.4)	(23.8)	(70.4)
Income tax litigation payment	—	(180.2)	(180.2)	—	—
Cash flow (used in) /from operating activities	330.7	(193.0)	(423.4)	(143.1)	475.5
Proceeds from sale of property and equipment	23.6	26.3	36.0	48.4	41.9
Investments in property and equipment	(53.7)	(46.8)	(53.4)	(90.6)	(43.0)
Investments in associates (net)	(94.8)	—	(10.6)	(1.4)	—
Proceeds from sale of associates	—	3.1	—	—	3.8
Dividends from equity accounted investees	32.2	32.5	33.0	33.5	32.4
Acquisition of an associate through acquisition of a subsidiary (net of cash)	—	—	—	(2.9)	—
Cash flow (used in) / from investing activities	(92.7)	15.1	5.0	(13.0)	35.1
Proceeds from borrowings	49.7	213.5	432.6	269.0	504.8
Repayment of borrowings	(285.0)	(141.1)	(456.1)	(73.9)	(6.5)
Combined inter-segment net finance activities	1.4	200.4	439.0	(55.9)	(708.7)
Cash flow (used in) /from financing activities	(233.9)	272.8	415.5	139.2	(210.4)
Net (decrease)/increase in cash and cash equivalents	4.1	94.9	(2.9)	(16.9)	300.2
Cash and cash equivalents at 1 January	419.7	428.0	428.0	448.1	150.7
Currency translation differences	(2.6)	(6.2)	(5.4)	(3.2)	(2.8)
Cash and cash equivalents at 31 December	421.2	516.7	419.7	428.0	448.1

Net cash from/ (used in) operating activities

The key components of the Group's net cash from operating activities are profit from operating activities, changes in trade and other receivables and payables, and billing in excess on construction contracts, as well as other items related to operating activities.

Net cash used in operating activities was USD 143.1 million for the year ended 31 December 2012 as compared to net cash from operating activities was USD 475.5 million for the year ended 31 December 2011.

Net cash used in operating activities was USD 423.4 million for the year ended 31 December 2013 as compared to USD 143.1 million for the year ended 31 December 2012.

Net cash from operating activities was USD 330.7 million for the nine months ended 30 September 2014 as compared to net cash used in operating activities of USD 193.0 million for the nine months ended 30 September 2013.

The key drivers of these changes in net cash from operating activities during the periods under review include:

- i. Decreasing profit, from USD 208.5 million for the year ended 31 December 2011, to losses of USD 600.7 million for the year ended 31 December 2012, USD 0.3 million for the year ended 31 December 2013 and USD 79.5 million for the nine months ended 30 September 2014.
- ii. Construction contract receivables increased during the period under review primarily due to increasing receivables in Egypt following the revolution that increased receivables days on hand as clients had less cash on hand to pay on time, and under billings in Saudi Arabia;
- iii. Trade and other receivables increased during the period under review due to the lengthening receivables cycles resulting in the Company being unable to pay bills until receivables were settled. In addition, some larger government clients in the country halted payments due to instructions received from the ETA until the tax appeal was finalized, and the Company refrained from billing clients to protect them from potential repercussions with the ETA. During the nine month period ended 30 September 2014, OCI settled the majority of its intercompany balances between the Engineering & Construction and Fertilizer & Chemical groups in order to prepare for the demerger of the Construction business, resulting in a decrease of non-current trade and other receivables (from USD 368.9 million as at 31 December 2013 to USD 49.7 million as at 30 September 2014).
- iv. Trade payables increased during the period under review due, to a large extent, to timing of payments especially in relation to the Company's subcontractor oriented business in the US. In addition the increase relates to increased activities in Egyptian infrastructure and US fertilizer projects.
- v. Billing in excess of construction contracts increased during the year ended 31 December 2013 as compared to the normal levels during the other periods under review due to significant upfront payments on new construction contracts awarded during the year.
- vi. Share in income of associates is primarily impacted by BESIX and the Sidra Medical Centre joint venture. The share in income for the nine month period ended 30 September 2014 resulted in a loss from associates of USD 174.9 million which is significantly less than profit in Q3 2013 (USD 71.5 million) due to the provision taken for Sidra Medical Centre which amounted to USD 187.9 million in 2014.

Net cash from/ (used in) investing activities

The key components of the Group's net cash from investing activities are cash inflows associated with interest received on investments and proceeds from the sale of property, plant and equipment, as well as proceeds from the sale of investments, and cash outflows associated with the acquisition of property, plant and equipment and projects under construction.

Net cash used in investing activities was USD 13.0 million for the year ended 31 December 2012 as compared to net cash from investing activities was USD 35.1 million for the year ended 31 December 2011.

Net cash from investing activities was USD 5.0 million for the year ended 31 December 2013 as compared to net cash used in investing activities was USD 13.0 million for the year ended 31 December 2012.

Net cash used in investing activities was USD 92.7 million for the nine months ended 30 September 2014 as compared to net cash from investing activities of USD 15.1 million for the nine months ended 30 September 2013.

The key drivers of these fluctuations during the period under review were:

- i. Capital expenditure on property, plant and equipment and proceeds from the sale of property, plant and equipment of which the main elements of acquisition and disposals are construction equipment required to support new and ongoing projects;
- ii. The acquisition of the Weitz Company in 2012, which was acquired for USD 2.9 million net of cash, and further details can be found in Note 23 for the Financial Statements. The acquisition of an associate in 2012 relates to Contrack's acquisition of Watts Constructors from Weitz following the acquisition of Weitz by the Company. Watts Constructors was a 100% owned subsidiary of Weitz that focused on federal work. Given the synergies in construction focuses between Contrack and Watts, Contrack fully acquired and integrated Watts from Weitz;
- iii. Dividend inflows from joint ventures and associates for the years ended 31 December 2011, 2012 and 2013, and the nine months ending 30 September 2014, we received dividends from our joint ventures and associates of USD 32.4 million, USD 33.5 million, USD 33.0 million and USD 32.2 million respectively, primarily attributable to dividend inflows from BESIX. We expect this level of dividend inflows to remain largely stable going forward;
- iv. Cash outflow of USD 94.8 million related to the liquidation of guarantees for the Sidra Medical and Research Centre in Qatar.

Net cash from/ (used in) financing activities

The key components of the Group's net cash from financing activities are cash flows associated with loans and borrowings, other long term liabilities, and net capital contribution/distribution.

Net cash from financing activities was USD 139.2 million for the year ended 31 December 2012 as compared to net cash used in financing activities of USD 210.4 million for the year ended 31 December 2011.

Net cash from financing activities was USD 415.5 million for the year ended 31 December 2013 as compared to USD 139.2 million for the year ended 31 December 2012.

Net cash used in financing activities was USD 233.9 million for the nine months ended 30 September 2014 as compared to new cash from financing activities of USD 272.8 million for the nine months ended 30 September 2013.

This was primarily driven by the reduction of common control transactions with OCI N.V. and the repayment of short term loans in 2014, and the following proceeds and redemptions of secured and unsecured loans:

(USD millions)	For the nine months ended 30 September		For the years ended 31 December		
	2014	2013	2013	2012	2011
Balance at 1 January	806.8	795.6	795.6	588.7	89.7
Proceeds from secured loans and borrowings	36.9	124.6	98.7	—	83.8
Proceeds from unsecured loans and borrowings	12.8	88.9	333.9	269.0	421
Redemption of secured loans and borrowings	(37.0)	(24.6)	(36.3)	(61.6)	—
Redemption of unsecured loans and borrowings	(248.0)	(116.5)	(419.8)	(12.3)	(6.5)
Exchange rate effects	14.0	31.2	34.7	11.8	0.7
Balance at end of period	585.5	899.2	806.8	795.6	588.7

Balance sheet

(USD millions)	As of 30 September 2014 (reviewed)	As of 31 December 2013 (audited)	As of 31 December 2012 (audited)	As of 31 December 2011 (audited)
Assets				
Non-current assets				
Property and equipment	239.2	269.4	331.4	379.8
Goodwill and other intangible assets	13.1	13.2	9.8	—
Trade and other receivables	49.7	368.9	130.5	4.1
Associates	377.6	494.8	437.0	408.3
Deferred tax assets	7.5	7.7	4.2	1.8
Total non-current assets	687.1	1,154.0	912.9	794.0
Current assets				
Inventories	167.3	181.5	142.1	156.3
Trade and other receivables	821.6	950.7	812.7	939.4
Construction contracts receivables	586.5	375.4	406.6	286.6
Cash and cash equivalents	421.2	419.7	428.0	448.1
Total current assets	1,996.6	1,927.3	1,789.4	1,830.4
Total assets	2,683.7	3,081.3	2,702.3	2,624.4
Net investment				
Owner's net investment	726.1	815.6	380.1	1,058.7
Non-controlling interest	70.8	58.9	51.2	52.5
Total net investment	796.9	874.5	431.3	1,111.2
Liabilities				
Non-current liabilities				
Loans and borrowings	36.3	56.1	38.8	—
Trade and other payables	30.6	24.2	23.8	5.1
Provisions	—	—	1.2	44.9
Deferred tax liabilities	4.3	4.3	1.9	0.7
Income tax payable	—	207.4	257.4	—
Total non-current liabilities	71.2	292.0	323.1	50.7
Current liabilities				
Loans and borrowings	549.2	750.7	756.8	588.7
Trade and other payables	988.4	653.9	734.3	577.5
Billing in excess of construction contracts	166.1	300.7	113.7	198.3
Provisions	104.1	73.1	51.4	82.1
Income tax payables	7.8	136.4	291.7	15.9
Total current liabilities	1,815.6	1,914.8	1,947.9	1,462.5
Total liabilities	1,886.8	2,206.8	2,271.0	1,513.2
Total equity and liabilities	2,683.7	3,081.3	2,702.3	2,624.4

During the periods under review, the key trends and other material changes reflected in the Group's balance sheets have been as follows.

Key trends

- (i) A decrease in property, plant and equipment from USD 379.8 million as at 31 December 2011, to USD 331.4 million as at 31 December 2012, to USD 269.4 million as at 31 December 2013 and USD 239.2 million as at 30 September 2014. Property, plant and equipment is comprised of land and buildings, plant and equipment, fixtures and fittings, and property, plant and equipment under construction. The decrease in property, plant and equipment during the period under review was primarily driven by disposals of plant and equipment, primarily heavy contracting equipment, in addition to the loss of equipment in Iraq for which an impairment of USD 12.8 million was booked.

- (ii) A decrease in total leverage comprised of current secured and unsecured bank loans, as well as non-current secured bank loans. During the period under review, the total amount of debt carried by the Group increased from USD 588.7 million as at 31 December 2011, to USD 795.6 million as at 31 December 2012, to USD 806.8 million as at 31 December 2013 and decreased to USD 585.5 million as at 30 September 2014. This is primarily driven by the Company's repayment of short-term facilities.
- (iii) An increase in goodwill from nil in 2011 to USD 9.8 million as at 31 December 2012, USD 13.2 million as at 31 December 2013 and USD 13.1 million as at 30 September 2014 relates to the acquisition of the Weitz Group in 2012.
- (iv) Fluctuation in total trade and other receivables from USD 943.5 million as at 31 December 2011 to USD 943.2 million as at 31 December 2012, USD 1,319.4 million as at 31 December 2013 and USD 871.3 million as at 30 September 2014 is related to advances from the Company to its subcontractors and suppliers covered by letters of guarantee issued in the Company's favour. Receivables also include sales tax receivables and account receivables at joint ventures.
- (v) An increase in total trade and other payables from USD 582.6 million as at 31 December 2011 to USD 758.1 million as at 31 December 2012, USD 678.1 million as at 31 December 2013 and USD 1,019.0 million as at 30 September 2014 relates primarily to prolonged payment terms relating to payables for our subcontractor-oriented operations in the United States.
- (vi) An increase in contracts receivables from USD 286.6 million as at 31 December 2011 to USD 406.6 million as at 31 December 2012, USD 375.4 million as at 31 December 2013 and USD 586.5 million as at 30 September 2014 represents construction contracts in progress, primarily related to MENA region projects.
- (vii) The anomalous increase in income taxes payable in 2012 is related to the Egyptian Tax Authority's tax dispute with OCI S.A.E., which is allocated to the Company on a 50% basis. As a result of the favourable ruling in the tax appeal case, the Company reversed liabilities (income taxes payable) as at 30 September 2014.

Material Changes from 31 December 2013 to 30 September 2014

Current and non-current receivables decreased from USD 1.7 billion as at 31 December 2013 to USD 1.5 billion as at 30 September 2014 mainly as a result of the common control transaction of OCI Overseas Holding Cyprus and OCI Construction Holding Cyprus in restructuring the Group. A summary of contract receivables and billings in excess of construction contracts is as follows:

	30 September 2014	31 December 2013
(USD millions)		
Costs incurred on incomplete contracts	12,806.4	10,769.5
Estimated earnings	1,007.8	1,037.5
Cost incurred	13,814.2	11,807.0
Less: billings to date	(13,393.8)	(11,732.3)
Total	420.4	74.7
Presented in the combined statements of financial position as follows:		
Construction contracts in progress—current assets	586.5	375.4
Billing in excess on construction contracts—current liabilities	(166.1)	(300.7)
Total	420.4	74.7

Current and non-current trade payables increased from USD 678.1 million as at 31 December 2013 to USD 1.0 billion as at 30 September 2014 mainly as a result of the loss recognized for Sidra Medical Centre,

for which a provision was booked in trade and other payables. A summary of trade and other payables is as follows:

	30 September 2014	31 December 2013
(USD millions)		
Trade payables	335.2	208.8
Trade payables due to related parties	8.1	8.1
Customer advance payments	280.5	233.5
Accrued expenses	237.6	108.5
Other taxes	22.3	23.2
Other payables	81.5	56.7
Other non-current liabilities	7.6	4.5
Retentions payable	46.2	34.8
Total	1,019.0	678.1
Current	988.4	653.9
Non-current	30.6	24.2
Total	1,019.0	678.1

Common Control Transactions with OCI N.V.

Prior to the demerger, OCI N.V., its fertilizer and its construction businesses all had intercompany balances that, for the purposes of the demerger, have been allocated to the equity statement of the special purpose financial statements as common control transactions with OCI N.V. Accordingly, the net assets attributable to Orascom Construction have increased or decreased in conjunction with the net movements of these common control transactions.

Off-balance sheet arrangements and commitments

On 23 March 2012, the Group used forward exchange contracts and foreign currency options to hedge its currency risk exposure to the Japanese Yen that matures in October 2015. The contract has a notional amount of USD 320.7 million at the inception of the contract. The Group does not apply hedge accounting therefore all fair value changes related to this financial instrument is recognized in profit or loss. As at December 2013, the foreign exchange contracts had a fair value of USD 18.3 million (2012: USD 6.5 million).

The joint venture BESIX uses FX contracts to hedge foreign currency exposures. The joint venture applies hedge accounting on these contracts; the fair value of these FX contracts is recognized as 'Hedge reserve' within 'other components of equity'.

Contractual obligations and debt repayment

The table below sets out the Group's debt repayment schedule and key terms relating to its outstanding debt as at 31 December 2011, 2012 and 2013:

Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank overdraft	Collateral / Guarantee given (if applicable)
Orascom Construction . .	Unsecured	Variable	Renewed annually	395.5	—	—	395.5	Corporate guarantee from OCI S.A.E.
Orascom Construction Industries	Unsecured	10.85% on the EGP portion and 2.65% annually for the USD portion	Renewed annually	45.4	—	—	45.4	Promissory notes guarantee.
Orascom Construction Industries—Algeria . .	Secured	Variable 5.8%	2012	61.2	0	0	61.2	Promissory notes guarantee from OCI S.A.E.
	Secured	Variable 7%	2012	71.3	0	71.3	0	
Contrack international . .	Unsecured	3.95 fixed	2012	15.0	—	—	15.0	Corporate guarantee from OCI S.A.E.
Contrack International W.L.L.	Unsecured	Variable	2012	0.3	—	—	0.3	
Total as per 31 December 2011 . . .				588.7	—	71.3	517.4	
Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank overdraft	Collateral / Guarantee given (if applicable)
Orascom Construction . .	Unsecured	Variable	Renewed annually	386.7	—	75.0	311.7	Corporate guarantee from OCI S.A.E.
Orascom Construction Industries	Unsecured	10.85% on the EGP portion and 2.65% annually for the USD portion	Renewed annually	257.7	—	—	257.7	Promissory notes guarantee.
Orascom Construction Industries—Algeria . .	Secured	Variable 5.8%	2013	52.3	0	52.3	0	Promissory notes guarantee from OCI S.A.E.
	Secured	Variable 7%	2013	24.6	0	0	24.6	
Contrack international . .	Unsecured	3.95 fixed	2013	10	0	0	10	Corporate guarantee from OCI S.A.E.
	Unsecured	3.95 fixed	2013	22.4	0	0	22.4	
The Weitz Group, LLC .	Unsecured	Multiple rates	2018	41.7	38.8	2.9	—	
Contrack International W.L.L.	Unsecured	Variable	2013	0.2	—	—	0.2	
Total as per 31 December 2012 . . .				795.6	38.8	130.2	626.6	

Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank overdraft	Collateral / Guarantee given (if applicable)
Orascom Construction	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%	Renewed annually	385.4	0	0	385.4	Corporate guarantee from OCI S.A.E. and promissory notes from Orascom Construction
Orascom Construction Industries	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%	Renewed annually	221.2	0	0	221.2	Promissory notes
Orascom Saudi	Secured	LIBOR + 2.0%	2014	34.1	0	0	34.1	Guarantee letter with 710M signed by the client and guarantor, obligation letter for client invoices to be paid in ANB Bank
	Secured	LIBOR + 2.75%	2014	42.6	21.3	21.3	0	
Orascom Construction Industries—Algeria	Secured	Variable 6.5%	2014	61.4	0	53.1	8.3	USD 62.4M cash cover by CitiBank Dubai
Contrack international	Unsecured	LIBOR + 3.7%	2014	10.0	0	0	10.0	Corporate guarantee from OCI S.A.E.
	Unsecured	LIBOR + 2.5%	2014	13.5	0	0	13.5	
The Weitz Group, LLC	Unsecured	Multiple rates	2018	38.6	34.8	3.8	0	
Total as per 31 December 2013 .				806.8	56.1	78.2	672.5	

The above debt breakdown reflects the historical debt position of Orascom Construction. As part of the Demerger, certain facilities were settled to reduce the Company's total debt position.

Over the years, OCI S.A.E. provided several guarantees towards several entities within the Engineering and Construction segment. As part of the Conditional Sale Agreement, any related guarantees from OCI S.A.E. will be part of this arrangement. The Company is working with banks to obtain approvals to replace OCI S.A.E. guarantees with Orascom Construction Limited guarantees.

The table below sets out the Group's debt repayment schedule and key terms relating to its outstanding debt as at 30 September 2014:

Borrowing Company	Type of loan	Interest rate	Date of maturity	Carrying amount	Long term portion	Short term portion	Bank overdraft	Collateral / Guarantee given (if applicable)
Orascom Construction Industries .	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%	Renewed annually	0.2	0.0	0.0	0.2	Promissory notes
Orascom Construction	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%	Renewed annually	409.3	0.0	0.0	409.3	Corporate guarantee from OCI S.A.E. and promissory notes from Orascom Construction Guarantee letter with 710M Signed by the client and Guarantor, Obligation letter for the client invoices to be paid in ANB Bank
Orascom Saudi	Secured	Libor +2.0%	2014	71.0	0.0	0.0	71.0	
	Secured	Libor +2.75%	2014	21.3	0.0	21.3	0.0	
	Secured	Libor +2.75%	2015	5.3	5.3	0.0	0.0	
Orascom Construction Industries—Algeria	Secured	Variable 6.5%	2014	43.4	0.0	43.4	0.0	USD 43.4 mln cash cover at Citi bank Dubai
Contrack international	Unsecured	LIBOR +2.5%	2014	0.5	0.0	0.0	0.5	Corporate guarantee from OCI S.A.E.
The Weitz Group, LLC	Unsecured	Multiple rates	Mar-18	34.5	30.9	3.6	0.0	
Total as per 30 September 2014 .				585.5	36.2	68.3	481.0	

Working capital

We calculate working capital as current assets excluding cash and cash equivalents less current liabilities excluding loans and borrowings.

Working capital for the year ended 31 December 2012 was USD 170.3 million as compared to USD 508.5 million for the year ended 31 December 2011. This decrease is primarily due to the USD 275.8 million increase in income taxes payable related to the ETA's tax dispute with OCI S.A.E. as described in sections above, which significantly increased the Company's current liabilities while current assets remained steady.

Working capital for the year ended 31 December 2013 was USD 343.5 million as compared to USD 170.3 million for the year ended 31 December 2012. This increase is primarily due to a USD 238.4 million increase in non-current trade and other receivables, which is related to longer payment cycles in Egypt following the revolution.

Working capital for the nine months ended 30 September 2014 was USD 309.0 million as compared to USD 343.5 million for the year ended 31 December 2013. This decrease was primarily due to a USD 134.6 million decrease in over billings during the period.

Capital expenditures

The Company's capital expenditures are driven by the construction projects awarded to the Group during the year. The Group's primary capital expenditures are associated with the acquisition of property, plant and equipment related to projects under construction, such as construction cranes, bulldozers, excavators, diggers, trucks, and other related construction equipment required by the Group's projects. During the periods under review, the Company made the following capital expenditures:

(USD millions)	31 December 2011	31 December 2012	31 December 2013	30 September 2014
Capital expenditures	43.0	90.6	53.4	53.7

The anomaly in 2012 is related to the acquisition of approximately USD 46 million in new equipment for Orascom Saudi Limited and OCI Saudi, where we ramped up our presence during the year. Construction equipment by nature can be remobilized to newly awarded projects upon the completion of older projects, allowing the Group to maintain cyclical capital expenditure programs. All capital expenditures are internally financed through advance payments and cash flow from operations. In addition, this included the amount paid to indirectly acquire all membership units of The Weitz Company for a net consideration of USD 27.4 million, including USD 8.5 million in goodwill.

Other than the capital expenditures listed above, the Company has a contractual commitment for the future investment in the coal-fired power plant announced in partnership with IPIC in November 2014. However, given the early stage of the project, the projects investment cost and therefore expected capital expenditures are still being studied.

Quantitative and qualitative disclosure about market risk

The Group has exposure to the following risks arising from financial instruments:

- Credit risk.
- Liquidity risk.
- Market risk.

The below presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. This committee reports regularly to the Board on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group's Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group's Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order to mitigate any concentration of liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

<u>At 31 December 2011</u> <u>(USD millions)</u>	<u>Carrying</u> <u>amount</u>	<u>Contractual</u> <u>cash flow</u>	<u>6 months</u> <u>or less</u>	<u>6 - 12</u> <u>months</u>	<u>1 - 5</u> <u>years</u>	<u>More</u> <u>than</u> <u>5 years</u>
Financial liabilities						
Loans and borrowings	588.7	591.2	591.2	—	—	—
Trade and other payables	582.6	582.6	577.5	—	5.1	—
Billing in excess on construction contracts	198.3	198.3	198.3	—	—	—
Total	1,369.6	1,372.1	1,367.0	—	5.1	—
 <u>At 31 December 2012</u> <u>(USD millions)</u>	 <u>Carrying</u> <u>amount</u>	 <u>Contractual</u> <u>cash flow</u>	 <u>6 months</u> <u>or less</u>	 <u>6 - 12</u> <u>months</u>	 <u>1 - 5</u> <u>years</u>	 <u>More</u> <u>than</u> <u>5 years</u>
Financial liabilities						
Loans and borrowings	795.6	807.3	761.3	—	22.5	23.5
Trade and other payables	758.1	758.1	734.3	—	23.8	—
Billing in excess on construction contracts	113.7	113.7	113.7	—	—	—
Total	1,667.4	1,679.1	1,609.3	—	46.3	23.5
 <u>At 31 December 2013</u> <u>(USD millions)</u>	 <u>Carrying</u> <u>amount</u>	 <u>Contractual</u> <u>cash flow</u>	 <u>6 months</u> <u>or less</u>	 <u>6 - 12</u> <u>months</u>	 <u>1 - 5</u> <u>years</u>	 <u>More</u> <u>than</u> <u>5 years</u>
Financial liabilities						
Loans and borrowings	806.8	815.5	688.6	63.8	63.1	—
Trade and other payables	678.1	679.1	654.9	—	24.2	—
Billing in excess on construction contracts	300.7	300.7	300.7	—	—	—
Total	1,785.6	1,795.3	1,644.2	63.8	87.3	—

The carrying value of most of the non-derivative financial liabilities stated on the combined statement of financial position is approximately equal to their contractual cash flows with the exception of borrowings. The tax dispute liability has not been included in above schedules, because at year-end 2013 OCI management appealed against the verdict and does not intend to make any further payments, as disclosed in note 11.3 of the Financial Statements.

Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange operations risk

The Group entities predominantly execute their activities in their respective functional currencies. Some Group subsidiaries are however exposed to foreign currency risks in connection with the scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities. The Group does not use foreign exchange contracts for hedge accounting purposes therefore all changes in fair value adjustments are recognized in profit or loss.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the US Dollar, Egyptian Pound, and the Algerian Dinar.

For details reference is made to note 9 'Trade and other receivables', which includes derivative financial instruments.

As of 31 December 2013, if the functional currencies had strengthened/weakened by 10% against the Euro, US Dollar, Egyptian Pound, and Algerian Dinar with all other variables held constant, the translation of foreign currency receivables and payables that would have resulted in an increase/decrease of USD 79.5 million of the profit of the year.

Foreign exchange translation exposure

Due to the Group's international presence, the Orascom Construction Limited's Financial Statements are exposed to Foreign exchange fluctuations as these affect the translation of the subsidiaries' assets and liabilities denominated in foreign currencies to the US dollar (the Group's presentation currency). The currency concerned is mainly the Egyptian pound. Foreign exchange translation risk is considered a part of doing business on an international level; this risk is not actively managed nor is it hedged.

The summary of quantitative data about the Group's exposure to (local) foreign operation currency risk provided to management of the Group based on its risk management policy for the main currencies was as follows:

<u>At 31 December 2011 (millions)</u>	<u>USD</u>	<u>EUR</u>	<u>EGP</u>	<u>DZD</u>
Trade and other receivable	579.6	365.7	1,729.4	8,834.6
Trade and other payable	(598.6)	(238.2)	(473.2)	(4,574.1)
Loans and borrowings	(119.2)	(127.7)	(1,279.8)	(10,106.2)
<u>At 31 December 2012 (millions)</u>	<u>USD</u>	<u>EUR</u>	<u>EGP</u>	<u>DZD</u>
Trade and other receivable	310.1	391.3	402.3	9,255.5
Trade and other payable	(597.6)	(247.3)	(554.1)	(2,135.3)
Loans and borrowings	(2.0)	(93.4)	(3,305.7)	(6,149.6)
Tax dispute liability	—	—	(3,338.4)	—
<u>At 31 December 2013 (millions)</u>	<u>USD</u>	<u>EUR</u>	<u>EGP</u>	<u>DZD</u>
Trade and other receivable	401.3	55.6	1,269.9	8,378.4
Trade and other payable	(228.7)	(83.6)	(2,138.4)	(1,681.7)
Loans and borrowings	(340.1)	(63.5)	(1,434.5)	(4,836.1)
Tax dispute liability	—	—	(2,338.9)	—

Significant rates

The following significant exchange rates applied during the periods under review:

	<u>Average 2013</u>	<u>Average 2012</u>	<u>Average 2011</u>	<u>Closing 2013</u>	<u>Closing 2012</u>	<u>Closing 2011</u>
Euro	1.3284	1.3041	1.4028	1.3761	1.3190	1.2957
Egyptian Pound	0.1455	0.1651	0.1684	0.1439	0.1571	0.1657
Algerian Dinar	0.0125	0.0131	0.0136	0.0127	0.0125	0.0131

	<u>Average during the nine month period ended 30 September 2014</u>	<u>Average during the nine month period ended 30 September 2013</u>	<u>Closing as at 30 September 2014</u>	<u>Closing as at 31 December 2013</u>
Euro	1.3555	1.3175	1.2646	1.3761
Egyptian Pound	0.1416	0.1457	0.1399	0.1439
Algerian Dinar	0.0126	0.0125	0.0120	0.0127

The following tables demonstrate the sensitivity to a reasonably possible change in EUR, DZD and EGP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's equity is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

Loans and borrowings are contractually arranged in the functional currency of the reporting entity. The reporting entity in general will not incur foreign exchange gains or losses from the outstanding loans. Within the Orascom Construction Group several entities have a different functional currency compared to

the functional currency of the group. Foreign exchange results arising from the currency translation of loans and borrowings from entities using a functional currency different from the functional currency of the group are recognized in the currency translation differences in equity. This is reflected in the sensitivity table below:

<u>2013</u>	<u>(USD millions)</u>	<u>Change in FX rate</u>	<u>Effect on profit before tax</u>	<u>Effect on equity</u>
EUR		10%	(3.7)	(8.7)
		– 10%	3.7	8.7
EGP		10%	(46.1)	(20.6)
		– 10%	46.1	20.6
DZD		10%	8.5	(6.1)
		– 10%	(8.5)	6.1
 <u>2012</u>	 <u>(USD millions)</u>	 <u>Change in FX rate</u>	 <u>Effect on profit before tax</u>	 <u>Effect on equity</u>
EUR		10%	19.0	(12.3)
		– 10%	(19.0)	12.3
EGP		10%	(54.8)	(51.9)
		– 10%	54.8	51.9
DZD		10%	8.9	(7.7)
		– 10%	(8.9)	7.7
 <u>2011</u>	 <u>(USD millions)</u>	 <u>Change in FX rate</u>	 <u>Effect on profit before tax</u>	 <u>Effect on equity</u>
EUR		10%	16.5	(16.5)
		– 10%	(16.5)	16.5
EGP		10%	20.8	(21.2)
		– 10%	(20.8)	21.2
DZD		10%	5.6	(13.2)
		– 10%	(5.6)	13.2

Interest rate risk

The Group is primarily financed by bank overdrafts and loans & borrowings. For the interest rate sensitivity analysis however only loans & borrowings have been included, as bank overdrafts have no fixed repayment schedules. The Group's interest rate risk arises from loans & borrowings. Loans & borrowings received at variable interest rates expose the Group to cash flow interest rate risk. The Group reviews it in light of global interest rate environment after consulting with a consortium of global banks.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

<u>(USD millions)</u>	<u>Increase/decrease in basis points</u>	<u>2013 Effect of profit before tax</u>	<u>2012 Effect of profit before tax</u>	<u>2011 Effect of profit before tax</u>
	+ 100 bps	(6.8)	(6.9)	(6.1)
	– 100 bps	6.8	6.9	6.1

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years. The interest on the tax dispute liability has not been included in the interest rate risk because the legal interest is fixed and independent of the market interest rate.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of net assets attributable to Orascom Construction Limited and other components of equity.

The Group's net debt to adjusted equity ratio at the reporting date was as follows:

(USD millions)	31 December 2014*	30 September 2014	31 December 2013	31 December 2012	31 December 2011
Loans and borrowings	461.5	585.5	806.8	795.6	588.7
Less: cash and cash equivalents	(379.0)	(421.2)	(419.7)	(428.0)	(448.1)
Net debt	82.5	164.3	387.1	367.6	140.6
Total equity	785.0	796.9	874.5	431.3	1,111.2
Net debt to equity ratio	0.11	0.21	0.44	0.85	0.13

* Source: Management accounts

Credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit risk characteristics. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk is the carrying amount of financial instruments. For an overview reference is made to the tables financial instruments by category.

The major exposure to credit risk at the reporting date was as follows:

(USD millions)	2013	2012	2011
Trade and other receivables	1,319.6	943.2	943.5
Contract receivables	375.4	406.6	286.6
Cash and cash equivalents	419.7	428.0	448.4
Total	2,114.7	1,777.8	1,678.2

The major exposure to credit risk for trade and other receivables by geographic region (based on region where the service has been provided) was as follows:

(USD millions)	2013	2012	2011
Africa	646.3	397.7	611.5
Asia and Oceania	411.4	309.4	63.9
United States and Europe	261.9	236.1	268.1
Total	1,319.6	943.2	943.5

Impairment of trade and other receivables

The aging of trade and other receivables at the reporting date that were not impaired was as follows:-

(USD millions)	2013	2012	2011
Neither past due nor impaired	154.3	162.7	501.5
Past due 1 - 30 days	64.7	61.7	215.6
Past due 31 - 90 days	184.2	106.8	105.3
Past due more than 91 days	547.5	481.5	117.0
Total	950.7	812.7	939.4

Management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historic payment behaviour and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

(USD millions)	2013	2012	2011
At 1 January	61.5	25.8	24.5
Unused amounts reversed	(6.4)	(4.5)	—
Used amounts	(6.0)	(0.4)	(1.6)
Impairment losses recognised	2.3	42.2	3.7
Exchange rates differences	(1.7)	(1.6)	(0.8)
At 31 December	49.7	61.5	25.8

Significant Related Party Transactions

Transactions with related parties during the normal course of business

Transactions with related parties occur when a relationship exists between Construction Group entities, its participating interest and their directors and key management personnel. In the normal course of business, Construction Group entities buys and sells goods and services from and to various related parties (including associates) within the Group. These transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

Orascom E&C and Iowa Fertilizer Corporation and OCI Beaumont

Orascom E&C was engaged in the construction of the Iowa Fertilizer Company's greenfield fertilizer plant and the debottlenecking of the OCI Beaumont ammonia and methanol plant during 2013. Both the Iowa Fertilizer Company and OCI Beaumont are part of OCI N.V. Fertilizer Group. Orascom E&C's total revenue in 2013 was USD 412.3 million. The construction or debottlenecking of these plants will continue in 2014 and 2015.

The table below summarizes the financial impact of the Group's related party transactions during 2013. Additional disclosures for previous years can be found in note 27 of the Financial Statements:

Related party	Dividend	Revenue transactions during the year	AR outstanding at year end	Loans receivables at year end	AP outstanding at year end
OCI Overseas Holding Cyprus	—	—	—	322.2	—
Sorfert	—	0.5	28.7	—	1.8
OCI Partners LLC	—	14.6	0.5	—	—
Iowa Fertilizer Company	—	412.3	64.3	—	1.2
OCI N.V.	—	—	—	25.4	5.1
Egyptian Fertilizer Company	—	11.0	—	—	—
Egyptian Basic Industries Corporation	—	0.1	—	—	—
Total	—	438.5	93.5	347.6	8.1

Revenue transactions with related parties amounted to USD 671.9 million for the nine month period ended 30 September 2014 (September 2013: USD 438.5 million).

11. CAPITALISATION AND INDEBTEDNESS

The following table sets out the Company's capitalisation and indebtedness as at 31 December 2014 (including a pro forma column to show the effects of the Egyptian Offer). This table should be read in conjunction with the Group's consolidated financial statements and the notes thereto, and the interim results for the nine months ending and as at 30 September 2014 and the notes thereto, as included in this Prospectus.

There has been no material change in the capitalisation or indebtedness of the Company since the consolidated financial statements of 30 September 2014.

This table, and the information set out in it, has not been audited and is based on management accounts.

	(USD millions) As at 31 December 2014	(USD millions) As at 31 December 2014 Post Egyptian Offer
CAPITALISATION		
Guaranteed current debt	369.3	369.3
Secured current debt	35.9	35.9
Unguaranteed/unsecured current debt	25.4	25.4
Total current debt	430.6	430.6
Guaranteed non-current debt	0	0
Secured non-current debt	0	0
Unguaranteed/unsecured non-current debt	30.9	30.9
Total non-current debt	30.9	30.9
Shareholder's equity²²	785.0	955.0
Total debt and shareholder's equity	1,246.5	1,416.5
NET INDEBTEDNESS		
A. Cash & Cash equivalents	379.0	379.0
A1. Net Egyptian Offer proceeds	0.0	170.0
B. Trading securities	7.2	7.2
C. Liquidity (A+A1+B)	386.2	556.2
D. Current financial receivable	0	0
E. Current bank debt	430.6	430.6
F. Current portion of non-current debt	0	0
G. Other current financial debt	30.9	30.9
H. Current financial debt (E+F+G)	461.5	461.5
I. Net current financial indebtedness (H-C-D)	75.3	(94.7)
J. Non-current bank loans	0	0

²² Inclusive of minority share

12. DESCRIPTION OF SHARE CAPITAL AND CORPORATE STRUCTURE

Set out below is a summary of certain information concerning the Shares, certain provisions of the Company's Articles of Association (the **Articles**) and certain requirements of applicable laws and regulations in effect as at the date of this Prospectus. This summary does not purport to be complete and comprehensive.

12.1 Share Capital

On its incorporation on 18 January 2015, the Company's initial issued paid up capital was USD 50,000 divided into 50,000 ordinary Shares of USD 1 each. On 6 February 2015, the Company's share capital was increased to USD 105,056,927 divided into 105,056,927 ordinary shares of USD 1 each. On completion of the Demerger, the Company's share capital will remain 105,056,927 divided into 105,056,927 ordinary shares of USD 1 each. On 2 March 2015, the Company's share capital was increased, conditional on Admission, to USD 118,041,492 divided into 118,041,492 ordinary shares of USD 1 each.

Our total authorised share capital is USD 300,000,000, comprising 300,000,000 ordinary shares of USD 1 each.

The application for the listing of our Shares on NASDAQ Dubai shall be for the whole class of our Shares.

The Company and the Shares are governed by the laws of the DIFC.

Share Issue Commitments

OCI N.V. has provided certain commitments to issue shares in OCI N.V. to the following categories of person: (a) the depositary in respect of the global depositary receipt and American depositary receipt programmes of OCI S.A.E. which were terminated on 23 January 2015; and (b) minority shareholders in OCI S.A.E. to the extent that they agree to transfer their shares in OCI S.A.E. to or at the direction of OCI N.V. (and do not exercise their right to be paid in cash) (together the **Share Issue Commitments**). The Share Issue Commitments are in respect of a maximum of 329,601 shares in OCI N.V.

If a Share Issue Commitment were to be honoured following completion of the Demerger, the recipient of the relevant OCI N.V. shares would not receive the full benefit of that Share Issue Commitment (as the shares issued in OCI N.V. in satisfaction of the Share Issue Commitment would not reflect the value of the construction business demerged to the Company). As a result, the Company has agreed with OCI N.V. that, to the extent that OCI N.V. issues any shares in OCI N.V. to any person in respect of any Share Issue Commitment, the Company will allot and issue a number of Shares to that person on the basis of one Share for every two OCI N.V. shares. These Shares would be issued at nominal value and the payment for these Shares would be made by OCI N.V. These Shares would not be issued on a pre-emptive basis and the maximum dilution would be 164,800 Shares (representing 0.14% of the Company's share capital).

12.2 Articles of Association

The following is a summary of the rights under the Company's Articles and the DIFC Companies Law No. 2 of 2009 (the DIFC Companies Law) which attach to the Shares.

In the following description of the rights attaching to the Shares, a holder of Shares and a Shareholder is, in both cases, the person registered in the Company's register of Shareholders as the holder of the relevant Shares.

Objectives

As set out in our Articles, the Company's principal business activities are to act as a holding company and, in general, to engage in any lawful act or activity for which companies may be organised under the DIFC Companies Law.

Share Capital

All shares in the capital of the Company rank in all respects equally with other shares of the same class. Whenever the Company's share capital is divided into different classes of shares, all or any of the rights for the time being attached to any class of shares in issue may from time to time (whether or not the Company is being wound up) be varied in such manner as those rights may provide or (if no such provision is made) either with the consent in writing of the holders of three-fourths in nominal value of the issued shares of

that class or with the authority of a special resolution passed at a separate general meeting of the holders of those shares. This condition is no more significant than required by any law applicable to the Company.

The DIFC Companies Law provides that the Company may purchase its own Shares (including any redeemable Shares). The Shares may only be purchased if:

- the Company's purchase of Shares does not materially prejudice the Company's ability to pay its creditors;
- the purchase is approved in advance pursuant to an ordinary resolution; and
- prior to the meeting seeking the consent by ordinary resolution, the notice of the meeting and any accompanying documents relating to the Company's purchase of Shares is filed with the DFSA.

Share Certificates

Subject to the DIFC Companies Law and to any other applicable laws and regulations and the facilities and requirements of any relevant system concerned, the Board of Directors have the power to implement any arrangements as they may, in their absolute discretion, think fit in relation to the evidencing of title to and transfer of uncertificated (dematerialised) Shares. Unless otherwise determined by the Board of Directors and permitted by the DIFC Companies Law and any other applicable laws and regulations, no person shall be entitled to receive a certificate in respect of any Share for so long as the title to that Share is evidenced otherwise than by a certificate and for so long as any transfers of that Share may be made otherwise than by a written instrument.

Subject to the DIFC Companies Law and to any other applicable laws and regulations and the facilities and requirements of any relevant system concerned:

- the Board of Directors may in its absolute discretion convert certificated Shares into uncertificated Shares and vice versa, in such manner as it may, in its absolute discretion, think fit;
- the Company will enter on the register of Shareholders how many Shares are held in uncertificated form and in certificated form and, unless the Board of Directors otherwise determines, holdings in certificated form and uncertificated form shall be treated as separate holdings; and
- a class of Shares is not to be treated as two classes by virtue of the fact that such class comprises both certificated Shares and uncertificated Shares or as a result of a provision of the Articles, the DIFC Companies Law or any other applicable law or regulation which applies only in respect of certificated or uncertificated Shares.

A person (except a person to whom the Company is not required by law to issue a certificate) whose name is entered in the register of members as a holder of a certificated Share is entitled, without charge, to receive within 14 days of allotment or lodgement with the Company of a transfer to him of those Shares one certificate for all the certificated Shares of a class registered in his name (or several certificates each for one or more of his Shares upon payment of USD10 for every certificate after the first or such lesser sum as the Board of Directors shall from time to time determine) or, in the case of certificated Shares of more than one class being registered in his name, to a separate certificate for each class of Shares. Where a Shareholder transfers part of his Shares comprised in a certificate he is entitled, without charge, to one certificate for the balance of certificated Shares retained by him.

Where a certificate is worn out or defaced, the Board of Directors may require the certificate to be delivered to it and payment of any exceptional out-of-pocket expenses incurred by us before issuing a replacement and cancelling the original. If a certificate is lost or destroyed, the Board of Directors may cancel it and issue a replacement certificate on such terms as to provision of evidence and indemnity and to payment of any exceptional out of pocket expenses we incur in the investigation of that evidence and the preparation of that indemnity as our Board of Directors may decide.

Untraced Shareholders

We may sell the Share of a Shareholder or of a person entitled by transmission at the best price reasonably obtainable at the time of sale, if:

- during a period of not less than seven years before the date of publication of the advertisements referred to below (or, if published on two different dates, the first date) (the Relevant Period) at least

three cash dividends (whether interim or final) have become payable in respect of the Share and no dividend during that period has been claimed;

- throughout the Relevant Period no cheque, warrant or money order payable on the Share has been presented by the holder of, or the person entitled by transmission to, the Share to the paying bank of the relevant cheque, warrant or money order, no payment made by us by any other means has been claimed or accepted and, so far as any Director at the end of the Relevant Period is aware, we have not at any time during the Relevant Period received any communication from the holder of, or person entitled by transmission to, the Share;
- on expiry of the Relevant Period we have given notice of our intention to sell the Share by advertisement in a national newspaper in the UAE and in a newspaper circulating in the area of the address of the holder of, or person entitled by transmission to, the Share shown in the register;
- we have not, so far as the Board of Directors is aware, during a further period of three months after the date of such advertisements and before the exercise of the power of sale received a communication from the holder of, or person entitled by transmission to, the Share; and
- whilst our Shares are listed on the DFSA Official List and admitted to trading on NASDAQ Dubai, we have given notice to NASDAQ Dubai of our intention to sell such Shares.

We shall be indebted to the Shareholder or other person entitled by transmission to the Share for the net proceeds of the sale and shall carry any amount received on sale to a separate account. No trust shall be created in respect of the debt and such net proceeds may be employed in our business or invested as our Board of Directors may think fit.

Changes in Share Capital

We may by special resolution:

- increase our share capital by a sum to be divided into shares of an amount prescribed by the resolution;
- consolidate and divide all or any of our Shares (whether allotted or not) into Shares of a larger amount than our existing Shares;
- sub-divide all or any of our shares into shares of a smaller amount and so that the resolution whereby any share is sub-divided may determine that the shares resulting from such sub division have amongst themselves such preferred, deferred or other special rights or advantages or be subject to any such restrictions as the Company has power to attach to unissued or new shares;
- redenominate all or any of our share capital and reduce our share capital in connection with such a redenomination; and
- cancel Shares which, at the date of the passing of the resolution to cancel them, have not been taken or agreed to be taken by any person and diminish the amount of our share capital by the amount of the Shares so cancelled.

Any fractions of Shares resulting from a consolidation and division or sub-division of Shares may be dealt with by our Board of Directors on behalf of the Shareholders as it thinks fit.

We may, in accordance with the DIFC Companies Law, reduce our share capital, any capital redemption reserve, share premium account or other undistributable reserve, in any way and on such terms as we may decide.

Pre-emption rights

The Articles of Association contain provisions giving pre-emption rights to holders of “ordinary shares” (meaning shares other than shares giving rights only up to a specified amount of dividend and capital in a distribution), entitling them to be offered any equity securities proposed to be issued by us in as near as practicable equal to the proportion in nominal value held by such holder of ordinary shares to their existing holdings of ordinary shares. For this purpose, “equity securities” means ordinary shares, or rights to subscribe for, or convert securities into, ordinary shares.

These pre-emption rights do not apply:

- to the allotment of equity securities which are, or are to be, wholly or partly paid up otherwise than in cash;
- to the allotment of equity securities that would, apart from any renunciation or assignment of the rights to their allotment, be held under an employee share scheme;
- in relation to the allotment of bonus shares; and
- if the equity securities to be allotted (together with all other equity securities (other than those allotted pursuant to a disapplication of pre-emption rights by Shareholders) allotted in the same calendar year) do not exceed 15% of the issued ordinary share capital of the Company.

Any equity securities which we have offered to a holder of ordinary shares may be allotted to him or to anyone in whose favour he has renounced his right to the allotment, without contravening these provisions. Any offer made under these provisions made be in hard copy or electronic form and must state a period of not less than 21 days during which it may be accepted and the offer may not be withdrawn before the end of such period.

Disapplication of pre-emption rights

The pre-emption rights summarised above may be disapplied in whole or modified as the Board of Directors determine, provided the Board of Directors are authorised to do so by special resolution.

Dividends

Subject to the provisions of the DIFC Companies Law, we may by ordinary resolution declare dividends in accordance with the respective rights and interests of the Shareholders, but no dividend shall exceed the amount recommended by our Board of Directors.

We may declare a dividend or resolve to make a distribution at any time if our Board of Directors has resolved, on reasonable grounds, that we will, immediately after the dividend is paid or the distribution is made, be able to pay our debts as they become due in the normal course of business.

We may pay a dividend or make a distribution at any time if:

- the dividend has been declared or the distribution has been resolved to be made as set out above;
- the dividend will be paid, or the distribution will be made, out of our profits and/or surplus as shown in our accounts prepared as at the end of the last financial year or, in the case of an interim dividend or distribution, at the end of such period as is sufficient to enable our Board of Directors to form a reasonable view as to the amount of the profits and/or surplus from which the dividend will be paid or the distribution will be made; and
- our Board of Directors has resolved immediately prior to the payment of the dividend or the making of the distribution, on reasonable grounds, that we will, immediately after the dividend is paid or the distribution is made, be able to pay our debts as they become due in the normal course of business and at no time between the date of the resolution of our Board of Directors declaring the dividend or distribution and the date of the resolution immediately prior to the payment did our Board of Directors consider that we would not, after the dividend has been paid or the distribution has been made, be able to pay our debts as they become due in the normal course of business.

Subject to the provisions of the DIFC Companies Law, our Board of Directors may declare and pay such interim dividends as appears to it to be justified by our profits available for distribution. If the share capital is divided into different classes, no interim dividend shall be paid on Shares carrying deferred or non-preferred rights if, at the time of payment, any preferential dividend is in arrears.

Our Board of Directors may, with our prior authority pursuant to an ordinary resolution, direct that payment of a dividend may be satisfied wholly or in part by the distribution of specific assets and, in particular, of paid up Shares or the debentures of any other company.

A dividend unclaimed by a Shareholder for a period of seven years from the date it was declared or became due for payment shall be forfeited and shall cease to remain owing by the Company.

Transfer of Shares

A Shareholder may transfer all or any of his certificated Shares by instrument of transfer in writing in any usual form or in any other form approved by our Board of Directors and the instrument shall be executed by or on behalf of the transferor. All transfers of uncertificated (dematerialised) Shares are to be made in accordance with the Law and other applicable laws and regulations and any arrangements made by our Board of Directors pursuant to the Articles.

In exceptional circumstances approved by NASDAQ Dubai, our Board of Directors may refuse to register a transfer of certificated Shares provided that such refusal would not disturb the market in those Shares.

The registration of transfers may be suspended at such times and for such periods (not exceeding 30 days in any year) as our Board of Directors may decide in its discretion and either generally or in respect of a particular class of Shares as determined by it. We may not charge any fee for registering the transfer of a Share. We may retain any instrument of transfer which is registered.

Our Power to Investigate Interests in Shares

We (or a person authorised by us) may at any time give written notice to any person whom we (or such authorised person) know or have reasonable cause to believe to be, or in the previous three years to have been, interested in our Shares, requiring him to confirm or deny such interest and to give such further information as may be requested.

In accordance with Rule 4.3 of the Markets Rules of the DFSA, any person owning or beneficially owning Shares carrying more than 5% of the votes attached to all our Shares must file a report with us and the DFSA and thereafter file a further report with us and the DFSA with respect to each increase or decrease in its holding that exceeds one full percentage point from the level reported by such person in its previous report.

If it shall come to the notice of the directors that a Shareholder has not complied with his notification obligation pursuant to the Markets Rules of the DFSA or if the person on whom notice by us is served fails within the period specified by us to supply to us the information thereby requested, unless our Board of Directors otherwise decides, the Shareholder is no longer entitled in respect of the default Shares to be present at general meetings or to vote on any question, or to be counted in a quorum. Where the default Shares represent at least 0.25% in nominal value of the issued Shares of the relevant class, we may also suspend payment of dividends which would have been payable in respect of the Shares in relation to which the default has occurred; treat any election made by the defaulting Shareholder to receive Shares instead of cash as ineffective; and, in certain circumstances, refuse to register a transfer of Shares held by the defaulting Shareholder.

General Meetings

We must hold an annual general meeting at least once every year. Such meetings shall be convened by our Board of Directors at such time and place as it thinks fit provided that there must not be a gap of more than fifteen months between one annual general meeting and the next and not more than six months shall elapse between the end of our financial year and our next annual general meeting. All our general meetings other than annual general meetings are called extraordinary general meetings.

Voting Rights

At a general meeting every Shareholder present in person or by proxy has on a show of hands one vote and every Shareholder present in person or by proxy has on a poll vote one vote for every Share of which he is the holder.

In the case of joint holders of a Share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the vote or votes of the other joint holder or holders, and seniority is determined by the order in which the names of the holders stand in the register.

An instrument appointing a proxy shall be in writing in any usual form (or in another form approved by our Board of Directors) executed under the hand of the appointer or his duly authorised agent or, if the appointer is a corporation, under its seal or under the hand of its duly authorised officer or agent or other person authorised to sign.

Proceedings at General Meetings

The chairman of our Board of Directors or, in his absence, the deputy chairman (if any) shall preside as chairman at a general meeting. If there is no chairman or vice chairman, or if at a meeting neither is present and willing and able to act within five minutes after the time fixed for the start of the meeting, the directors present shall select one of their number to be chairman. If only one director is present and willing and able to act, he shall be chairman. In default, the Shareholders present in person and entitled to vote shall choose one of their number to be chairman.

At the general meeting, a resolution put to the vote of the meeting shall be decided on a show of hands unless (before or on the declaration of the result of the show of hands) a poll is demanded by:

- the chairman of the meeting;
- at least five Shareholders present in person or by proxy and having the right to vote on the resolution; or
- a Shareholder or Shareholders present in person or by proxy representing in aggregate not less than 5% of the total voting rights of all the Shareholders having the right to vote on the resolution.

The demand for a poll may be withdrawn but only with the consent of the chairman of the meeting. A demand withdrawn in this way validates the result of a show of hands declared before the demand was made. If a poll is demanded before the declaration of the result of a show of hands and the demand is duly withdrawn, the meeting shall continue as if the demand had not been made.

In the case of an equality of votes whether on a show of hands or on a poll, the chairman of the meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote in addition to any vote to which he is entitled as a Shareholder.

Powers and Duties of our Board of Directors

The Company's Articles provide that the Company shall have at least two Directors. Subject to the DIFC Companies Law and the Articles and to directions given by us pursuant to special resolutions, our business and affairs shall be managed by our Board of Directors which may exercise all the powers of the Company whether relating to the management of the business or not.

Our Board of Directors may delegate to a director holding executive office or to a committee consisting of one or more persons (whether a member or members of our Board of Directors or not) any of its powers, authorities and discretions for such time and on such terms and conditions as it thinks fit.

The Board shall meet at least on a quarterly basis.

Appointment, retirement and removal of Directors

We may by ordinary resolution appoint a person who is willing to act to be a Director, either to fill a vacancy or as an addition to the Board, subject to the total number of Directors not exceeding any maximum number decided by the Company by ordinary resolution.

The Board may appoint a person who is willing to act as a Director to fill a vacancy created by the death, resignation or removal of a Director. A Director appointed in this way may hold office until the dissolution of the next annual general meeting after his appointment unless he is reappointed during that meeting. He is not to be taken into account in determining the number of Directors who are to retire by rotation at the meeting.

At each Annual General Meeting, one-third of the Directors who are subject to retirement by rotation or, if their number is not three or a multiple of three, the number nearest to but not less than one-third, shall retire from office, provided that if there are fewer than three Directors who are subject to retirement by rotation, one shall retire from office. A retiring Director shall be eligible for reappointment.

The Directors to retire by rotation at an Annual General Meeting include, so far as necessary to obtain the number required first, a Director who wishes to retire and not offer himself for reappointment, and second, those Directors who have been longest in office since their last appointment or reappointment. As between two or more who have been in office an equal length of time, the default of agreement between them be determined by lot.

In addition, we may by ordinary resolution remove a Director before the expiry of his period of office and may appoint another person who is willing to act to be a director in his place.

Directors' Interests

A director shall declare the nature of his interest in any contract, arrangement, transaction or proposal with the Company at the first opportunity at a meeting of our Board of Directors after he knows he is or has become interested or by writing to the directors as required by the DIFC Companies Law.

Except in particular circumstances, a Director may not vote on or be counted in the quorum in relation to a resolution of the Board of Directors or of a committee of the Board of Directors concerning a contract, arrangement, transaction or proposal to which the Company is, or is to be, a party and in which he has an interest which is, to his knowledge, a material interest (otherwise than by virtue of his interest in shares or debentures or other securities of, or otherwise in or through, us).

A Director shall not vote or be counted in the quorum at a meeting of the Directors or committee meeting in respect of any resolution concerning his own appointment as the holder of any office or place of profit with us or any other company in which we are interested. Where proposals are under consideration concerning the appointment of two or more Directors to any such office or place of profit, those proposals shall be divided and considered in relation to each Director separately, and each of the Directors concerned (if not otherwise barred from voting under the Articles of Association) shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

Indemnity of Officers

We shall indemnify each of our directors or officers in respect of any liability incurred in defending any proceedings to the extent allowed by the DIFC Companies Law.

Distributions on Liquidation to Shareholders

On a voluntarily winding up of the Company the liquidator may, on obtaining any sanction required by law, divide among the Shareholders in kind the whole or any part of our assets, whether or not the assets consist of property of one kind or of different kinds, and vest the whole or any part of the assets in trustees upon such trusts for the benefits of the Shareholders as he, with the like sanction, shall determine. For this purpose the liquidator may set the value he deems fair on a class or classes of property, and may determine on the basis of that valuation and in accordance with the then existing rights of Shareholders how the division is to be carried out between Shareholders or classes of Shareholders. The liquidator may not, however, distribute to a Shareholder without his consent an asset to which there is attached a liability or potential liability for the owner.

13. MANAGEMENT AND EMPLOYEES

13.1 Introduction

On Admission, we will have a seven member board consisting of executive and independent non-executive, and non-executive directors. The number of executive and non-executive directors is to be determined by the General Meeting. The board structure will consist of one or more executive directors and two or more non-executive directors, as described below. The Board may appoint a non-executive director as chairman of the Board and an executive director as chief executive officer. Osama Bishai has been appointed as chief executive officer for a term of two years. Arif Naqvi and Salman Butt have been appointed with effect from Admission as non-executive directors for a term of two years. Sami Haddad, Khaled Bichara and Azmi Mikati have been appointed with effect from Admission as independent non-executive directors for a term of two years. Nassef Sawiris has been appointed as non-executive director and chairman of the Board for a two year term.

All Directors have appropriate knowledge of the Company and have been provided with adequate access to its operations and staff to carry out their respective responsibilities. The Directors have been provided with the necessary resources for developing and updating their knowledge and capability.

Powers, responsibilities and functioning

The Board is collectively responsible for the general affairs of the Company. Pursuant to the Articles, the Board may divide its duties among its members, with the day-to-day management of the Company entrusted to the executive directors. The non-executive directors have the task of supervising the executive directors and providing them with advice. In addition, both executive and non-executive directors must perform such duties as are assigned to them pursuant to the Articles. Each director has a duty towards the Company to properly perform the duties assigned to him or her. Furthermore, each director has a duty to act in the corporate interest of the Company.

An executive director may not be allocated the tasks of: (i) serving as chairman of the Board; (ii) fixing the remuneration of the directors; or (iii) nominating directors for appointment. Nor may an executive director participate in the adoption of resolutions (including any deliberations in respect of such resolutions) related to the remuneration of executive directors.

Tasks that have not been specifically allocated fall within the power of the Board as a whole. These principles are reflected in the Articles and Board rules. All directors remain collectively responsible for proper management regardless of the allocation of tasks.

Decision making and approvals

Pursuant to the Board rules, in principle, the Board can only adopt resolutions if at least a majority of the directors are present or represented. If possible, resolutions are adopted unanimously. If a unanimous vote is not possible, a resolution will be adopted by majority vote. In the event of a tie vote, the chairman will cast the deciding vote.

Pursuant to the Articles, resolutions can also be adopted without holding a meeting. For the adoption of a resolution other than at a meeting, it is required that the proposal is submitted to all directors, none of them has objected to the relevant manner of adopting resolutions and a majority of the directors has expressly consented to the relevant manner of adopting resolutions.

Chairman

The Chairman, Nassef Sawiris, has the following significant commitments which have been disclosed to the Board:

- Chief Executive Officer of OCI N.V.; and
- The Directorships as disclosed below.

The Chairman is responsible for ensuring that new Directors receive appropriate induction on joining the Board. The Chairman will ensure that the Directors continually update their skills and their knowledge and familiarity with the Company required in fulfilling their role both on the Board and its committees. The Chairman is responsible for regularly reviewing and agreeing with each Director their training and development needs.

13.2 Members of the Board

The members of the Board with effect from Admission are:

<u>Name</u>	<u>Year of birth</u>	<u>Position</u>
Executive directors		
Osama Bishai	1962	Chief Executive Officer
Non-executive directors		
Nassef Sawiris	1961	Chairman
Arif Naqvi	1960	Director
Salman Butt	1959	Director
Independent non-executive directors		
Sami Haddad	1950	Director
Khaled Bichara	1971	Director
Azmi Mikati	1972	Director

The business address of the members of the Board is Office 11, First Floor, Gate Village Building 3, Dubai International Financial Centre, Dubai, United Arab Emirates.

Biographical details of the members of the Board

The Chief Executive Officer, Osama Bishai, joined the Group in 1985 and has held the position of Managing Director of the Construction Business since 1998. Mr. Bishai played a key role in developing the Construction Business, particularly in the oil and gas sector, and has led the development of OCI N.V.'s investments in the fertilizer industry in Egypt and Algeria. Mr. Bishai holds a Bachelor of Science degree in Structural Engineering from Cairo University and a Construction Management Diploma from the American University in Cairo. Mr. Bishai was born in 1962, he is an Egyptian citizen.

The Chairman, Nassef Sawiris, is the Chief Executive Officer of OCI N.V. He joined the Orascom Group in 1982, became the Chief Executive Officer of OCI N.V.'s predecessor, Orascom Construction Industries (OCI S.A.E.), in 1998 and was also appointed Chairman of OCI S.A.E. in 2009. Mr. Sawiris is also a board member of Lafarge S.A. Mr. Sawiris holds a BA in Economics from the University of Chicago, USA. Born in 1961, he is an Egyptian citizen.

Arif Naqvi is the Founder and Group Chief Executive of The Abraaj Group which he established in 2002. With over 25 years' experience of investing in public and private companies, Mr. Naqvi has led The Abraaj Group's involvement in some of the most notable private equity transactions in growth markets over the last decade. Mr. Naqvi has been the recipient of numerous awards, including the Oslo Business for Peace Award, and the Sitara-i-Imtiaz, a prominent civilian honor awarded by the Government of Pakistan. Mr. Naqvi is a graduate of the London School of Economics and Political Science. Born in 1960, he is a Pakistani citizen.

Salman Butt is Chief Financial Officer of OCI N.V. Mr. Butt joined OCI S.A.E. as CFO in 2005. He is an international banker with over 20 years of banking experience. He was Head of Investment Banking for the Samba Financial Group in Saudi Arabia from 2003-2005. For 18 years prior to this, he worked with Citibank in Pakistan, Hong Kong, the United Kingdom, Egypt and Saudi Arabia. Mr. Butt holds a Masters degree in Business Administration from the University of Texas at Austin, USA, and a Bachelor of Science degree in Industrial Engineering from the Middle East Technical University, Ankara, Turkey. Born in 1959, he is a Pakistani citizen.

Sami Haddad has decades of experience in both the private and public sectors, specifically in finance, politics and academia. Mr. Haddad worked for the International Finance Corporation, part of the World Bank Group for more than 20 years in a variety of positions including Director of the Middle East and North Africa based in Cairo. In 2005 he became Minister of Economy and Trade in Lebanon, a position which he held for three years. Mr. Haddad was also General Manager of Byblos Bank from 2008 to 2014. Mr. Haddad holds an MA in Economics from the American University in Beirut and pursued his postgraduate studies at the University of Wisconsin-Madison.

Khaled Bichara currently holds the position of Chief Executive Officer and Co-Founder of Accelero Capital. Prior to joining Accelero Capital, he served as Group President and Chief Operating Officer of VimpelCom Ltd (VimpelCom), Group Executive Chairman of Orascom Telecom Holding S.A.E. (OTH) as well as Chairman of Wind Telecomunicazioni S.p.A. (Wind Italy). He ran ten operations across the

globe through OTH and Wind Italy and 22 operations across the globe through VimpelCom. Mr. Bichara was the Co-founder, Chairman and CEO of LINKdotNET. Mr. Bichara holds a Bachelor of Science degree from the American University in Cairo.

Azmi Mikati serves as the Chief Executive Officer of M1 Group Ltd., a diversified investments holding company spanning telecommunications, real estate, aviation, finance, retail and consumer goods. Mr. Mikati was the Chief Executive Officer of Investcom LLC (formerly Investcom Holding Sa). He is responsible for the global strategy of Investcom LLC and its implementation. He is also a Director of M1 Group Ltd. and a Non-Executive Director of MTN Group Ltd. Prior to this role he served as Director of T-One Corporation (International Carrier) and was also a board member of FTML (France Telecom subsidiary and the previous operator of one of two mobile networks in Lebanon). Mr. Mikati holds a Bachelor of Science degree from Columbia University, United States.

Employment and severance agreements of executive directors

Term of employment

Executive directors have entered into service agreements for a two-year term after which the agreements are renewable. The service agreements end two years after appointment by the General Meeting, upon termination of the executive director's membership of the Board or by notice of either party. Termination by either party is possible with a two months' notice period.

Severance payments

If the Company terminates a service contract with an executive director other than due to an urgent cause or serious culpability of the executive director, he or she is entitled to a severance payment as per the regulatory requirements of the jurisdiction in which the executive director is employed.

Loans and guarantees

The Company does not grant loans or guarantees, including mortgage loans, to the members of the Board. At the date of this Prospectus, no such loans are outstanding.

Claw-back

A "claw-back" clause is included in the service agreements of the executive directors of the Company, applicable in the situation that the financial or other information on which the pay-out of variable remuneration was based is determined to be incorrect.

Employment and severance agreements of non-executive directors

Term of employment

Non-executive directors have entered into service agreements for a two-year term after which the agreements are renewable. The service agreements end two years after appointment by the General Meeting, upon termination of the non-executive director's membership of the Board or by notice of either party. Termination by either party is possible with a thirty days notice period.

Severance payments

Non-executive directors are not eligible for severance payments under the terms of their service agreements with the Company.

Loans and guarantees

The Company does not grant loans or guarantees, including mortgage loans, to the members of the Board. At the date of this Prospectus, no such loans are outstanding.

Claw-back

As non-executive directors are not entitled to variable payments, no "claw-back" clause is included in the service agreements of the non-executive directors of the Company.

13.3 Senior management

The members of senior management who are not also directors are as follows:

Name	Year of birth	Position
Mark Littel	1967	Chief Financial Officer
Dalia Khorshid	1974	Executive Vice President and Group Corporate Treasurer
Maged Abadir	1959	Operations Director of Orascom
Wahid Hakki	1958	Chief Executive Officer of Contrack
Leonard Martling	1950	General Manager of Weitz
Omar Bebars	1979	Group Controller
Alaa Selim	1962	Human Resources Director
Khaled El Said	1966	Information Technology Director
Mahmoud Moharram	1982	General Counsel

The business address of the members of senior management is Office 11, First Floor, Gate Village Building 3, Dubai International Financial Centre, Dubai, United Arab Emirates.

Biographical details of senior management

Mark Littel—Chief Financial Officer

Mark Littel joined the Company in 2014 and is the designated Chief Financial Officer. Mr. Littel was previously a partner at KPMG in the Netherlands, which he joined in 1985. During his career with KPMG, Mr. Littel audited and advised global clients at corporate and divisional levels. He also has a successful track record advising in the development and implementation of internal controls for international clients. Mr. Littel is a member of the Royal Dutch Institute of Chartered Accountants.

Dalia Khorshid—Executive Vice President and Group Corporate Treasurer

Dalia Khorshid joined OCI in 2005 and has since headed the Company's corporate treasury team. She is responsible for all fundraising, liquidity and cash management, trade/contingent facilities management, Group Treasury control and administration, in-house bank management and interest rate and foreign exchange exposure management. Prior to joining OCI, Ms. Khorshid was with Citibank for eight years, where she most recently held the position of Vice President. Ms. Khorshid began her banking career with Commercial International Bank. Ms. Khorshid holds a Bachelor of Arts degree in Business Administration from the American University in Cairo.

Maged Abadir—Operations Director of Orascom

Maged Abadir began working for Orascom in 1988 and currently serves as Operations Director of Orascom. Mr. Abadir led the development of Orascom's road-construction business in Egypt since 2005. Prior to joining Orascom, Mr. Abadir held various positions with Zimmerman Homes, Harbert-Jones and ICAT General Contractors and Engineers. Mr. Abadir holds a Bachelor of Science degree in Civil Engineering from Cairo University and a Master of Science degree in Civil Engineering from Pennsylvania State University.

Wahid Hakki—CEO of Contrack

Wahid Hakki is the Chief Executive Officer of Contrack and is based in Contrack's headquarters in McLean, Virginia, U.S.A. Mr. Hakki joined Contrack in 1994 and has been responsible for overseeing operations at the company's US headquarters. Prior to joining Contrack, Mr. Hakki worked as a Project Manager for Sigal Construction Corp, in the Washington DC area, as a Project Engineer and QC Manager with Pegel Arabia in Damman, Saudi Arabia, and as a site manager with OCC Weavers in Jeddah, Saudi Arabia. Mr. Hakki received his Bachelor of Science degree in Civil Engineering from Ohio University in 1981 and a Masters degree in Structural Engineering from Penn State University in 1982.

Leonard Martling—General Manager of Weitz

Leonard Martling joined The Weitz Company in 1981 and has held a variety of positions within the operations segment. He served as president of the Nebraska Business Unit, president of the Florida

Business Unit, as well as Chief Operating Officer. He was appointed General Manager in 2012. Mr. Martling is a graduate of Kent State University with a Bachelor of Arts in Economics.

Omar Bebars—Group Controller

Omar Bebars joined OCI in 2009 as the Finance Manager of the Construction Group, became Director of Finance in 2012, and has been designated as Group Controller of Orascom Construction Limited. Mr. Bebars previously held the position of Deputy Director of Finance for the Middle East regional office of Starwood M International Inc. (Starwood Hotels and Resorts) in Dubai, UAE, and held various positions in the Starwood Hotels and Resorts Group since 2002. Prior to joining Starwood Hotels and Resorts, Mr. Bebars worked for the Commercial International Bank in Cairo, Egypt. Mr. Bebars holds a Bachelor of Arts degree in Business Administration from the Arab Academy for Science and Technology and Maritime Transport in Cairo, Egypt.

Alaa Selim—Human Resources Director

Alaa Selim joined OCI in 2014 as the Human Resources Director. Mr. Selim previously held the position of Beltone Financial Group's Regional HR Director from 2008 and was Regional HR Director for Mars and previously worked for The Gillette Company from 1989 to mid-2003 in several multifunctional roles including Regional HR Director for Gillette Middle East & North Africa. He holds a Bachelor of Science degree in Mechanical Engineering from California State University in 1986 after which he earned a Masters degree in Engineering Management from West Coast University of Los Angeles in 1988.

Khaled El Said—Information Technology Director

Khaled El-Said joined OCI in 1995 as the Information Systems Manager and became Information Systems Director in 1998. Mr. El-Said's experience covers all areas of the information technology field, with specific expertise in software development, applications and ERP implementation, large-scale IT project management. Mr El-Said spearheaded the development and implementation of many of the Company's essential information systems protocols and procedures, both at the corporate level and across all subsidiaries. Prior to joining the Company, Mr. El-Said was a Systems Engineer at Comsys, and a Project Evaluator at the Egyptian Ministry of Development. Mr. El-Said holds a Masters of Science degree in Management Information Systems from Virginia Polytechnic Institute and State University and a Bachelor of Science degree in Civil Engineering from Cairo University. Mr. El-Said is a Certified Information System Auditor (CISA).

Mahmoud Moharram—General Counsel

Mahmoud Moharram joined OCI in 2007 and currently holds the position of General Counsel of the Construction Business. Mr. Moharram was previously a Public Prosecutor in Egypt and in private practice at AMMH Law Firm in Egypt. Mr. Moharram is a member of the Egyptian Lawyers Bar Association. Mr. Moharram obtained his LLB from Cairo University, a Master's Degree (LLM) from Northwestern Law in Chicago, USA and a Certificate in Business Administration from IE Business School in Madrid, Spain.

Employment and severance agreements of senior management

Term of employment

Save for the Chief Executive Officer, whose terms of employment are described above (see "*Employment and severance agreements of executive directors*"), members of senior management have entered into at minimum annually renewable employment agreements. The employment agreements are automatically renewed each year and are terminated by notice of either party. Termination by either party is possible with, at minimum, a two month notice period, or as otherwise stipulated in the contract.

Severance payments

If the Company terminates an employment contract with a member of senior management other than due to an urgent cause or serious culpability of the employee, he or she is entitled to a severance payment as per the regulatory requirements of the jurisdiction in which he or she is employed.

Loans and guarantees

The Company does not grant loans or guarantees, including mortgage loans, to the members of senior management. At the date of this Prospectus, no such loans are outstanding.

Claw-back

A “claw-back” clause is included in the employment agreements of the members of senior management of the Company, applicable in the situation that the financial or other information on which the pay-out of variable remuneration was based is determined to be incorrect.

13.4 Remuneration

The authority to establish remuneration and other terms of service for executive directors is vested in the Board. The executive directors shall not participate in the discussion and decision-making on this subject. The authority to establish remuneration for non-executive directors is vested in the Board.

For the year ended 31 December 2013, the Group paid aggregate remuneration of approximately USD10 million to its senior management mentioned above, including benefits.

13.5 Other directorships

In addition to their directorships of the Company or the Company’s subsidiaries, the directors hold, or have held, the following directorships and are or were members of the following partnerships, within the past five years:

<u>Name</u>	<u>Current or former directorships/partnerships</u>	<u>Position still held (Y/N)</u>
Nassef Sawiris	OCI N.V.	Y
	BESIX S.A.	Y
	Lafarge S.A.	Y
	OCI Partners LP	Y
	Brookings International Advisory Council	Y
	BDT Capital Partners	Y
	Council on Foreign Relations Global Board of Advisors	Y
	Orascom Construction Industries S.A.E.	Y
	NNS Holding	N
	Dubai International Financial Exchange	N
Salman Butt	OCI N.V.	Y
	BESIX S.A.	Y
Arif Naqvi	OCI N.V.	N
	ABRAAJ Capital Co-Investors Limited	Y
	ABRAAJ Holdings	Y
	Acibadem Saglik Yatirimlari Holding A.S.	N
	MENASA Capital Management Holdings Limited	Y
	Abraaj Capital Limited	Y
	AC Logistics Holdings Limited	N
	Aureos Deferred Share Vehicle Limited	Y
	Abraaj Employees Limited	Y
	ABRAAJ Employees 2 SPC Limited	Y
	ABRAAJ Investor Coverage (Cayman) Limited	N
	ABRAAJ Investment Management Limited	Y
	Air Arabia PJSC	Y
	Aramex PJSC	Y
	ABRAAJ Managers Limited	N
	ASAS Management Limited	N
	MENASA Opportunities Fund I Limited	Y

<u>Name</u>	<u>Current or former directorships/partnerships</u>	<u>Position still held (Y/N)</u>
	MENASA Opportunities Master Fund I Limited	Y
	ABRAAJ SPV 33 Limited	N
	ABRAAJ SPV 49 Limited	N
	KSA Private Investment Company Limited	N
	MENASA Capital Co-Investors Limited	Y
	MENASA Asset Management Limited	N
	MENASA Capital Management Limited	Y
	Orascom Construction Industries S.A.E.	N
	Saudi Private Investment Company Limited	N
	Hillside Holdco Limited	Y
	Seven Seas Holdings Limited	Y
	Cupola UK Plc	N
	C2 Limited	N
	Cupola Employees Limited	N
	Wootton Cricket Limited	Y
	Clear Sky Limited	N
	Venus Investments Limited	N
	Mars Investments Limited	N
	Lavendar Administration Limited	N
	Orchadia Limited	N
	MESA Investments Limited	N
	Cardfile Limited	N
	Pak Holding 1 Limited	N
	Pak Holding 2 Limited	N
	Pak Holding 3 Limited	N
	Arabtec Pakistan (Private) Limited	N
	AMN Holdings Pakistan Limited	N
	AMN Cayman Limited	N
	AMN Mauritius Limited	N
	Silverline Holdings Limited	N
	Sun Set Cove Limited (fka: Silver Holdings Limited)	N
	Orchadia SA	Y
	Middle East Fairs Limited	Y
	MEF Holdings Limited	Y
	MENA Ventures Investments Limited	Y
	BMA Asset Management Company Limited	N
	United Nations Global Compact	Y
	IMD Foundation Board	Y
	Endeavor Global	Y
	Pearl Initiative	Y
	Ahead of the Curve	Y
	Aman Foundation	Y
	Pakistan Human Development Fund	Y
	Emerging Markets Private Equity Association	N
Azmi Mikati	M1 Group Ltd (Affiliates of M1)	Y
	MTN Group Limited	Y
	T-One Corporation	N
	FTML	N
	Investcom LLC	N
Khaled Bichara	Accelero Capital Holdings S.a.r.L	Y

<u>Name</u>	<u>Current or former directorships/partnerships</u>	<u>Position still held (Y/N)</u>
	Dada S.p.A	Y
	WIS Telecom S.p.A	Y
	Divine Worx SAE	Y
	GEFCO Rice Mills SAE	Y
	EGITCO for trade and investments SAE	Y
	Ahrar for Printing and Publishing	Y
	Orascom Telecom Media and Technology Holding	Y
	SUPERNAP International S.A.	Y
	Joyent Inc.	Y
	MT Telecom SCRL	Y
	Egyptian Company for Mobile Services	Y
	Italiaonline S.p.A	Y
	Orascom Telecom Holding	N
	Wind Telecomunicazioni S.p.A.	N
Sami Haddad	Vitas Lebanon	Y
	Byblos Bank	N
	Orascom Construction Industries S.A.E.	N
	Adonis Insurance Company	N
Osama Bishai	BESIX S.A.	Y
	Orascom Saudi Ltd	Y
	Orascom Construction Industries S.A.E.	Y

13.6 Equity holdings

The interests in the share capital of OCI N.V. of the directors (held directly or indirectly) were as at 3 March 2015 (being the latest practicable date prior to the publication of this Prospectus) and, accordingly, the percentage interests in the share capital in the Company of the Directors (held directly or indirectly) on Admission are expected to be as follows. The percentages are subject to dilution as a result of the Egyptian Offer.

<u>Name of Shareholder</u>	<u>Number of Shares</u>	<u>Class of Shares</u>	<u>Percentage of share capital</u>
Nassef Sawiris*	61,652,515	Ordinary	29.3
Salman Butt*	174,293	Ordinary	0.1
Arif Naqvi	142,831	Ordinary	0.068
Osama Bishai*	208,000	Ordinary	0.099

* Nassef Sawiris, Osama Bishai and Salman Butt also hold share options in OCI N.V. but these options will not affect the share capital of the Company.

13.7 Long-Term Incentive Plan

The Company intends to adopt a Long-Term Incentive Plan, or “LTIP,” under which our board of directors may issue long-term equity based awards to directors, officers and employees of the Company or its affiliates, or to any consultants, affiliates of the Company or other individuals who perform services for us. These awards will be intended to compensate the recipients thereof based on the performance of our Shares and their continued service during the vesting period, as well as to align their long-term interests with those of our shareholders. We will be responsible for the cost of awards granted under our LTIP and all determinations with respect to awards to be made under our LTIP will be made by the board of directors of the Company or any committee thereof that may be established for such purpose or by any delegate of the board of directors or such committee, subject to applicable law, which we refer to as the plan administrator. We currently expect that the board of directors of the Company or a committee thereof will be designated as the plan administrator. The following description reflects the terms that are currently expected to be included in the LTIP.

General

The LTIP will provide for the grant, from time to time at the discretion of the board of directors of the Company or any delegate thereof, subject to applicable law, of share awards, restricted shares, phantom shares, share options, share appreciation rights and other share-based awards. The purpose of awards under the LTIP is to provide additional incentive compensation to individuals providing services to us, and to align the economic interests of such individuals with the interests of our shareholders. The LTIP will limit the number of Shares that may be delivered pursuant to vested awards to 2% of the Company's share capital, subject to proportionate adjustment in the event of share splits and similar events. Shares subject to awards that are cancelled, forfeited, withheld to satisfy exercise prices or tax withholding obligations or otherwise terminated without delivery of the Shares will be available for delivery pursuant to other awards.

Restricted shares and phantom shares

A restricted share is a share that is subject to forfeiture. Upon vesting, the forfeiture restrictions lapse and the recipient holds a share that is not subject to forfeiture. A phantom share is a notional share that entitles the grantee to receive a share upon the vesting of the phantom share or on a deferred basis upon specified future dates or events or, in the discretion of the administrator, cash equal to the fair market value of a share. The administrator of the LTIP may make grants of restricted and phantom shares under the LTIP that contain such terms, consistent with the LTIP, as the administrator may determine are appropriate, including the period over which restricted or phantom shares will vest. The administrator of the LTIP may, in its discretion, base vesting on the grantee's completion of a period of service or upon the achievement of specified financial objectives or other criteria or upon a change of control (as defined in the LTIP) or as otherwise described in an award agreement.

Distributions made by us with respect to awards of restricted shares may be subject to the same vesting requirements as the restricted shares.

Share options and share appreciation rights

The LTIP may also permit the grant of options covering shares. Share options represent the right to purchase a number of shares at a specified exercise price. Share appreciation rights represent the right to receive the appreciation in the value of a number of shares over a specified exercise price, either in cash or in shares. Share options and share appreciation rights may be granted to such eligible individuals and with such terms as the administrator of the LTIP may determine, consistent with the LTIP; however, a share option or share appreciation right must have an exercise price equal to at least the fair market value of a share on the date of grant.

Share awards

Awards covering shares may be granted under the LTIP with such terms and conditions, including restrictions on transferability, as the administrator of the LTIP may establish.

Other share-based awards

The LTIP may also permit the grant of "other share-based awards," which are awards that, in whole or in part, are valued or based on or related to the value of a share. The vesting of another share-based award may be based on a participant's continued service, the achievement of performance criteria or other measures. On vesting or on a deferred basis upon specified future dates or events, another share-based award may be paid in cash and/or in shares (including restricted shares), or any combination thereof as the administrator of the LTIP may determine.

Source of shares

Shares to be delivered with respect to awards may be newly-issued shares, shares acquired by us in the open market, shares already owned by us, shares acquired by us from any other person, or any combination of the foregoing.

Anti-dilution adjustments and change in control

If an "equity restructuring" event occurs that could result in an additional compensation expense under applicable accounting standards if adjustments to awards under the LTIP with respect to such event were discretionary, the administrator of the LTIP will equitably adjust the number and type of shares covered by

each outstanding award and the terms and conditions of such award to equitably reflect the restructuring event, and the administrator will adjust the number and type of shares with respect to which future awards may be granted under the LTIP. With respect to other similar events, including, for example, a combination or exchange of shares, a merger or consolidation or an extraordinary distribution of our assets to shareholders, that would not result in an accounting charge if adjustment to awards were discretionary, the administrator of the LTIP shall have discretion to adjust awards in the manner it deems appropriate and to make equitable adjustments, if any, with respect to the number of shares available under the LTIP and the kind of shares or other securities available for grant under the LTIP. Furthermore, upon any such event, including a change in control of the Company, or a change in any law or regulation affecting the LTIP or outstanding awards or any relevant change in accounting principles, the administrator of the LTIP will generally have discretion to (i) accelerate the time of exercisability or vesting or payment of an award, (ii) require awards to be surrendered in exchange for a cash payment or substitute other rights or property for the award, (iii) provide for the award to assumed by a successor or one of its affiliates, with appropriate adjustments thereto, (iv) cancel unvested awards without payment or (v) make other adjustments to awards as the administrator deems appropriate to reflect the applicable transaction or event.

Termination of service

The consequences of the termination of a grantee's membership on our board of directors or other service arrangement will generally be determined by the plan administrator in the terms of the relevant award agreement.

Amendment or termination of the LTIP

The administrator of the LTIP, at its discretion, may terminate the LTIP at any time with respect to the shares for which a grant has not previously been made. The LTIP automatically terminates on the tenth anniversary of the date it was initially adopted by our general partner. The administrator of the LTIP also has the right to alter or amend the LTIP or any part of it from time to time or to amend any outstanding award made under the LTIP, provided that no change in any outstanding award may be made that would materially impair the vested rights of the participant without the consent of the affected participant or result in unreasonable taxation to the participant.

13.8 Conflict of interest

There are no arrangements or understandings in place with major Shareholders, customers, suppliers or others, pursuant to which any member of the Board was appointed.

Save as disclosed in this Prospectus, no member of the Board has a conflict of interest (actual or potential) between any duties to the Company and his private interests and/or other duties. There is no family relationship between any member of the Board or key employees.

13.9 Liability of the members of the Board

Members of the Board may be liable towards the Company for damages in the event of improper or negligent performance of their duties. They may be jointly and severally liable for damages towards the Company and towards third parties for infringement of the Articles of Association or of certain provisions of the applicable DIFC laws and regulations. In certain circumstances, they may also incur additional specific civil and criminal liabilities.

The liability of members of the Board and other key employees is covered by a directors and officers liability insurance policy. This policy contains limitations and exclusions, such as wilful misconduct or intentional recklessness.

Indemnity

The Company will indemnify each member of the Board against any and all liabilities, claims, judgments, fines and penalties incurred by them as a result of any threatened, pending or completed action, investigation or other proceeding, whether civil, criminal or administrative, brought by any party other than the Company itself or its group companies, in relation to acts or omissions in or related to his capacity as a member of the Board. The Company will not indemnify them with respect to claims insofar as they relate to the gaining in fact of personal profits, advantages or remuneration to which the relevant person was not legally entitled, or if the relevant person will have been adjudged to be liable for wilful misconduct or intentional recklessness.

Other information in relation to members of the Board

At the date of this Prospectus, no member of the Board has, in the previous five years: (i) been convicted of any offences relating to fraud or other financial crimes; (ii) held an executive function at any entity at the time of or immediately preceding any bankruptcy, receivership or liquidation of such entity; (iii) been subject to any official public incrimination or sanction by any statutory or regulatory authority (including any designated professional body); and (iv) been disqualified by a court from acting as a director or from acting in the management or conduct of the affairs of any company.

Mr Bichara was the co-founder, Chairman and CEO of LINKdotNET, which was, at the time, the largest private Internet Service Provider in the Middle East. In 2004 Mr Bichara was charged by the United States Attorney of the Southern District of New York with making false statements in an application to the United States Agency for International Development (**USAID**). The charge against Mr Bichara arose from the participation of LINKdotNET in a program administered by the Egyptian Government and USAID which extended interest free loans to Egyptian businesses for the purchase of US origin products. The loan extended to LINKdotNET was fully collateralized in U.S. dollars and no loss resulted from the transaction. LINKdotNET fully repaid the USAID loan and agreed to a three year debarment from participating in USAID sponsored programs. In June 2005, Mr Bichara was fined US\$250 by the United States Attorney of the Southern District of New York after pleading guilty to a single felony count of making a false statement in an application to USAID.

Since 2005, Mr Bichara has held the positions of CEO and Group Executive Chairman, respectively, of an Egyptian Stock Exchange and London Stock Exchange listed company, Orascom Telecom Holding S.A.E. (currently known as Global Telecom S.A.E.) between 2009 and 2011 and a Group President and Chief Operating Officer of a NYSE listed company, VimpelCom Ltd. Mr Bichara is currently the Chairman of a company listed on the Milan Stock Exchange, Dada S.p.A.

13.10 Employees

Number of employees

The below table sets out the number of employees employed by the Group as at 31 December 2011, 31 December 2012, 31 December 2013, and 31 December 2014 as well as a breakdown of the Group's employees by type.

	<u>31-Dec-2011</u>	<u>31-Dec-2012</u>	<u>31-Dec-2013</u>	<u>31-Dec-2014</u>
Permanent (Salaried)	22,168	22,579	23,582	24,923
Temporary (Hourly)	28,168	20,445	23,883	28,343
Total	<u>50,336</u>	<u>43,024</u>	<u>47,465</u>	<u>53,266</u>

Pension schemes

The Company does not operate a pension scheme for its employees. Certain subsidiaries of the Group (for example Contrack) operate statutory pension schemes for their employees.

13.11 Works councils and collective labour agreements

The Company does not have work councils and is not a party to any collective labour agreements.

14. CORPORATE GOVERNANCE

The corporate governance requirements of the DFSA are prescribed in the Markets Rules and a corporate governance framework in accordance with the Market Rules will be in place at the time of Admission. Pursuant to the requirements referred to above, the Company, among other things, will have to comply with the following:

- at least one third of our Board of Directors will have to be comprised of non-executive directors, and at least two of these non-executive directors will have to be independent;
- an audit committee will have to be formed, and at least two independent non-executive directors will have to be appointed to that committee;
- a sound internal control system will have to be implemented to safeguard Shareholders' investment and the Company's assets;
- an annual report will have to be filed with the DFSA that will include a statement on how the Company is complying with the corporate governance requirements; and
- directors will not be allowed to deal in securities of, or investments related to, the Company when in possession of undisclosed material information or during a period of one month preceding the Major Shareholders and Related Party Transactions, announcement of annual results or the publication of the half-yearly report, or otherwise unless given written clearance to deal.

Other than as set out below, on Admission, the Company will comply with, the corporate governance requirements of the DFSA.

The Chairman of the Company is Nassef Sawiris who would not, on appointment, be treated as being independent. Notwithstanding the corporate governance principles set out in the Markets Rules, the Company believes that it is beneficial for the Company and its Shareholders for Mr. Sawiris to act as Chairman of the Company. Mr. Sawiris has been responsible for the successful development of the Group over the last 20 years and has significant experience of the construction industry, in particular in the markets in which the Group operates.

The Board will establish prior to or on Admission a Remuneration Committee, an Audit Committee and a Nomination Committee, with formally delegated duties and responsibilities and with written terms of reference. From time to time, separate committees may be set up by our Board of Directors to consider specific issues when the need arises.

All of the committees perform their duties on behalf of our Board of Directors which is responsible for constituting, assigning, co-opting and fixing the terms of service for the committee members, which function may be delegated by our Board of Directors to the Nomination Committee.

Compliance statement

The Directors of the Company believe that the corporate governance framework of the Company is effective in promoting compliance with the Corporate Governance Principles as included in the Market Rules.

Audit Committee

The Company's Audit Committee will on Admission consist of four members, of which at least two are independent non-executive directors (with Sami Haddad having relevant and recent financial experience. The Audit Committee is chaired by Sami Haddad, an independent non-executive director. The Chairman of the Audit Committee will have the casting vote. The Board has determined that all committee members have recent and relevant financial experience and shall be regarded as financial experts. The primary purpose of the Audit Committee is: (a) to assist the Board in its oversight of (i) the integrity of the Company's financial statements, (ii) the Company's compliance with legal and regulatory requirements, (iii) the independent auditor's qualifications and independence, and (iv) the performance of the Company's internal audit function and independent auditors; and (b) to prepare and publish an annual committee report and such other reports to the extent required under any applicable securities laws and stock exchange regulations. The role and responsibilities of the Audit Committee are set out in written terms of reference, and include the appointment, compensation and retention of the independent auditor, review of the Company's interim and annual financial statements with management and the independent auditor, and review of the Company's internal control and risk management systems.

The Audit Committee will meet formally at least two times a year and as otherwise requested by the chairman of the Audit Committee.

Remuneration Committee

The Company's Remuneration Committee will on Admission consist of three directors of which a majority are independent non-executive directors. The Remuneration Committee is chaired by Khaled Bichara, an independent non-executive director. The primary purpose of the Remuneration Committee is: (a) to assist the Board in its oversight of all matters relating to director and executive officer compensation; and (b) to prepare and publish an annual committee report on director and executive compensation and such other reports to the extent required under any applicable securities laws and stock exchange regulations. The role and responsibilities of the Remuneration Committee are set out in written terms of reference, and include the review, evaluation and approval of director and executive officer compensation, incentive-compensation plans and equity-based plans. In determining the compensation of the directors and executive officers of the Company, the Remuneration Committee considers the Company's performance and relative Shareholder return, the compensation level of directors and executive officers at comparable companies, and the compensation of the directors and executive officers in past years. No director is solely involved in deciding their own compensation. Executive officers do not receive additional compensation for their service as an executive director. Non-executive directors receive an annual stipend and may participate in the Share-based incentive programme of the Company.

The Remuneration Committee will meet formally at least once a year and as otherwise requested by the chairman of the Remuneration Committee.

Nomination Committee

The Company's Nomination Committee will on Admission consist of three directors, of which a majority are independent non-executive directors. The Nomination Committee is chaired by Sami Haddad, an independent non-executive director. The primary purpose of the Nomination Committee is to assist the Board in: (a) identifying individuals qualified to become Board members and recommending to the Board the director nominees for the next annual meeting of Shareholders; (b) recommending to the Board director nominees for each committee of the Board; and (c) overseeing the evaluation of the Board and management. The role and responsibilities of the Nomination Committee are set out in written terms of reference, and include determining on an annual basis the independence of each director as may be required under any applicable securities laws and stock exchange regulations, the compliance of each director and executive officer with the Company's code of business conduct and ethics, and such other activities as the Board may assign to the committee from time to time.

The Nomination Committee will be responsible for specifying the job specifications for the appointment of the chairman of the Board and will undertake the role of assessing against such relevant criteria for the appointment of the chairman including an assessment of the time commitment expected, recognising the need for availability in the event of crises.

The Nomination Committee will meet formally at least once a year.

15. MAJOR SHAREHOLDERS

Immediately prior to completion of the Demerger, the Company has one Shareholder, OCI N.V., a public limited liability company incorporated in The Netherlands. OCI N.V. will remain the sole shareholder of the Company until completion of the Demerger. On completion of the Demerger, the Shareholders of the Company will be the shareholders of OCI N.V. at the Demerger Record Time who, between them, will hold 100% of the share capital of the Company.

The following table identifies the interests of those persons who, directly or indirectly, as at 3 March 2015 (being the latest practicable date prior to the publication of this Prospectus) have an interest above 5% in the share capital of OCI N.V.

Name of shareholder	Number of OCI N.V. shares	Class of shares	Percentage of Company share capital immediately following completion of the Demerger	Percentage of Company share capital immediately following Admission, assuming the issue of 12,984,565 New Shares pursuant to the Egyptian Offer ⁽¹⁾
Nassef Sawiris	61,652,515	Ordinary shares	29.3%	26.1%
Onsi Sawiris	36,045,159	Ordinary shares	17.2%	15.3%
Samih Sawiris	15,527,516	Ordinary shares	7.4%	6.6%
Southeastern Asset Management	14,037,719	Ordinary shares	6.7%	5.9%
W.H. Gates III	12,725,704	Ordinary shares	6.1%	5.4%
Infrastructure & Growth Capital Fund L.P. (a fund managed by Abraaj Capital)	12,532,310	Ordinary shares	6.0%	5.3%

Note:

- (1) On a fully diluted basis and assuming no participation in the Egyptian Offer. However, members of the Sawiris Family have participated in the Egyptian Offer in order to maintain their aggregate shareholding at a minimum of 51% of the share capital of the Company.

The major Shareholders of the Company listed above do not have voting rights that differ from those of the other Shareholders.

All shareholding information is disclosed to the best of the Company's knowledge based on official filings with the AFM dated 3 March 2015.

Except as disclosed above, we are not aware of any person who, at the date of Admission, will have an interest as beneficial owner in Shares, directly or indirectly, which represents 5% or more of the Shares.

16. RELATED PARTY TRANSACTIONS AND CONFLICTS OF INTEREST

16.1 Ongoing relationship between the Company and OCI N.V.

Following the Demerger, the Company and OCI N.V. will each operate as separately listed companies. There are not expected to be any cross-directorships (other than Nassef Sawiris who will act as Chief Executive Officer of OCI N.V. and chairman of the Company, and Salman Butt, who will act as Chief Financial Officer of OCI N.V. and non-executive director of the Company). The senior management of the Company and OCI N.V. will be different and all agreements between the two companies will be entered into on an arms' length basis.

The Company's objective is to increase self-generated opportunities in the future to replace the work awarded by OCI N.V. However, the Company and OCI N.V. will remain party to continuing commercial arrangements (in particular, in relation to the construction of certain fertiliser plants) and have entered into an agreement for the provision of certain transitional services by OCI N.V. to the Company and vice versa, as described below. Those agreements have been negotiated and were entered into while we were a subsidiary of OCI N.V. The existing commercial arrangements were entered into on an arms' length basis and are not materially different from the terms on which the Company contracts with other customers and future commercial arrangements will be entered into on the basis of the Group's contracting process which is described in more detail in paragraph 16.2 below. The following information relates to each of the commercial agreements described below:

Name and address of OCI N.V. as counterparty: . . OCI N.V.
Mijnweg 1
P.O. Box 601
6160 AP
GELEEN
The Netherlands

Basis for classification of the counterparty as a related party pursuant to the Market Rules . . . Pursuant to 3.5.2(a)(ii) and (iii) of the Market Rules, OCI N.V. is classified as a related party due its ability within the 12 months prior to the commercial transactions referred to below, to exercise significant influence over the Company through its control of more than 5% of the voting rights attached to the Company's securities.

Shared Services Agreement

On 5 February 2015, the Company and OCI N.V. entered into a shared services agreement whereby each of the parties has agreed to supply certain transitional services to the other. These services include: (i) the provision by OCI N.V. to the Company of accounting and consolidation, and any general corporate support services as required; and (ii) the provision by the Company to OCI N.V. of accounting, treasury, information technology, administration, corporate human resources, and office space services. It is expected that the services will be provided for a transitional period of up to 18 months, following which each of the parties will make their own arrangements for the provision of these services. The consideration payable for the services will be on at cost plus a markup not expected to exceed 8%, and it is expected that the net consideration payable by the Company to OCI N.V. under this agreement for the 18 month period will be in line with the historical allocation of corporate administrative expenses as stated in note 2.2 of the Financial Statements, although this could increase depending on the length of time that services are provided.

Conditional Sale Agreement

On 5 February 2015, OC IHC 4 B.V. (a subsidiary of the Company) and OCI MENA B.V. (a subsidiary of OCI N.V.) entered into an Agreement for the Conditional Sale and Purchase of the Share Capital of Construction Egypt. Under the Conditional Sale Agreement, OCI MENA B.V. has agreed to sell to OC IHC 4 B.V. all of the shares it will receive as a result of the Egypt Demerger. These shares (the **Construction Egypt Shares**) will be shares in an Egyptian joint stock company (**Construction Egypt**) which, as a result of the Egypt Demerger, will hold the construction projects and construction business of OCI S.A.E in the Middle East and North Africa which, in order to comply with local law and regulation,

cannot be transferred to the Group prior to completion of the Demerger (the **Relevant Construction Projects**). The transfer of the Construction Egypt Shares will be conditional on the completion of the Egypt Demerger the approval of EFSA regarding the issue of the Construction Egypt shares to OCI MENA B.V., and incorporation of Construction Egypt. In addition, OCI MENA B.V. commits (i) to appoint management personnel in the construction operations, such personnel to be nominated by OC IHC 4 B.V.; (ii) to appoint accounting personnel responsible for the preparation of the carve out financials of the construction operations, such personnel to be nominated by OC IHC 4 B.V., and (iii) to vote on the board of directors of OCI S.A.E. in matters related to the construction operations based on the recommendation of OC IHC 4 B.V. The Conditional Sale Agreement also provides for the economic benefits/liabilities of the Construction Egypt Shares including the underlying Relevant Construction Projects (together with the right to any dividends) to pass from OCI MENA B.V. to OC IHC 4 B.V. with effect from the date of the Conditional Sale Agreement as if such shares had been in existence since 30 September 2014. This transfer of economic benefit will remain in force until the earlier of (i) completion of the Egypt Demerger and transfer of the Construction Egypt Shares to the Company and (ii) completion of all of the Relevant Construction Projects, while any new awards will be sought through wholly-owned subsidiaries of the Company.

Tax Claim Agreement

On 6 February 2015, the Company and OCI S.A.E. entered into a tax indemnity agreement which sets out the obligations of the parties in respect of the tax claim lodged by the tax authorities in Egypt relating to the sale of the OCI S.A.E. group's cement assets to Lafarge SA in 2007 (the Tax Claim). The parties have agreed that, to the extent that any liability is incurred by OCI S.A.E. in relation to the Tax Claim (including the costs of dealing with the Tax Claim), this will be shared between the parties on a 50:50 basis. In addition, to the extent that any recoveries are made in relation to the Tax Claim, these will be shared between the parties on a 50:50 basis (excluding the amount of EGP 2.5 billion which is to be paid to Tahya Misr social fund in Egypt). OCI S.A.E. will have day to day conduct of the Tax Claim.

Construction Contracts

A commercial relationship between OCI N.V. and the Company will remain on-going in respect of the construction of two projects for the fertiliser businesses on an arms' length basis. Orascom E&C USA is:

- party to an Engineering, Procurement and Construction (EPC) contract in respect of the Iowa Fertilizer Company (IFCo), a 2 million metric ton per annum (mtpa) fertilizer and industrial chemicals greenfield plant under construction for OCI N.V. in Iowa, USA. Under the terms of the EPC contract, the new plant will utilize proven state-of-the-art production process technologies from Kellogg Brown and Root LLC (KBR), Stamicarbon BV (Maire Tecnimont Group) and ThyssenKrupp Uhde (Uhde) to produce between 1.5-2 million metric tons per year of ammonia, urea, urea ammonium nitrate (UAN) as well as diesel exhaust fluid (DEF), an environmentally friendly fuel additive. Tecnimont S.p.A. (Maire Tecnimont Group) will provide engineering and procurement (EP) services for the ammonia line while Uhde will provide EP services for the urea, UAN and DEF lines. The plant is expected to commission in the fourth quarter of 2015; and
- in the process of finalising the terms of an EPC contract for the construction of a methanol plant at Beaumont, Texas, USA for Natgasoline LLC. The plant is expected to have a capacity of up to 5,000 metric tons per day (tpd), equivalent to approximately 1.75 million metric tons per annum (mtpa), and is expected to start production in late 2016. The project will use state-of-the-art Lurgi methanol technology and will incorporate best available environmental control technology.

Reimbursement Agreement

On 14 November 2014, OCI N.V. and Orascom Holding Cooperatief U.A. entered into a letter agreement in relation to the construction contracts (the **Contracts**) entered into between entities within the fertiliser business of OCI N.V. (**Fertilizer Business**) and entities within the construction business of OCI N.V. (**Construction Business**).

The agreement provides that if the Construction Business incurs costs, expenses or liabilities under the Contracts or for other works and services performed or to be performed for the Fertilizer Business which are not otherwise reimbursable to the Construction Business under the terms of the Contracts and which exceed the amounts which will, in aggregate, have been and will be payable to the Construction Business under all of the Contracts (the **Aggregate Group Shortfall**), OCI N.V. will pay an amount equal to the

Aggregate Group Shortfall. The amount payable by OCI N.V. to the Construction Business under the agreement is capped at USD150,000,000.

16.2 Process for selecting contracts

Orascom Construction undertakes a number of key processes in relation to potential local and international opportunities (projects) including identification, selection, development, tender preparation and award and performance if awarded. Although the duration of any project will vary depending on its size and complexity, type of the contract (whether a) design and build or b) build only), country and type of client (government or private), projects are on average completed within two to three years of the year in which the project is awarded.

Projects are generally selected based on Orascom Construction's core competencies, value creation and competitive advantage, together with the project's financing and contractual arrangements.

Generally, all of Orascom Construction's clients are respected within their industries for their professional competence and adherence to contractual obligations. All of Orascom Construction's key contracts contain international standard terms and conditions, and each project we work on is executed in accordance with the specifications, timelines and pricing terms agreed with the client.

Orascom Construction generally identifies potential projects from a variety of sources, including but not limited to governmental calls to bid published in national gazettes and industry publications, partnership requests from other contractors or technology providers, client notices through consultants, international tenders by invitation, and direct awards from repeat or new clients and partners. The project identification and prequalification process is typically undertaken by each of our operating subsidiaries autonomously and separately in relation to the markets and sectors in which each operates, and subsidiaries may bid jointly as part of a joint venture or consortium if an opportunity, where doing so adds value to the Group, presents itself.

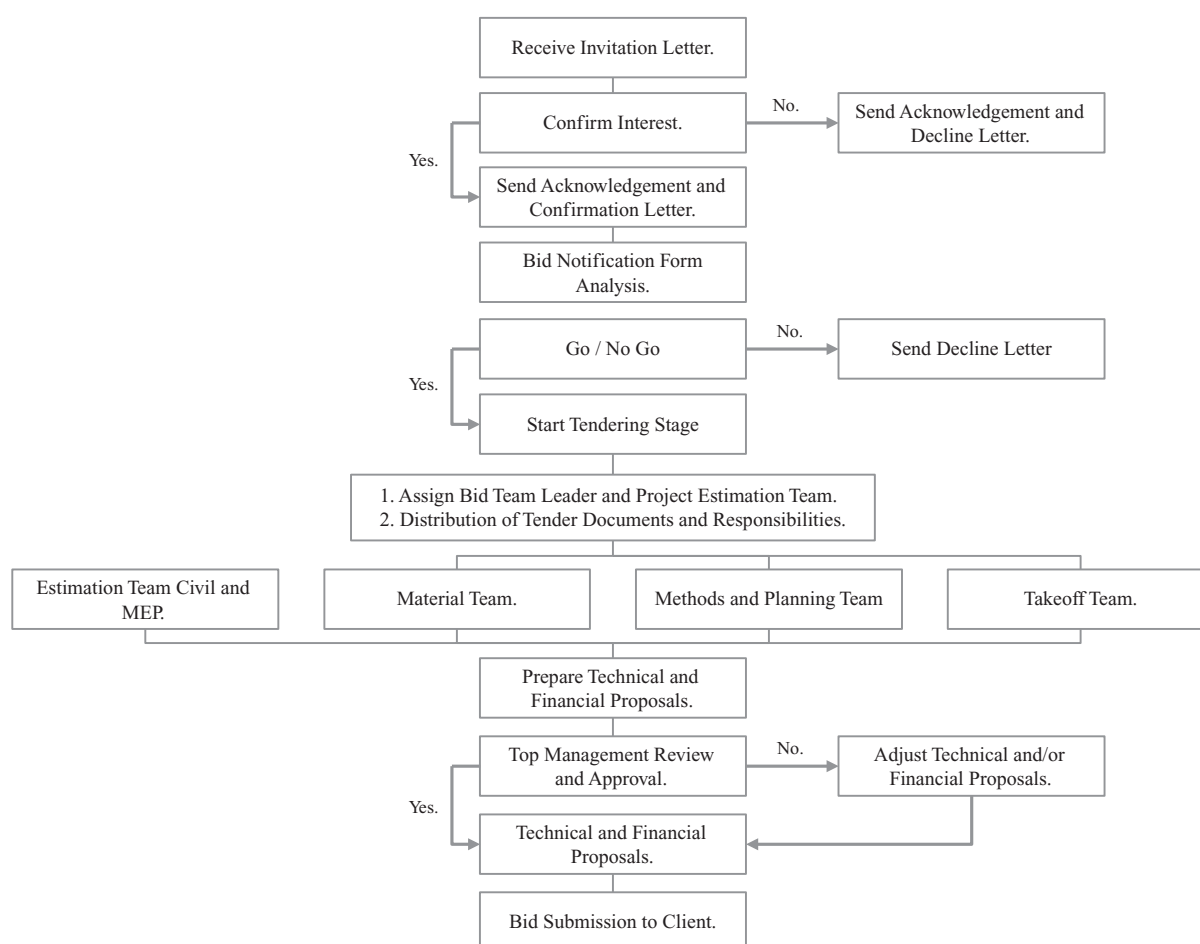
A number of factors are taken into account in reaching a final decision, including:

- track record on similar projects, geographic location of the project, financial considerations, competition level, client assessment and source of project funding and availability;
- strategic importance of the project, including entry into a new market, new client, or is a landmark project;
- capacity considerations in relation to our current backlog, including the project's size, duration, availability of personnel and mobilization capability;
- our relationship with the client, including any previous projects, their payment history, and other relevant past experiences;
- project specifics including the technical complexity, partners selection, contract terms and conditions, price inflation exposure, foreign currency exposure, bank guarantees requirement/availability and cash-flow;
- risks associated with the execution of the projects whether related to the project's country (such as security, political and economic risks), or risks associated with the execution of the project; and
- our relationship and previous experiences with any partners or other contractors if relevant.

After deciding which projects to pursue and prequalifying for a project, we launch, at an operating subsidiary level, the tendering process. Each project is assigned a bid team leader and project estimation team, who coordinate with other departments and distribute the tender documents and responsibilities. These teams work in tandem to fully assess the project, covering the various types of work involved and related quantity estimates, manpower requirements and costs, project schedule, construction materials, equipment availability and costs, subcontractors and engineering team needs.

The final phase consists of a detailed review by management and final amendments, including required profit margins, are incorporated into the bid proposal submitted to the client. Projects are generally awarded based on the client's scoring of technical capability and track record, price, project schedule, and any historical relationships.

Contracts that involve a bidding process will typically take additional time and involve more advance planning while directly negotiated contracts involve less time but may require quicker dedication and mobilisation of resources.



16.3 Transactions with key management

Key management compensation

For the year ended 31 December 2013, the Group paid aggregate remuneration of approximately USD10 million to its senior management mentioned above, including benefits.

16.4 Other related parties transaction

The intra-group transactions, balances and unrealized profits or losses have been eliminated. Balances as at 31 December 2013 for non-consolidated companies and joint ventures are reported in the consolidated

statements of financial position as due from affiliated companies and due to affiliated companies, and included in trade and other receivables and trade and other payables.

Related party	Address	Basis of Classification as Related Party Transaction	Accounts Receivable Outstanding at Year End	Loans Receivable at Year End	Revenue Transactions During the Year	Accounts Payable Outstanding at Year End	Loans Payable at Year End
OCI Overseas Holding Cyprus .		Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	—	322.2	—	—	—
Sorfert		Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	28.7	—	0.5	1.8	—
OCI Partners		Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	0.5	—	14.6		
Iowa Fertilizer Company		Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	64.3	—	412.3	1.2	—
OCI N.V.	OCI N.V. Mijnweg 1 P.O. Box 601 6160 AP GELEEN The Netherlands	Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	—	25.4	—	5.1	—
Egyptian Fertilizer Company		Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	—		11.0	—	—
Egyptian Basic Industry Company		Counterparty is an “Associate” of a “Related Party” pursuant to the Market Rules	—		0.1	—	—
			93.5	347.6	438.5	8.1	—

Ordinary course of business

In the ordinary course of business, the Company buys and sells goods and services from and to various related parties (including associates) within the Group. These transactions are conducted on a commercial basis on terms comparable to those applicable to transactions with third parties.

As at 30 September 2014, revenue transactions with related parties amounted to USD 671.9 million for the nine month period ended 30 September 2014 (September 2013: USD 438.5 million).

Orascom E&C and Iowa Fertilizer Corporation and OCI Beaumont

Orascom E&C is engaged in the construction of the Iowa Fertilizer Company plant and the debottlenecking of the OCI Beaumont (owned by OCI Partners) plant during 2013. Both the Iowa Fertilizer Company and OCI Beaumont are part of OCI N.V. Fertilizer Group. The total amount of revenues of Orascom E&C in 2013 amount to USD 412.3 million (2011: USD 59.5 million). The construction / debottlenecking of these plants will continue in 2014 and 2015.

OCI Foundation and Sawiris Foundation

The OCI Foundation invests company resources in educational programs that improve the communities in which we operate. Orascom has cultivated strong ties with several leading universities, including the University of Chicago (Onsi Sawiris Scholars Exchange Program), Stanford (The American Middle Eastern Network Dialogue) and Yale (Master of Advanced Management program and Global Network for Advanced Management program).

In 2013, through the Onsi Sawiris Scholarship Program, the Group provided scholarships to five students who are attending Yale, Stanford, Wharton, and Northwestern for graduate studies.

Furthermore, the Sawiris Foundation for Social Development also provides grants to fund projects implemented by charitable organizations, educational institutions, local government and private business. These related charitable organizations have a total transaction amount during 2013 of USD 0.7 million (2012: USD 0.9 million).

Key management personnel

Part of key management is under employment of OCI N.V. and related salary and other costs are charged to Orascom Construction Limited.

16.5 Other potential conflicts of interest

Subject to the below and other than as disclosed in this Prospectus, we are not aware of any potential conflicts of interest between the duties owed by the members of our Board or senior management of the Company and their private interests or other duties.

As at 3 March 2015 (being the latest practicable date prior to the publication of this Prospectus), Nassef Sawiris, the Chairman of the Board, owns directly or indirectly 61,652,515 shares in OCI N.V. which would represent 29.3% of the issued share capital of the Company on completion of the Demerger. By virtue of this shareholding he is not treated by the Board as independent. He is also a director of, and significant shareholder in, OCI N.V. As a result, potential conflicts of interest may arise between the interests of the Company and Mr. Sawiris, acting in his other capacities. However, as a member of the Board, Mr. Sawiris, among other things, owes fiduciary duties to the Company pursuant to Article 53 of the DIFC Companies Law and must act in good faith and lawfully, with a view, in a manner he reasonably believes, to be in the best interests of the Company. He must also exercise the care, diligence and skill that a reasonable person would exercise in comparable circumstances. As a Director of the Company, he is also bound by virtue of Article 54 of the DIFC Companies Law to disclose to the Company any interest in a transaction which to a material extent conflicts or may conflict with the interests of the Company.

Further, pursuant to the Articles of Association, as a Director, (i) Mr Sawiris may not vote (or be counted in the quorum at a meeting) in respect of any resolution of the Board or of a committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (subject to certain exceptions). Specifically, Nassef Sawiris will be excluded from voting on Board matters that relate to OCI N.V.; and (ii) Mr Sawiris may not vote (or be counted in the quorum) in respect of any resolution of the Board or committee of the Board concerning his own appointment (including, without limitation, fixing or varying the terms of his appointment or its termination) as the holder of an office or place of profit with the Company or any other company in which the Company is interested.

It should also be noted that in relation to shareholder meetings, as shareholders in the Company, the Sawiris Family (of which Mr Nassef Sawiris is a part) who on Completion of the Demerger will together hold 53.9% of the Company, will be able to exert significant control over the Company by virtue of collectively exercising control of the votes to be cast on all or substantially all matters that require a simple majority vote of shareholders. Prospective investors are also referred to the risk titled *“The Sawiris Family collectively exercises control of the votes to be cast on all or substantially all matters that require a simple majority vote of shareholders”* as described in Part 2 (*“Risk Factors”*) of this Prospectus. The Sawiris Family will also exercise influence over the business of the Company as Nassef Sawiris is Chairman of the Board of Directors.

Mr. Salman Butt, a non-executive director on the the Board, also acts as Chief Financial Officer of OCI N.V. In line with the reasons listed above, and pursuant to the Articles of Association, as a Director, (i) Mr. Butt may not vote (or be counted in the quorum at a meeting) in respect of any resolution of the

Board or of a committee of the Board concerning a contract, arrangement, transaction or proposal to which the Company is or is to be a party and in which he has an interest which is, to his knowledge, a material interest (subject to certain exceptions). Specifically, Mr. Butt will be excluded from voting on Board matters that relate to OCI N.V.

Arif Naqvi acts as a director of the Company in his personal capacity and not as a representative of a significant shareholder.

16.6 Summary of Markets Rules in respect of related party contracts

Pursuant to the Market Rules, rule 3.5 concerning procedures for “Related Party Transactions” applies to the Company and each “Related Party”. In any Related Party Transaction of a listed company, the listed company must ensure that:

- (a) if the value of a Related Party Transaction is greater than 5% of value of the net assets of the listed company as stated in its most recent financial reports, it does not enter into such a transaction unless the transaction has been put to shareholder approval and has received prior approval by a majority of the shareholders in voting of the listed company; or
- (b) if the value of the Related Party Transaction is less than the 5% threshold referred to in (a), it gives to the DFSA a notice as soon as possible after the transaction of the relevant terms and the basis on which such terms are considered fair and reasonable, supported by a written confirmation by an independent third party acceptable to the DFSA; or
- (c) if the cumulative value of a series of Related Party Transactions with the same Related Party reaches the 5% threshold referred to in (a) in any 12 month period, unless the last of the series of the transactions has been put to shareholder approval and received approval by a majority of the shareholders in voting of the listed company.

A person is a “Related Party” to a listed company if that person:

- (a) is, or was within the 12 months before the date of the Related Party Transaction, either a Director or a person involved in the senior management of the listed company or a member of its group, or “Associate” of that Director or person; or
- (b) owns, or has owned within 12 months before the date of the Related Party Transaction, voting securities carrying more than 5% of the voting rights attaching to all the voting securities of either the listed company or a member of its group; or
- (c) is, or was within the 12 months before the date of the Related Party Transaction, a person exercising or having the ability to exercise significant influence over the Reporting Entity (this may include an advisor or consultant to the company) or an Associate of such a person.

The DFSA Glossary Module defines the term “Associate” as in respect of a person ‘A’, any person, including an affiliated company which is an undertaking in the same group as A or any other person whose business or domestic relationship with A or his Associate might reasonably be expected to give rise to a community of interest between them which may involve a conflict of interest in dealings with third parties.

Any of the following transactions is considered as a “Related Party Transaction”:

- (a) transaction between the listed company and a Related Party;
- (b) transaction under which the listed company invests in another undertaking or asset, or provides financial assistance to another undertaking, in which a Related Party also has a financial interest;
- (c) transaction between the listed company and any other person the purpose or effect of which is to benefit a Related Party; or
- (d) transaction of the kind referred to in (a) - (c) and is between a subsidiary of the listed company and a Related Party of the listed company.

The rules of “Related Party Transaction” do not apply if the transaction:

- (a) is made in the ordinary course of business and on commercial terms no less favourable than those of an arm’s length transaction with an unrelated party;

- (b) where it, or any series of transactions with the same Related Party in any 12 month period, does not exceed 0.25% of the value of the net assets of the listed company as stated in its most recent financial reports;
- (c) where it is made in accordance with the terms of an employee share scheme or other employee incentive scheme approved by the Board of directors of the listed company; or
- (d) where it involves the issue of new securities for cash or pursuant to the exercise of conversion or subscription rights attaching to securities issued to existing shareholders where the securities are traded on an authorised market institution (in this respect NASDAQ Dubai) or other regulated exchange.

17. CLEARING AND SETTLEMENT

Central Securities Depository

NASDAQ Dubai has outsourced certain clearing, settlement and depository functions to the DFM, pursuant to contractual agreements with the DFM, a securities exchange located in Dubai (outside of the DIFC). As a result of the outsourcing, investors are able to trade on both NASDAQ Dubai and the DFM using a single investor number. It should be noted that NASDAQ Dubai remains a separate company with its own NASDAQ Dubai Business Rules (the **Business Rules**) and members separate from those of the DFM.

All trading of shares admitted to trading on NASDAQ Dubai is now handled on the X-Stream trading platform. NASDAQ Dubai's trading hours are from 10:00 to 14:00 Dubai time, (Sunday to Thursday, excluding UAE public holidays). Settlement of securities trading on NASDAQ Dubai is governed by the Business Rules.

NASDAQ Dubai currently adopts a T+2 settlement cycle. Settlement of trades is the responsibility of the clearing members, in accordance with the Business Rules. NASDAQ Dubai clearing house becomes the central counterparty (CCP) to all on-exchange trades executed on the NASDAQ Dubai trading system and which are eligible to be cleared with NASDAQ Dubai.

Clearing and settlement of trades on NASDAQ Dubai may only be performed by NASDAQ Dubai clearing members and custodians. Each clearing member and custodian must have a bank guarantee and a cash account with a designated settlement bank for settlement purposes. Shares will be held under NINs as assigned by the DFM either to the holders directly or under custodian NINs in an omnibus-like manner and the ownership of the Shares will be evidenced by the holdings under each such NIN.

In order to obtain a NIN, investors must complete an Investor Data Entry Application Form and submit it to the DFM together with the relevant supporting documentation. Copies of the Investor Data Entry Application Form can be downloaded from the NASDAQ Dubai website (www.nasdaqdubai.com). For individuals, the required supporting documents are true copies of their passport, their UAE Family Book / Marsoom (for UAE nationals only), UAE national ID card (for UAE residents only) and/or UAE residence visa (for UAE residents who are not GCC nationals only). For corporate entities, funds and governmental bodies, the required supporting documents are true copies of their valid memorandum of association, trade licence and commercial register (or, in each case, equivalent documents), and authorised authenticated letter issued by the applicant and a true copy of the authorised signatory's valid passport and UAE national ID (for UAE residents only).

Delivery of Shares is expected to be made on the settlement date.

Please refer to the website of NASDAQ Dubai at www.nasdaqdubai.com for further details of trading and settlement of Shares.

Settlement of the Demerger Shares

In connection with the Demerger, OCI N.V. will have an omnibus account (with its own NIN) on NASDAQ Dubai CSD through EFG Hermes Brokerage UAE, LLC as a NASDAQ Dubai Member, on behalf of the Company. The Company will instruct NASDAQ Dubai to deposit the Shares in the OCI N.V. account maintained by EFG Hermes to such a time that the Demerger takes place. At the time of the Demerger, OCI N.V. and the Company will instruct EFG Hermes to transfer the Shares to either Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme clearing systems, or to the investors' direct NINs. EFG Hermes will then instruct NASDAQ Dubai to transfer Shares from the omnibus account to the respective Euroclear Bank S.A./N.V. or Clearstream Banking, société anonyme clearing systems or to other investor NINs. Accordingly, NASDAQ Dubai will be authorized to act on EFG Hermes' instructions.

NASDAQ Dubai

NASDAQ Dubai is a securities exchange located in the DIFC. NASDAQ Dubai, known as the Dubai International Financial Exchange (or the DIFX) prior to 18 November 2008, was incorporated as a limited liability company under the DIFC Companies Law on 29 September 2004 and commenced operations on 26 September 2005. NASDAQ Dubai is now two-thirds owned by the DFM and one-third owned by Borse Dubai Limited. NASDAQ Dubai is licenced by the DFSA to operate as an Authorised Market Institution (under the DFSA Authorised Market Institution Rules). NASDAQ Dubai is governed by the Markets Law.

One of the conditions for maintaining a licence from the DFSA is that NASDAQ Dubai must operate a fair and informed market. Currently, 8 companies have their shares or other equity securities admitted to trading on the exchange. The total trading volume for 2014, 2013 and 2012 was USD 1,446,834,395, USD 633,290,350 and USD 508,789,126 respectively. As at 31 December 2014, the market capitalisation of equity securities listed on NASDAQ Dubai was approximately USD 18,272,263,294.

NASDAQ Dubai implemented the Business Rules and that included the Listing Rules. In October 2011, the listing authority function reverted to the DFSA and the DFSA adopted the Listing Rules (now known as the Markets Rules). The Business Rules govern membership of NASDAQ Dubai, including eligibility requirements for financial institutions, categories of membership, rights and obligations of members and the process for membership applications. The Business Rules also govern procedures, responsibilities and fees regarding clearing and settlement of securities traded on NASDAQ Dubai. The Business Rules incorporate NASDAQ Dubai's Admission and Disclosure Standards adopted on 12 August 2012. The Markets Rules govern the listing of equity, debt and other securities on NASDAQ Dubai, covering such areas as eligibility of issuers for listing, the listing application process, continuing obligations following a listing and sanctions for non-compliance with the Markets Rules. The Business Rules are available on the website of NASDAQ Dubai at www.nasdaqdubai.com and the Markets Rules are available on the website of the DFSA at www.dfsa.ae. Neither the Sponsor, the Joint Financial Advisors, EFG-Hermes Promoting and Underwriting nor the Company have independently verified the information contained on NASDAQ Dubai's or the DFSA's websites and the Sponsor, the Joint Financial Advisors, EFG-Hermes Promoting and Underwriting and the Company can provide no assurance as to the accuracy or completeness of such information. The information contained on NASDAQ Dubai's and the DFSA's websites are not incorporated by reference into, or otherwise included in, this Prospectus.

NASDAQ Dubai is governed by its board of directors, comprised of seven (7) directors, four (4) of which are independent non-executive directors, and three standing committees: the audit and risk management committee, the market oversight committee and the nomination and remuneration committee, all of which have formal charters. The audit and risk management committee is responsible for the independent and objective oversight of NASDAQ Dubai's internal control and risk management systems, internal compliance, governance issues, financial reporting, external and internal auditors and financial controls. The market oversight committee is responsible for the independent oversight of the markets authority function, including its listings authority, surveillance, compliance and enforcement functions. It also supervises the regulatory functions carried out by other areas of NASDAQ Dubai, including the application of NASDAQ Dubai's rules, Members' conduct of business and the regulatory aspects of the clearing and settlement functions. The nomination and remuneration committee responsible for independent oversight relating to appointment and remuneration matters of the directors and senior management. It is responsible for recommending new members to the board, succession planning for the board and senior management, performance evaluation of the board and key executives including the chief executive officer, remuneration of directors and senior management, and overall employee benefit structures.

DIFC

We are a company limited by shares incorporated in the DIFC. The DIFC is a financial free zone with its own civil and commercial laws established in 2004 in the emirate of Dubai. The DIFC has been granted authority to self-legislate in civil and commercial areas. Companies operating in the DIFC are subject to the DIFC Companies Law including the relevant laws and regulations relating to takeovers. Financial services in the DIFC are governed by the DIFC Regulatory Law No. 1 of 2004, which also governs the operation of the DFSA, a financially and administratively independent body created by Law No. 9 of 2004 issued by the Ruler of Dubai on 13 September 2004, (the DIFC Law) that acts as the independent financial regulator in the DIFC. Legislation, rules and regulations governing companies incorporated in the DIFC and financial activities in the DIFC are available on the websites of the DIFC and DFSA at www.difc.ae and www.dfsa.ae. None of the Sponsor, the Joint Financial Advisors, EFG-Hermes Promoting and Underwriting nor we have independently verified the information contained on these websites and we can provide no assurance as to the accuracy or completeness of such information and do not incorporate the information contained on these websites into, or otherwise include it in this Prospectus.

Enforceability of DIFC judgments in Egypt

Pursuant to the Egyptian Civil and Commercial Procedures Code (the CCCP), foreign judgments are enforceable in Egypt provided certain conditions are satisfied. However, in the event a bilateral treaty on

the recognition and enforcement of foreign judgments exists between Egypt and the relevant other state, the provisions of the said treaty shall apply and shall not be prejudiced by the relevant articles of the CCCP.

Given that a bilateral treaty on the legal and judicial cooperation between the United Arab Emirates and the Arab Republic of Egypt exists and has been concluded on 5 February 2000 (the **Treaty**), the Treaty provisions shall apply to recognition and enforcement of judgments rendered by the UAE courts in Egypt and by the Egyptian courts in the UAE.

According to the provisions of the Treaty, judgments issued by either contracting party shall be recognized by the other party, including but not limited to judgments having *res judicata* related to civil matters, including civil matters in criminal proceedings, and final judgments in commercial matters, in cases where the issuing courts are deemed to have jurisdiction in accordance with the rules of international jurisdiction in the country where recognition and enforcement is sought or in accordance with the provisions of the Treaty (the **Recognizing/Enforcing Country**) and where the legal system of the Recognizing/Enforcing Country does not consider its courts to have exclusive jurisdiction to render the judgment.

However, recognition and enforcement does not apply to matters related to the following: (i) interim or conservatory measures, tax and duties, bankruptcy or settlement in aversion of bankruptcy or any similar procedures; and (ii) judgments where recognition and enforcement thereof are in contravention of other prior and enforceable international treaties entered into by the contracting party.

The court in charge of recognition and enforcement procedures in the Recognizing/ Enforcing Country shall only verify that the conditions necessary for recognition and enforcement outlined under the Treaty have been met, without assessing the merits of the case.

Summary of the relevant provisions of the Treaty:

Article 26 of Chapter 5 of the Treaty regulates recognition and enforcement of judgments issued with regards to civil and commercial matters in the following manner:

Judgments issued by either contracting party shall be recognized by the other party, including but not limited to: *res judicata* judgments related to civil matters, including civil matters in criminal proceedings, and final judgments in commercial matters and domestic relations in cases where the issuing courts are deemed to have jurisdiction in accordance with the rules of international jurisdiction in the country where recognition and enforcement are sought or in accordance with the provisions of the Treaty (the Recognizing/Enforcing Country) and where the legal system of the Recognizing/Enforcing Country does not consider its courts to have exclusive jurisdiction to render the judgment.

However, recognition and enforcement does not apply to matters related: (i) interim or conservatory measures, tax and duties, bankruptcy or settlement in aversion of bankruptcy or any similar procedures; and (ii) judgments where recognition and enforcement thereof are in contravention of other prior and enforceable international treaties entered into by the contracting party.

Furthermore, Article 28 of the Treaty gives exclusive jurisdiction to courts where an immovable is located in so far as the dispute pertains to rights in rem over such immovable.

Pursuant to Article 29 of the Treaty, other than matters outlined under Article 28, courts of a contracting state shall have jurisdiction if:

- the defendant or its place of residence, or its residence or branch of industrial or commercial nature and the like, subject of the dispute, are in the Recognizing/Enforcing Country;
- the contractual obligation subject of the dispute is executed or executable, in part or in whole, in the Recognizing/Enforcing Country, or explicitly or implicitly sought to be carried out in the Recognizing/Enforcing Country by virtue of an agreement between the claimant and the defendant;
- the act giving rise to liability, in the case of tortious liability, has taken place in the Recognizing/Enforcing Country;
- the defendant explicitly or implicitly agrees to be subject to the jurisdiction of courts of the Recognizing/Enforcing Country and where laws of the Recognizing/Enforcing Country do not contravene with such agreement;
- the defendant has submitted its defense in the Recognizing/Enforcing Country without filing for lack of jurisdiction grounds in relation thereto;

- the dispute is related to incidental claims and other courts of the Recognizing/Enforcing Country were deemed to have jurisdiction with regards to reviewing the principal claim; and
- the defendant is an agent in the Recognizing/Enforcing Country at the time acts related to agency were taken in relation thereto.

Finally, pursuant to Article 31 of the Treaty, recognition and enforcement of foreign judgments may be refused if:

- the recognition and enforcement of judgments are held contrary to the constitution or public policy and morality of the Recognizing/Enforcing Country;
- the rules of the Recognizing/Enforcing Country are breached with regards to the legal representation of persons lacking capacity in part or in whole;
- the defendant was not duly notified in relation to judgments issued in its absence;
- the dispute subject to the judgment to be recognized and enforced, is the subject of another judgment on the merits having res judicata and issued in relation to the same parties, and the same right, with respect to its object and cause, in the Recognizing/Enforcing Country or in a third country having its said judgment recognized in the Recognizing/Enforcing Country.
- parallel proceedings are conducted, whereby the dispute subject to the judgment seeking recognition, is in fact being reviewed by courts of the Recognizing/Enforcing Country between the same parties and upon the same right, and has been filed before the courts of the Recognizing/Enforcing Country at a prior date to filing of the dispute before the courts which issued the judgment seeking recognition/enforcement;
- the judgment seeking recognition/ enforcement is not final or enforceable as per laws of the country where it was issued; and
- the court which issued the said judgment is deemed to lack jurisdiction pursuant to Article 29 herein above.

The court in charge of recognition and enforcement procedures in the Recognizing/ Enforcing Country shall only verify that the conditions necessary for recognition and enforcement outlined under the Treaty have been met, without assessing the merits of the case.

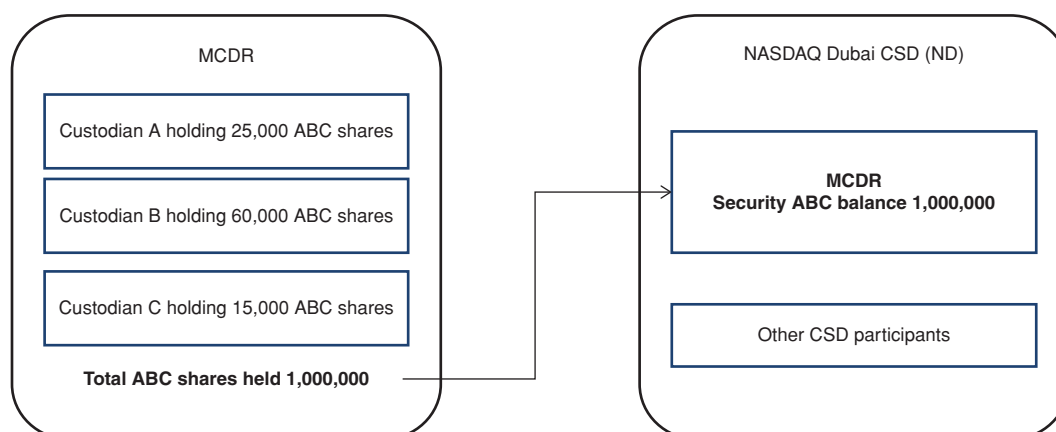
Mechanism for holding Shares in the NASDAQ Dubai CSD and MCDR and transfer process

All Shares in the Company will be held in the NASDAQ Dubai CSD and registered in the name of NASDAQ Dubai Guardian Limited. For those investors wishing to hold some or all of their Shares in MCDR, MCDR will maintain a direct account with the NASDAQ Dubai CSD to immobilize such Shares in NASDAQ Dubai CSD on behalf of MCDR participants. Corresponding credits for such Shares will be provided to MCDR participants in their accounts held with MCDR. This service will enable MCDR participants to access securities issued in the NASDAQ Dubai CSD.

Please note that in all cases of transfers of Shares referred to in this section, there should not be any change or difference, or purported change or difference, in the beneficial owner of the Shares before and after transfer.

Please note that the Share transfer process and/or fees payable upon such Share transfer are subject to change. For further information or copies of the relevant Share transfer forms, please contact your depository agent in the NASDAQ Dubai CSD and your depository agent in MCDR with whom you have opened a CDS account. For the avoidance of doubt, all fees and taxes (including stamp duties) incurred during the Share transfer process shall be borne by the relevant Shareholder.

The following diagram summarises the mechanism for holding Shares in the NASDAQ Dubai CSD and MCDR:



MCDR maintains an omnibus account at **NASDAQ Dubai** to hold and immobilize shares issued in NASDAQ Dubai CSD, and maintains segregated accounts at its own CSD in Dubai.

Transfer of Shares from MCDR to the NASDAQ Dubai CSD and subsequent trading on NASDAQ Dubai

An investor whose Shares are held in a securities account with MCDR and who wishes to sell some or all of their Shares on NASDAQ Dubai must first arrange to transfer the number of Shares subject to the transfer into their securities account with the NASDAQ Dubai CSD.

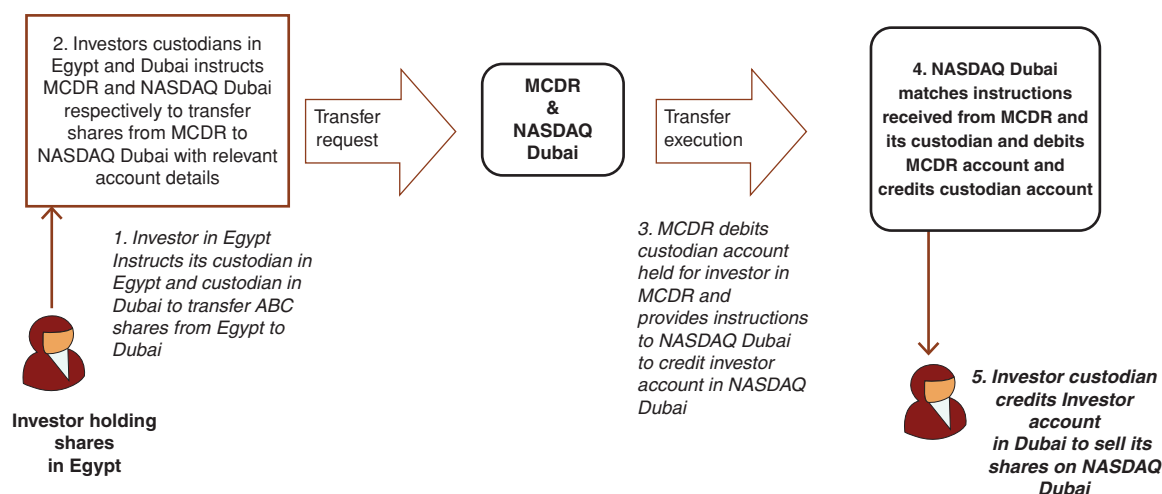
Please follow the procedures set out below:

- You must provide a transfer instruction to the NASDAQ Dubai CSD through your depository agent in NASDAQ Dubai CSD to receive the transfer of the number of Shares subject to the transfer from the MCDR account.
- You must provide a transfer instruction to MCDR through your depository agent in MCDR to transfer the number of Shares subject to the transfer from your securities account with MCDR into your securities account with the NASDAQ Dubai CSD.
- The relevant forms and transfer process will be made available to you by your respective depository agents in the NASDAQ Dubai CSD and MCDR.

The NASDAQ Dubai CSD and MCDR will verify and reconcile the two transfer instructions in relation to the Shares to be transferred and in the event of any discrepancy, they are entitled to return the relevant documents and not proceed with the proposed transfer. For all valid transfer instructions, the NASDAQ Dubai CSD and MCDR will provide confirmations to your respective depository agents in the NASDAQ Dubai and MCDR. You should note that the process to transfer some or all of your Shares from MCDR to the NASDAQ Dubai CSD will take at least one market day (being a business day on which both the MCDR and the NASDAQ Dubai CSD are open for business) to complete. Shareholders are advised to ensure such Share transfers are completed before they trade their Shares on NASDAQ Dubai.

Egyptian investors will be subject to applicable procedures of EFSA and the Central Bank of Egypt.

The following diagram summarises the process for transferring Shares from MCDR to the NASDAQ Dubai CSD:



Transfer of Shares from the NASDAQ Dubai CSD to MCDR and subsequent trading on the EGX

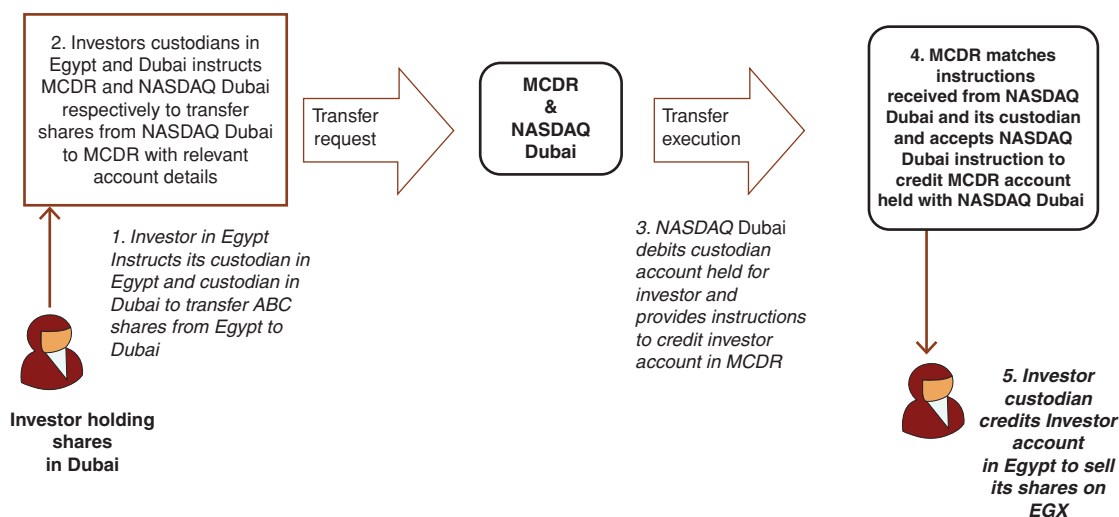
Investors whose Shares are held in their securities account with the NASDAQ Dubai CSD and who wish to sell some or all of their Shares on the EGX must first arrange to transfer the number of Shares subject to the transfer into their securities account with MCDR.

Please follow the procedures set out below:

- You must provide a transfer instruction to MCDR through your depository agent in MCDR with which you have a CSD account to receive the transfer of the number of Shares subject to the transfer from the NASDAQ Dubai CSD account.
- You must provide a transfer instruction to NASDAQ Dubai through your depository agent in NASDAQ Dubai to transfer of the number of Shares subject to the transfer from your securities account with the NASDAQ Dubai CSD into your securities account with MCDR.
- The relevant forms and transfer process will be made available to you by your respective depository agents in the NASDAQ Dubai CSD and MCDR.

The NASDAQ Dubai CSD and MCDR will verify and reconcile the two transfer instructions in relation to the Shares to be transferred and in the event of any discrepancy, they are entitled to return the relevant documents and not proceed with the proposed transfer. For all valid transfer instructions, the NASDAQ Dubai CSD will provide confirmations to your respective depository agents in the NASDAQ Dubai CSD and MCDR. You should note that the process to transfer some or all of your Shares from the NASDAQ Dubai CSD to MCDR will take at least one market day (being a business day on which both the MCDR and the NASDAQ Dubai CSD are open for business) to complete. Shareholders are advised to ensure such Share transfers are completed before they trade their Shares on the EGX.

The following diagram summarises the process for transferring Shares from the NASDAQ Dubai CSD to MCDR:



MCDR

Misr for Central Clearing, Depository and Registry (**MCDR**) acts as the central depository for all securities in Egypt. MCDR is also the sole entity authorized to perform the clearing and settlement for all the shares traded on the EGX. MCDR has established a paperless clearing and settlement system allowing securities to be transferred without the need to use share certificates. Clearing and settlement is done on a delivery versus payment basis.

Settlement and clearance of the Shares on the EGX

Egypt is a beneficiary owner market. Accordingly, all investors in Shares must have established a valid client specific custody account with a local custodian authorized by EFSA in Egypt (a **Local Custodian**) and must have a unique, personalised stock exchange code for the EGX (a **Unified Code**). Investors will need to provide, among other things, information as to their legal name and any sub-account details, together with details of their custody account and their Unified Code when submitting a request for an allocation of Shares. Accordingly, requests for an allocation of Shares can only be accepted from an investor if such investor has a valid custody account open with an Egyptian custodian. Investors should contact their global custodian to set up a custody account in Egypt. It can take up to two weeks to set up such an account. All transfers of ownership of the Shares must be executed on the EGX by an EFSA licensed broker. Ownership of the Shares and transfer of such ownership are evidenced through the records of the MCDR. Transfer of the Shares will settle in same day funds. Settlement of share transfers on the EGX occurs on a delivery versus payment basis, with transfers of dematerialised securities such as the Shares settling at T+2. Non-Egyptian purchasers of Shares must arrange for their Shares to be delivered in their Local Custodian. The Local Custodian designated by the purchaser will hold the Shares in accordance with the purchaser's instructions. The purchasers of the Shares wishing to sell their Shares must instruct an EGX licensed broker to block such Shares. The broker then effects such sale through the EGX and will register such transfer on the registry.

Egypt's trading and settlement mechanisms have been significantly improved over the past few years. A computerized trading system at the EGX allows for automatic electronic matching of bids and offers. The electronic trading system links the EGX and allows brokers remote access to the trading floor. It also links all independent bookkeeping activities to the MCDR, which helps ensure greater speed and efficiency in the settlement process. Trading on the EGX takes place between 10:00 a.m. and 2:30 p.m., Sunday through Thursday, excluding official public holidays.

During each trading session, the price of the stocks is restricted to a 10% ceiling and floor from its previous closing price. The EGX removes the price restrictions on the request of a broker who is willing to effect a transaction above the ceiling or below the floor, provided the pricing committee at the EGX approves. The closing price of traded shares is determined by calculating a volume weighted average price of the traded shares for the session. Cumulative transactions below 100 shares do not affect the closing price of the relevant underlying security.

Brokerage commissions for transactions are not fixed by the EGX or other regulatory bodies, but instead vary depending on the size of the transaction and the brokerage house executing the trade.

18. TAXATION

The following is a general summary of certain tax consequences of the acquisition, ownership and disposition of the Shares based on the tax laws of the DIFC, the Netherlands, and Egypt as in effect of the date of this Prospectus and is subject to change in the tax laws of the DIFC, the Netherlands, the UK and Egypt, including changes that could have a retrospective effect. It is not a complete analysis of all of the potential tax effects relevant to a decision to invest in the Shares. The following discussion does not take into account or discuss the tax laws of any jurisdiction other than the DIFC, the Netherlands, the UK and Egypt, nor does it take into account investors' individual circumstances. Investors are advised to consult their own tax advisors as to the DIFC, the Netherlands, the UK and Egypt or other tax consequences of the acquisition, ownership and disposition of Shares.

18.1 DIFC taxation

No UAE level taxes apply to the Company or the holders of Shares in the DIFC, including withholding tax on dividends, capital gains tax, stamp duty or any other tax.

As a company domiciled in the DIFC, the Company is subject to a zero rate of corporate income tax for 50 years starting from date of the establishment of the DIFC which was 13 September 2004, including the income tax relating to our business operations in the DIFC. This zero tax rate also applies to transfers of assets, profits or salaries in any currency to any party outside the DIFC for 50 years from 13 September 2004.

18.2 The Netherlands tax considerations

(a) General

The following summary outlines the principal Netherlands tax consequences of the acquisition, holding, redemption and disposal of Shares, but does not purport to be a comprehensive description of all Netherlands tax considerations that may be relevant. For purposes of Netherlands tax law, a holder of Shares may include an individual or entity who does not have the legal title of such Shares, but to whom nevertheless the Shares or the income thereof is attributed based on specific statutory provisions or on the basis of such individual or entity having an interest in the Shares or the income thereof. This summary is intended as general information only for holders of Shares who are residents or deemed residents of the Netherlands for Netherlands tax purposes. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Shares.

This summary is based on tax legislation, published case law, treaties, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

(b) Exclusions

This summary does not address the Netherlands tax consequences for:

- (i) investment institutions (*fiscale beleggingsinstellingen*);
- (ii) pension funds, exempt investment institutions (*vrijgestelde beleggingsinstellingen*) or other entities that are not subject to or exempt from Netherlands corporate income tax;
- (iii) corporate holders of Shares which qualify for the participation exemption (*deelnemingsvrijstelling*). Generally speaking, a shareholding is considered to qualify as a participation for the participation exemption if it represents an interest of 5% or more of the nominal paid-up share capital and if it is not held as an investment (or if it held as an investment, the participation satisfies the conditions for a qualifying investment participation);
- (iv) holders of Shares holding a substantial interest (*aanmerkelijk belang*) or deemed substantial interest (*fictief aanmerkelijk belang*) in the Company and holders of Shares of whom a certain related person holds a substantial interest in the Company. Generally speaking, a substantial interest in the Company arises if a person, alone or, where such person is an individual, together with his or her partner (statutory defined term), directly or indirectly, holds or is deemed to hold (i) an interest of 5% or more of the total issued capital of the Company or of 5% or more of the issued capital of a

certain class of shares of the Company, (ii) rights to acquire, directly or indirectly, such interest or (iii) certain profit sharing rights in the Company;

- (v) persons to whom the Shares and the income from the Shares are attributed based on the separated private assets (*afgezonderd particulier vermogen*) provisions of the Netherlands Income Tax Act 2001 (*Wet inkomstenbelasting 2001*) and the Netherlands Gift and Inheritance Tax Act 1956 (*Successiewet 1956*);
- (vi) entities which are a resident of Aruba, Curacao or Sint Maarten that have an enterprise which is carried on through a permanent establishment or a permanent representative on Bonaire, Sint Eustatius or Saba and the Shares are attributable to such permanent establishment or permanent representative;
- (vii) holders of Shares which are not considered the beneficial owner (*uiteindelijk gerechtigde*) of these Shares or the benefits derived from or realised in respect of these Shares; and
- (viii) individuals to whom Shares or the income therefrom are attributable to employment activities which are taxed as employment income in the Netherlands.

For the purpose of the Netherlands tax consequences described herein, it is assumed that the Company is neither a resident of the Netherlands nor deemed to be a resident of the Netherlands for Netherlands tax purposes.

Where this summary refers to the Netherlands, such reference is restricted to the part of the Kingdom of the Netherlands that is situated in Europe and the legislation applicable in that part of the Kingdom.

(c) Netherlands withholding tax

All payments made by the Company under the Shares may be made free of withholding or deduction for any taxes of whatsoever nature imposed, levied, withheld or assessed by the Netherlands or any political subdivision or taxing authority thereof or therein.

(d) Netherlands corporate and individual income tax

If a holder of Shares is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands corporate income tax purposes and is fully subject to Netherlands corporate income tax or is only subject to Netherlands corporate income tax in respect of an enterprise to which the Shares are attributable, income derived from the Shares and gains realised upon the redemption, settlement or disposal of the Shares are generally taxable in the Netherlands (up to a maximum rate of 25%).

If an individual is a resident of the Netherlands or deemed to be a resident of the Netherlands for Netherlands individual income tax purposes income derived from the Shares and gains realised upon the redemption, settlement or disposal of the Shares are taxable at the progressive rates (up to a maximum rate of 52%) under the Netherlands Income Tax Act 2001, if:

- (i) the individual is an entrepreneur (*ondernemer*) and has an enterprise to which the Shares are attributable or the individual has, other than as a shareholder, a co-entitlement to the net worth of an enterprise (*medegerechtigde*), to which enterprise the Shares are attributable; or
- (ii) such income or gains qualify as income from miscellaneous activities (*resultaat uit overige werkzaamheden*), which includes activities with respect to the Shares that exceed regular, active portfolio management (*normaal, actief vermogensbeheer*).

If neither condition (i) nor condition (ii) above applies, an individual that holds the Shares must determine taxable income with regard to the Shares on the basis of a deemed return on income from savings and investments (*sparen en beleggen*), rather than on the basis of income actually received or gains actually realised. This deemed return on income from savings and investments has been fixed at a rate of 4% of the individual's yield basis (*rendementsgrondslag*) at the beginning of the calendar year (1 January), insofar as the individual's yield basis exceeds a certain threshold (*heffingvrij vermogen*). The individual's yield basis is determined as the fair market value of certain qualifying assets held by the individual less the fair market value of certain qualifying liabilities (whereby liabilities are only taken into account if they in total exceed a certain threshold) on 1 January of the relevant fiscal year. The fair market value of the Shares will be included as an asset in the individual's yield basis. The 4% deemed return on income from savings and investments is taxed at a rate of 30%.

(e) Netherlands gift and inheritance tax

Netherlands gift or inheritance taxes will not be levied on the occasion of the transfer of the Shares by way of gift by, or on the death of, a holder of the Shares, unless:

- (i) the holder of the Shares is, or is deemed to be, resident in The Netherlands for the purpose of the relevant provisions; or
- (ii) the transfer is construed as an inheritance or gift made by, or on behalf of, a person who, at the time of the gift or death, is or is deemed to be resident in The Netherlands for the purpose of the relevant provisions.

(f) Netherlands value added tax

In general, no value added tax will arise in respect of payments in consideration for the issue of the Shares or in respect of a cash payment made under the Shares, or in respect of a transfer of Shares.

(g) Other Netherlands taxes and duties

No registration tax, customs duty, transfer tax, stamp duty, capital tax or any other similar documentary tax or duty will be payable in the Netherlands by a holder in respect of or in connection with the subscription, issue, placement, allotment, delivery or transfer of the Shares.

18.3 Egyptian taxation

(a) General

The following summary outlines the principal Egyptian tax consequences of the acquisition, holding, redemption and disposal of Shares, but does not purport to be a comprehensive description of all Egyptian tax considerations that may be relevant. This summary is intended as general information only and each prospective investor should consult a professional tax adviser with respect to the tax consequences of the acquisition, holding, redemption and disposal of Shares.

This summary is based on Egyptian tax legislation, regulations and published policy, in each case as in force as of the date of this Prospectus, and it does not take into account any developments or amendments thereof after that date whether or not such developments or amendments have retroactive effect.

Taxable income

Sourcing of income is relevant for taxation of individuals and legal entities in Egypt. Resident individuals are taxed on Egyptian sourced of income or income earned outside Egypt if Egypt is the centre of their commercial, industrial or professional activities. Tax would apply to non-resident natural persons for their income earned in Egypt.

Resident legal entities are taxed on a worldwide basis with foreign tax credit available to offset foreign tax. Egyptian source income includes the capital gains realized from the disposal of securities listed in the Egyptian Exchange and the capital gains realized from the disposal of the securities of resident Egyptian companies unlisted on the Egyptian Exchange regardless of them being listed or unlisted abroad.

Tax year end accounting

The tax year is the calendar year, unless the companies choose a different year subject to approval of the tax authority. Permanent establishments are required to keep books of account and to produce a balance sheet, a profit and loss account and a cash flow statement at financial year end which must be audited by a locally-certified auditor. The income tax declaration must be filed within four (4) months from the end of the financial year. Taxable profits and losses shall be generated from the commercial books of account. The ITL requires a number of adjustments to the commercial books of account. These provisions extend to e.g. depreciation, provisions, limitation of deductions with respect to interest expense etc.

(b) Dividends

Dividends paid by the Company to its shareholders (non-resident natural person and to a corporate body either resident or non-resident) will be subject to withholding tax at a rate that differs depending on the percentage of shareholding in the distributing Company except for dividends in the form of bonus shares. Shareholders holding more than 25% or more of the share capital or the voting rights are subject to a

dividend tax at a rate of 5% of the distributed dividend, provided they hold the shares for minimum two years, and shareholders holding less than 25% or less (or holds 25% for less than two years) are subject to the flat rate of 10%.

Dividends received by resident parent and holding companies from resident and/or non-resident subsidiaries are exempt from tax after adding 10% to the taxable income of the parent/holding company and subject to income tax to cover non-deductible costs, provided:

- i. The company holds a minimum 25% of the share capital participation or voting rights of the distributing entity, and
- ii. Such participations are held for a minimum of two years or committed to be retained for two years from the date of acquisition of the shares or the voting rights.

(c) Taxation of capital gains

Capital gains realized by a resident individual shareholder from a disposal of listed securities on the EGX are taxable at a rate of 10% without deducting any expenses.

Capital gains realized by a resident corporate body (shareholder) from a disposal of listed securities on the EGX are taxable at a rate of 10% of the net capital gains without deducting any expenses.

Capital gains realized by a non-resident natural person or a corporate body from the disposal of securities are subject to tax at the rate of 10% of the net capital gain of the portfolio at the year-end on the difference between the selling price and the acquisition cost after deducting the brokerage commission, noting that, an amount of six (6%) per cent of the imposed tax should be withheld on account by the entity executing the transfer operation (i.e. MCDR). MCDR is required to make two settlements, one on quarterly basis and the other at the year-end.

Capital losses resulting from disposal of securities are deductible up to the amount of the capital gains achieved as a result of disposal of securities in the same tax year. In case the realized capital loss is higher than the realized capital gain during the tax year, then the capital losses are carried forward for up to three years.

18.4 United Kingdom taxation

(a) General

The following statements are intended to apply only as a general guide to certain UK tax considerations, and are based on current UK tax law and current published practice of HM Revenue and Customs (HMRC), both of which are subject to change at any time, possibly with retrospective effect. They relate only to certain limited aspects of the UK taxation treatment of Shareholders who are resident and, in the case of individuals, domiciled in (and only in) the UK for UK tax purposes (except to the extent that the position of non-UK resident Shareholders is expressly referred to), who hold the Shares as investments (other than under an individual savings account or a self-invested personal pension) and who are the beneficial owners of both the Shares and any dividends paid on them. The statements may not apply to certain classes of Shareholders such as (but not limited to) persons who acquired their Shares in connection with an office or employment, dealers in securities, insurance companies, collective investment schemes and persons who either directly or indirectly control or hold, either alone or together with one or more associated or connected persons, 10% or more of the issued Shares, of the entire issued share capital, of the voting power or of the rights to profits or capital of the Company.

Shareholders who are in any doubt as to their tax position regarding the offer or ownership and disposition of the Shares or who are subject to tax in a jurisdiction other than the UK are strongly recommended to consult their own tax advisers.

(b) Dividends

Dividends paid by the Company will not be subject to any withholding or deduction for or on account of UK tax, irrespective of the residence or particular circumstances of the Shareholders.

Individuals

An individual Shareholder who is resident in the UK may, depending on his or her particular circumstances, be subject to UK income tax on dividends received from the Company. An individual

Shareholder who is not resident in the UK should not be chargeable to UK income tax on dividends received from the Company, unless he or she carries on (whether solely or in partnership) any trade, profession or vocation in the UK through a branch or agency to which the Shares are attributable. Subject to certain conditions, the liability to income tax of an individual Shareholder who is resident in the UK is calculated on the aggregate of the amount of the dividend (the **declared dividend**) and the UK tax credit (such aggregate being the **gross dividend**), which will be regarded as the top slice of the individual's income. The UK tax credit will be equal to 10% of the gross dividend (i.e. the UK tax credit will be one-ninth of the amount of the declared dividend).

An individual Shareholder who is not liable to income tax in respect of the declared dividend will not be entitled to reclaim any part of the UK tax credit. An individual Shareholder who is liable to income tax at the basic rate will be subject to income tax on the gross dividend at the rate of 10% of the gross dividend, such that the UK tax credit will satisfy in full such Shareholder's liability to income tax on the dividend.

An individual Shareholder who is liable to income tax at the higher rate will generally be subject to income tax on the gross dividend at the rate of 32.5% of the gross dividend, but will be able to set the UK tax credit off against part of his liability. The effect of the set off of the UK tax credit is that such a Shareholder will have to account for additional tax equal to one-quarter of the declared dividend.

An individual Shareholder who is liable to income tax at the additional rate will be subject to income tax at the rate of 37.5% on the gross dividend, but will be able to set the UK tax credit off against part of this liability. The effect of that set off of the UK tax credit is that such a Shareholder will have to account for additional tax equal to approximately 30.6% of the declared dividend.

Companies

Shareholders within the charge to UK corporation tax which are "small companies" for the purposes of Chapter 2 of Part 9A of the Corporation Tax Act 2009 (**CTA 2009**) will not be subject to UK corporation tax on dividends received from the Company.

Other Shareholders within the charge to UK corporation tax will not be subject to UK corporation tax on dividends received from the Company so long as the dividends fall within an exempt class and certain conditions are met. For example, dividends paid on Shares that are "ordinary shares" and are not "redeemable" (as those terms are used in Chapter 3 of Part 9A CTA 2009), and dividends paid to a person holding less than 10% of the issued share capital of the payer (or any class of that share capital) should generally fall within an exempt class. The exemptions are not comprehensive and are subject to anti-avoidance rules. If the conditions for exemption are not met or cease to be satisfied, or such a Shareholder elects for an otherwise exempt dividend to be taxable, the Shareholder will be subject to UK corporation tax on dividends received from the Company, at the rate of corporation tax applicable to that Shareholder.

(c) Taxation of capital gains

A disposal of the Shares by a Shareholder who is at any time in the relevant UK tax year resident in the UK for tax purposes, may, depending on the Shareholder's particular circumstances (including the tax base cost of the Shares and any available exemptions or reliefs), give rise to a chargeable gain or allowable loss for the purposes of UK taxation of capital gains.

Individuals

For individual Shareholders, the principal factors that will determine the UK capital gains tax position on a disposal or deemed disposal of Shares are the extent to which the Shareholder realises any other capital gains in the UK tax year in which the disposal is made, the extent to which the Shareholder has incurred capital losses in that or earlier UK tax years, and the level of the annual allowance of tax-free gains in that UK tax year (the annual exemption). The annual exemption for the 2014/15 UK tax year is £11,000.

If, after all allowable deductions, an individual Shareholder's taxable income for the year exceeds the basic rate UK income tax limit, a taxable chargeable gain accruing on a disposal or deemed disposal of the Shares would be taxed at 28%. Otherwise, such a gain may be taxed at 18% or 28% or a combination of both rates.

An individual Shareholder who ceases to be resident in the UK and disposes of his or her Shares during the period of non-residence may be liable to UK capital gains tax on his or her return to the UK in respect

of a chargeable gain accruing on the disposal under certain anti-avoidance rules. An individual Shareholder who is not resident in the UK should otherwise not be chargeable to UK capital gains tax on chargeable gains arising on the disposal of his or her Shares unless the Shareholder carries on (whether solely or in partnership) a trade, profession or vocation in the UK through a branch or agency to which the Shares are attributable.

Companies

A disposal or deemed disposal of Shares by a Shareholder that is within the charge to UK corporation tax may, depending on its particular circumstances (including the tax base cost of the Shares and any available exemptions or reliefs), give rise to a chargeable gain or an allowable loss for the purposes of UK corporation tax. Corporation tax is charged on chargeable gains at the rate applicable to that company. Shareholders within the charge to UK corporation tax will, for the purposes of computing chargeable gains, be allowed to claim an indexation allowance which applies to reduce capital gains (but not to create or increase an allowable loss) to the extent that such gains arise due to inflation.

A corporate Shareholder that is not resident in the UK should not be liable to UK corporation tax on chargeable gains accruing on the disposal of its Shares unless it carries on (whether solely or in partnership) a trade in the UK through a permanent establishment to which the Shares are attributable.

(d) Stamp duty and stamp duty reserve tax

The following statements about UK stamp duty and stamp duty reserve tax (**SDRT**) apply regardless of whether or not a Shareholder is resident or domiciled in the UK.

No SDRT will be payable on the issue of the Shares or on any transfer of the Shares, provided that the Shares are not registered in a register kept in the UK. It is not intended that such a register will be kept in the UK.

No stamp duty will be payable on the issue of the Shares. No stamp duty will be payable on a transfer of the Shares provided that (i) any instrument of transfer is not executed inside the UK, and (ii) such instrument of transfer does not relate to any property situated, or any matter or thing done or to be done, in the UK.

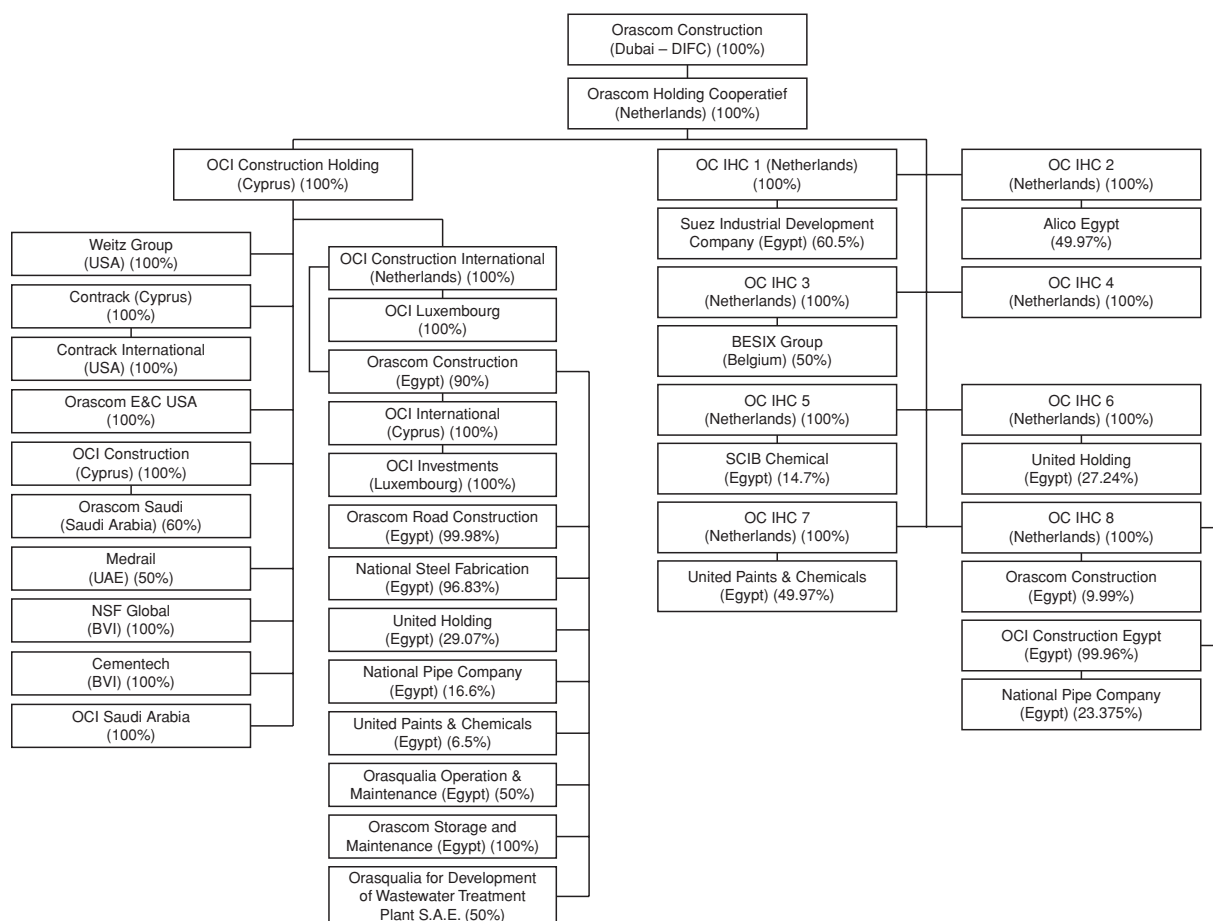
19. GENERAL INFORMATION

19.1 Information in relation to the Company

The Company was incorporated as a company limited by shares in the DIFC on 18 January 2015 under the DIFC Companies Law under the name “Orascom Construction Limited” with registered number 1752. The registered office of the Company is situated at Office 11, First Floor, Gate Village Building 3, DIFC, Dubai, UAE with telephone number +971 440 192 41. The Company does not have a different commercial name. As at the date of this Prospectus, the Company has not traded or entered into material commercial agreements except as disclosed in this Prospectus and has no liabilities or obligations other than its paid up share capital and those liabilities or obligations imposed upon it solely by virtue of its incorporation.

19.2 Legal structure

The Company is the ultimate holding company in the Group. The following is a simplified legal structure chart for the Group:



19.3 Significant subsidiaries

The Company is the holding company of a Group that includes the following significant subsidiaries, joint ventures, associates and affiliates (held directly or indirectly by the Company) as at the date of this Prospectus:

Companies	Country	Percentage of interest	Consolidation Method
Construction segment of OCI S.A.E.	Egypt	99.84	Full
Orascom Construction S.A.E.	Egypt	99.90	Full
Cementech Limited	BVI	100.00	Full
BESIX Group	Belgium	50.00	Equity
Orascom Construction Industries—Algeria S.P.A.	Algeria	99.94	Full
Orascom Construction Industries—Nigeria Limited	Nigeria	99.90	Full
Orascom Construction Industries—Pakistan (Private) Limited	Pakistan	100.00	Full
OCI Saudi Arabia Limited Company	Saudi Arabia	100.00	Full
Orascom for Storage Services and Maintenance LLC	Egypt	100.00	Full
OCI Construction Holding Limited	Cyprus	100.00	Full
OCI Luxemburg S.A.R.L.	Luxembourg	100.00	Full
OCI Construction International B.V.	Netherlands	100.00	Full
Contrack International Inc.	USA	100.00	Full
Contrack (Cyprus) Limited	Cyprus	100.00	Full
Contrack International WLL—Manama	Bahrain	100.00	Full
Orasqualia for Development of Wastewater Treatment Plant S.A.E.	Egypt	50.00	Equity
Orascom Tervi Skikda Ltd.	Algeria	50.00	Equity
OCI Construction Limited	Cyprus	100.00	Full
Orasqualia for Operations and Maintenance S.A.E.	Egypt	50.00	Equity
Orasqualia for Construction S.A.E.	Egypt	50.00	Equity
Suez Industrial Development Company	Egypt	60.50	Full
Orascom Road Construction S.A.E.	Egypt	99.98	Full
National Steel Fabrication S.A.E.	Egypt	99.90	Full
Alico Egypt S.A.E.	Egypt	50.00	Equity
Medrail Limited	UAE	50.00	Equity
Algerian Company for Industrial Cement LLC—S.A.R.L Sobil	Algeria	99.90	Full
NSF Global Limited	BVI	100.00	Full
United Company for Paint and Chemicals S.A.E.	Egypt	56.50	Full
United Holding Company S.A.E.	Egypt	56.50	Full
OCI Construction Egypt S.A.E.	Egypt	100.00	Full
Mena Mining B.V.	Netherlands	100.00	Full
Red Sea Holding B.V.	Netherlands	100.00	Full
Orascom Saudi Company	Saudi Arabia	60.00	Full
OC International Limited	Cyprus	100.00	Full
OC Overseas International Limited	Cyprus	100.00	Full
OC Investments S.A.R.L.	Cyprus	100.00	Full
The Weitz Group LLC	USA	100.00	Full
Orascom E&C USA Inc.	USA	100.00	Full
Contrack B.V.	Netherlands	100.00	Full
OCI Construction B.V.	Netherlands	100.00	Full
National Pipes Company S.A.E.	Egypt	40.00	Equity
El-Yamama United Company	Saudi Arabia	50.00	Equity
Sidra Medical Center JV	Qatar	45.00	Equity
USR Contrack Pacer Forge IV JV	USA	45.00	Equity
Watts—Webcor Obayashi JV	USA	55.00	Equity
RW Constructors LLC JV	USA	50.00	Equity
Alexander—Weitz JV	USA	49.00	Equity
OC IHC 1 B.V.	Netherlands	100.00	Full
OC IHC 2 B.V.	Netherlands	100.00	Full
OC IHC 3 B.V.	Netherlands	100.00	Full
OC IHC 4 B.V.	Netherlands	100.00	Full
OC IHC 5 B.V.	Netherlands	100.00	Full
OC IHC 6 B.V.	Netherlands	100.00	Full
OC IHC 7 B.V.	Netherlands	100.00	Full
OC IHC 8 B.V.	Netherlands	100.00	Full

19.4 Independent auditor

The special purpose combined consolidated financial statements of the Group as of and for the years ended 31 December 2011, 31 December 2012 and 31 December 2013 have been audited by KPMG Hazem Hassan (**KPMG Egypt**), independent auditors, as stated in their report appearing herein. The auditor's report is unqualified. The Group's special purpose combined consolidated IFRS financial statements as at and for the interim period ended 30 September 2014, with comparative information as at and for the interim period ended 30 September 2013, has been reviewed by KPMG Egypt.

The address of KPMG Egypt is KM22 Cairo/Alexandria Desert Road. KPMG Egypt has given, and has not withdrawn, its consent to the inclusion or incorporation by reference of its reports in this Prospectus in the form and context in which they are included.

The Company has appointed KPMG Dubai as its independent statutory auditors.

Neither KPMG Egypt nor KPMG Dubai has any interest in the Company.

19.5 Legal proceedings

In the normal course of business, the Group entities and joint ventures are involved in arbitration or court cases as defendants or claimants. These litigation proceedings are carefully monitored by the relevant entities' management and legal counsel, and are regularly assessed with due consideration for possible insurance coverage and recourse rights of third parties. Provisions are made if required and regularly updated.

Save as set out below, neither the Company nor any of its subsidiaries is or has been engaged in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which the Company is aware) during the period covering at least 12 months preceding the date of this Prospectus which may have, or have had in the recent past, significant effects on the Company's and/or the Group's financial position or profitability.

- A decision was issued against Suez Industrial Development Company, which operates in the field of land development in the North West of the Gulf of Suez, for the cessation of dealings on any of its allocated plots of land as of mid-November 2011 until the investigations, conducted by the Public Fund Prosecution and Military Prosecution and relating to the allocation and sale of lands located in the North West of the Gulf of Suez, are concluded. On 28 May 2012, the Company submitted a request to the Dispute Settlement Committee at the General Authority of Investment and Free Zones to cancel the said decision. On 25 July 2012, the decision issued by the Prime Minister to withdraw the plot of land allocated to the company was challenged before the Administrative Court and the hearing was postponed to 2 November 2013. On the hearing of November 2, 2013, the hearing was referred to a different court on the grounds of jurisdiction and accordingly the case was referred to the 8th District Contracts and during the hearing of 4 March 2014 the case was referred to the commissioners to prepare their report.

It is noteworthy to mention that on 22 April 2013, another decision was issued by the Ministerial Group Committee for Investment Dispute Settlement verifying the land contracts entered into by the company and ratified by Suez Governorate. On 14 May 2013, the company was notified with the ratification of the said decision by the Council of Ministers. During the hearing of 4 March 2014 the case was referred to the commissioners to prepare their report which was issued referring the case to the experts to issue their report. The Orascom Construction Group expects a outcome of this ruling in favor of SIDC.

- A lawsuit was filed before the Administrative Court against Egyptian Gypsum Company S.A.E. which operates in the field of Gypsum manufacturing, to nullify the sale contract of the company on the grounds that it is one of the companies sold under the privatization scheme. The report of the commissioners is being currently prepared and a hearing was scheduled to take place on 15 September 2014 pending the commissioners' report. At the hearing of 15 September 2014, the case was postponed until 20 April 2015. If the final award is against the company, the ownership of the plant will be transferred to its original owner and the company will get the sales price back. The external lawyer expects the outcome of these proceedings to be in favor of the Egyptian Gypsum Company S.A.E.
- The previous owner of The Weitz Company (**Weitz**) filed a variety of claims against Weitz arising out of alleged breaches of the Separation Agreement and Buy-Sell Agreements executed upon his departure from Weitz. He also filed a claim for tortious interference with contract against Orascom

Construction Industries S.A.E., arising out of the same alleged breaches of the Separation Agreement and Buy-Sell Agreements. Weitz filed a motion for summary judgment on the ground that the proper purchase price had been paid for his stock pursuant to the Separation Agreement and Buy-Sell Agreements.

On July 23, 2012, the court decided that Weitz properly valued the stock for each transaction according to the stock's value at the end of the fiscal year.

Thereafter and on 6 February 2015, the court dismissed all other claims filed by the previous owner against both Weitz and Orascom Construction Industries S.A.E. relating to tortious interference with contract and breach of contract regarding promissory notes. The previous owner's right to appeal expires on 11 March 2015. However, Weitz's legal advisors are of the opinion that it is unlikely for him to appeal due to the fact that the judge's decision was detailed and well-reasoned, making an appeal more difficult to mount.

- The contract for the design and build of the Sidra Medical and Research Centre in Doha, Qatar was awarded by the Qatar Foundation for Education, Science & Community Development in February 2008 to the JV between Obrascón Huarte Lain (55%) and Contrack (45%), for a total contract value of approximately USD 2.4 billion. The project is more than 95% complete and is not part of the Group's backlog as the project is accounted for under the equity method. In July 2014, the consortium received a Notice of Termination from the Qatar Foundation for Education, Science & Community Development. The matter has been referred to the UK court of arbitration. The management of the joint venture expects a favourable verdict. Provisions amounting to USD 187.9 million have been recognized in the third quarter results of 2014 preliminary in relation to equity investment and the executed guarantee with regards to this project.
- OCI S.A.E. and Consolidated Contractors International Co. SAL (CCC) have commenced arbitration against Golden Pyramids Plaza regarding the performance of its obligations relating to the City Stars Project. The claim was filed in 2005 and relates 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.

On 17 December 2014, the Court dismissed all objections to jurisdiction and admissibility of claims against Golden Pyramids Plaza. Orascom Construction Industries S.A.E. and Consolidated Contractors International Co. SAL were awarded compensation for damages resulting from the delayed and disrupted completion of the work, an amount of USD 31.1 million and EGP 248.3 million plus 5% interest from the day of the award until full payment. An amount of USD 3.6 and EGP 12.6 million was awarded in relation to 'Final Account Claims' LIBOR plus 2% interest from the day of the award until full payment. Lastly, the companies were awarded USD 8.7 million for compensation of the cost of the arbitration plus 5% interest from the day of the award until full payment. The total award, of which Orascom Construction Industries S.A.E.'s share is 50%, amounts to USD 80.0 million at the prevailing exchange rate on the date of the award.

The Group will recognize the award as of the date its share has been received, until that date the award will be disclosed as a contingent asset.

19.6 Significant change

There has been no significant change in the financial or trading position of the Company since 30 September 2014, the end of the last financial period for which financial information has been published.

19.7 Working capital

In the opinion of the Directors the working capital of the Group is sufficient for its present requirements; that is, for at least 12 months following the date of this Prospectus.

19.8 Change of control

As at the date of this Prospectus the Directors are not aware of any arrangement currently applicable to or binding on the Company which may result in a change in control of the Company upon Admission. For the purposes of this statement a change of control is defined as a transfer of over 50% of the entire issued share capital of the Company. After Admission, the Company will be a public company whose Shares are traded on a public exchange and consequently the Company will be open to public offers for its Shares.

19.9 Documents available for inspection

Copies of the following documents are available for inspection at the offices of the Company at Office 11, First Floor, Gate Village Building 3, Dubai International Financial Centre, Dubai, United Arab Emirates during normal business hours on any weekday (public holidays excepted) until the later of fourteen (14) days from the date of this Prospectus and Admission:

- the Articles of Association; and
- the special purpose combined audited consolidated financial statements of the Group for the financial years ended 31 December 2011, 2012 and 2013 and auditor's reports thereon and the special purpose combined reviewed consolidated financial statements of the Group for the nine months ended 30 September 2014.

Copies of the following documents will be available for inspection on NASDAQ Dubai's website, www.nasdaqdubai.com:

- this Prospectus (which includes a list of connected persons); and
- any other such documents as may be required by the DFSA.

The table below sets out the details of the Company's connected persons:

Name	Role
Osama Bishai	Chief Executive Officer
Nassef Sawiris	Chairman, non-executive director and significant shareholder
Arif Naqvi	Non-executive director
Salman Butt	Non-executive director
Sami Haddad	Non-executive director
Khaled Bichara	Non-executive director
Azmi Mikati	Non-executive director
Mark Littel	Chief Financial Officer
Dalia Khorshid	Executive Vice President and Group Corporate Treasurer
Maged Abadir	Operations Director of Orascom
Wahid Hakki	Chief Executive Officer of Contrack
Leonard Martling	General Manager of Weitz
Omar Bebars	Group Controller
Alaa Selim	Human Resources Director
Khaled El Said	Information Technology Director
Mahmoud Moharram	General Counsel
Onsi Sawiris	Significant shareholder
Samih Sawiris	Significant shareholder
Southeastern Asset Management	Significant shareholder
W.H. Gates III	Significant shareholder
Infrastructure & Growth Capital Fund L.P. (a fund managed by Abraaj Capital)	Significant shareholder

19.10 Consents

KPMG Egypt has given and not withdrawn its written consent to the issue of this document with the inclusion herein of its reports and the references to its name in the form and context in which they appear.

The Sponsor, EFG-Hermes Promoting and Underwriting and the Joint Financial Advisors have given and not withdrawn their written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

MEED has given and not withdrawn its written consent to the issue of this document with the inclusion herein of the references to its name in the form and context in which they appear.

20. DEFINITIONS

The following definitions are used throughout this Prospectus.

Admission	The admission of the Demerger Shares and the New Shares to listing on the Official List and to trading on NASDAQ Dubai
Articles or Articles of Association	The articles of association of the Company
AFM	The Autorité des Marchés Financiers
Alico	Alico Egypt S.A.E.
BESIX Group	The BESIX Group SA/NV
Board	The board of directors of the Company with effect from Admission
Business Day	A day (other than Fridays, Saturdays and public holidays in the UAE) on which banks are normally open for business in the DIFC
Clearing Member	A person accepted by NASDAQ Dubai to be a clearing member of NASDAQ Dubai
Closing Date	The date on which delivery of the Shares is expected to be made through the book-entry facilities of the Central Securities Depository, expected to be on 9 March 2015
Company or Orascom Construction	Orascom Construction Limited, a company limited by shares incorporated in the DIFC and registered with the DIFCA under number 1752
Conditional Sale Agreement	The agreement dated 5 February 2015 for the conditional sale and purchase of the share capital of a joint stock company that will hold the construction business of OCI S.A.E.
Construction Materials	The construction materials business of the Company
Contrack	Contrack International Inc.
CSD	Central securities depository of NASDAQ Dubai
Demerger	The demerger of the Company from OCI N.V.
Demerger Effective Date	7 March 2015
Demerger Record Time	6.00 p.m. (Amsterdam time) on 6 March 2015
Demerger Shares	The Shares proposed to be issued by the Company pursuant to the Demerger
Depository	Central Securities Depository of NASDAQ Dubai Limited
DEWA	Dubai Electricity & Water Authority
DFM	Dubai Financial Market
DFSA	Dubai Financial Services Authority
DIFC	Dubai International Financial Centre
DIFCA	Dubai International Financial Centre Authority
DIFC Companies Law	DIFC Companies Law No. 2 of 2009

Directors	The directors of the Company, whose names appear in paragraph 13.2 of Part 13 (“ <i>Management and Employees</i> ”) of this Prospectus, or the directors from time to time of the Company, as the context requires, and Director shall be construed accordingly
DZD	Algerian Dinar, being the lawful currency of Algeria
EFSA	The Egyptian Financial Supervisory Authority
EGP or Egyptian Pound	The Egyptian Pound, being the lawful currency of Egypt
EGX	Egyptian Stock Exchange
EGX Trading Conditions	The conditions set forth under the Listing and Delisting Rules (at least 10% of the Shares must be offered for trading on the EGX, at least 5% of the Shares must constitute free float and at least 150 shareholders should acquire Shares under the Egyptian Offer) that must be satisfied within a period of six months from the date of the EGX Listing for the EGX Listing to continue and for the Demerger Shares and the New Shares to admitted to trading on the EGX
EGX Listing	The listing of the Demerger Shares on the EGX conditional upon Admission
Egypt	Arab Republic of Egypt
Egyptian Capital Markets Law	Egyptian Law No.95 for the year 1992 and its executive regulations, as amended from time to time
Egyptian Offer	The offer by the Company of the New Shares, in the context of the EGX Listing, to Egyptian QIBs, Professional High Net Worth Investors and qualified institutional investors in accordance with the Private Placement Offering Notice
ENR	Engineering News Record
EPC	Engineering, procurement and construction
ETA	Egyptian Tax Authority
EU	The European Union
EUR or Euro	The currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended
Financial Statements	The special purpose combined financial statements appearing on page F-1 of this Prospectus
First Trading Date or Listing Date	The date that trading in the Shares on NASDAQ Dubai commences, which is expected to be 9 March 2015
GAFI	The General Authority for Investments and Free Zones
GCC	Gulf Co-operation Council

General Meeting	The general meeting of Shareholders
Group	The Company, its subsidiaries and affiliated companies
IFRS	International Financial Reporting Standards
ISIN	International securities identification number
Joint Financial Advisors	HSBC Bank Middle East Limited, Bank of America Merrill Lynch and Barclays Bank PLC
JPY	Japanese Yen, the lawful currency of Japan
KBR	Kellogg, Brown and Root
KPMG Dubai	KPMG LLP
KPMG Egypt	KPMG Hazem Hassan
Listing and Delisting Rules	The listing and delisting rules issued by EFSA by virtue of EFSA board of directors decree No. 11 dated 22 January 2014 regulating the listing and delisting of securities on the EGX as amended from time to time and its executive regulations issued by the board of directors of the EGX on 11 February 2014 and ratified by EFSA on 12 February 2014 as amended from time to time
LTI	Lost time injury
LTIR	Lost time injury rate
Markets Law	The Markets Law 2012 of the DIFC, as amended from time to time
Markets Rules	The Markets Rules of the DFSA Rulebook (as amended from time to time), made for the purposes of the Markets Law
MCDR	Misr for Central Clearing, Depository and Registry in Egypt
MEED	MEED Media FZ LLC
Member State	A member state of the European Economic Area
MENA	Middle East and North Africa
NASDAQ Dubai	NASDAQ Dubai Limited
NDGL	NASDAQ Dubai Guardian Limited, incorporated in the DIFC under registered number 0079 with its registered office at The Exchange Building (Building 5), Level 7, DIFC Street, P.O. Box 53536, Dubai, United Arab Emirates
New Shares	12,984,565 ordinary shares with a nominal value of USD 1 representing 11% of the Shares to be issued by the Company for the purposes of the Egyptian Offer
NIN	National investor number
NSF	National Steel Fabrication S.A.E.
NPC	National Pipes Company
OCI Egypt or OCI S.A.E.	Orascom Construction Industries S.A.E.

OCI N.V.	OCI N.V., a public company limited by shares incorporated in The Netherlands
Official List	The official list of securities maintained by the DFSA
OSHA	Occupational Safety and Health Administration
Pacific Rim	Countries and territories located around the rim of the Pacific Ocean including but not limited to Hawaii, Guam, Japan, and others in South East Asia and Oceania
PPP	Public-private partnership
Private Placement Offering Notice	The private placement offering notice which has received a non-objection from EFSA and subsequently published by the Company in connection with the Egyptian Offer
Prospectus	This prospectus dated 8 March 2015
Prospectus Directive	Directive 2003/71/EC (as amended from time to time)
Regulation S	Regulation S under the US Securities Act
Rule 144A	Rule 144A under the US Securities Act
Sawiris Family	Onsi Sawiris, Nassef Sawiris and Samih Sawiris, and any companies or vehicles controlled by any of them
SCA	The UAE Securities and Commodities Authority
SEC	The United States Securities and Exchange Commission
Shared Services Agreement	The shared services agreement entered into on 5 February 2015 by the Company and OCI N.V.
Shareholder	A holder of at least one Share
Shares	Ordinary shares in the capital of the Company with a nominal value of USD 1 each
SIDC	Suez Industrial Development Company
Sponsor	EFG-Hermes UAE Limited
Tax Claim Agreement	The tax claim agreement entered into on 6 February 2015 by the Company and OCI S.A.E.
UAE	The United Arab Emirates
Underwriting Agreement	The underwriting agreement dated 6 March 2015 between the Company, EFG Hermes UAE Limited, EFG-Hermes Promoting and Underwriting, HSBC Bank Middle East Limited and CI Capital Investment Banking in connection with the Egyptian Offer
US or United States	The United States of America, its territories and possession, any state of the United States of America and the District of Columbia
USACE	The United States Corps of Engineers
USD, US Dollar or US\$	The US Dollar, being the lawful currency of the United States
US Securities Act	The United States Securities Act of 1933, as amended

ANNEX 1
FINANCIAL STATEMENTS
ORASCOM CONSTRUCTION GROUP
Interim Condensed
Combined Financial Statements
For the nine month period ended 30 September 2014

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CONDENSED COMBINED STATEMENT OF FINANCIAL POSITION AS AT

\$ millions	Note	30 September 2014	31 December 2013
Assets			
Non-current assets			
Property and equipment	(8)	239.2	269.4
Goodwill and other intangible assets	(9)	13.1	13.2
Trade and other receivables	(10)	49.7	368.9
Associates	(11)	377.6	494.8
Deferred tax assets		7.5	7.7
Total non-current assets		687.1	1,154.0
Current assets			
Inventories	(12)	167.3	181.5
Trade and other receivables	(10)	821.6	950.7
Construction contract receivables	(13)	586.5	375.4
Cash and cash equivalents	(14)	421.2	419.7
Total current assets		1,996.6	1,927.3
Total assets		2,683.7	3,081.3
Net investment			
Owner's net investment		726.1	815.6
Non-controlling interest		70.8	58.9
Total net investment		796.9	874.5
Liabilities			
Non-current liabilities			
Loans and borrowings	(15)	36.3	56.1
Trade and other payables	(16)	30.6	24.2
Deferred tax liabilities		4.3	4.3
Income tax payables	(19)	—	207.4
Total non-current liabilities		71.2	292.0
Current liabilities			
Loans and borrowings	(15)	549.2	750.7
Trade and other payables	(16)	988.4	653.9
Billing in excess of construction contracts	(13)	166.1	300.7
Provisions	(17)	104.1	73.1
Income tax payables	(19)	7.8	136.4
Total current liabilities		1,815.6	1,914.8
Total liabilities		1,886.8	2,206.8
Total net investment and liabilities		2,683.7	3,081.3

The notes on pages F-7 to F-20 are an integral part of these Interim condensed combined financial statements.

**CONDENSED COMBINED STATEMENT OF PROFIT OR LOSS AND
OTHER COMPREHENSIVE INCOME
FOR THE NINE MONTH PERIOD ENDED**

\$ millions	Note	30 September 2014	30 September 2013
Revenue	(18)	2,157.4	1,624.3
Construction cost and cost of sales		<u>(2,138.4)</u>	<u>(1,529.4)</u>
Gross profit		19.0	94.9
Other income		12.6	20.0
Selling, general and administrative expenses	(20)	(226.8)	(94.6)
Other expenses		<u>(4.6)</u>	<u>(2.3)</u>
Operating (loss) / profit		(199.8)	18.0
Finance income	(22)	26.0	52.9
Finance cost	(22)	<u>(19.5)</u>	<u>(64.9)</u>
Net finance cost	(22)	6.5	(12.0)
Income from associates (net of tax)	(11)	<u>(174.9)</u>	<u>71.5</u>
(Loss) / profit before income tax		(368.2)	77.5
Income tax	(19)	288.7	(10.7)
Net (loss) / profit		(79.5)	66.8
Other comprehensive income:			
Items that are or may be reclassified to profit or loss			
Changes in fair value of cash flow hedges		(3.8)	8.8
Foreign currency translation differences		<u>—</u>	<u>(13.2)</u>
Other comprehensive income, net of tax		(3.8)	(4.4)
Total comprehensive income		(83.3)	62.4
(Loss) / profit attributable to:			
Owner's net investment		(89.9)	56.3
Non-controlling interest		<u>10.4</u>	<u>10.5</u>
Net (loss) / profit		(79.5)	66.8
Total comprehensive income attributable to:			
Owner's net investment		(98.0)	56.1
Non-controlling interest		<u>14.7</u>	<u>6.3</u>
Total comprehensive income		(83.3)	62.4

The notes on pages F-7 to F-20 are an integral part of these interim condensed combined financial statements.

**CONDENSED COMBINED STATEMENT OF CHANGES IN NET INVESTMENT
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER**

\$ millions	Net assets attributable to Orascom Construction Group	Currency translation reserve	Hedge reserve	Owner's net investment	Non- controlling interest	Total net investment
Balance at 1 January 2013	460.5	(64.3)	(16.1)	380.1	51.2	431.3
Net profit	56.3			56.3	10.5	66.8
Other comprehensive income	—	(9.0)	8.8	(0.2)	(4.2)	(4.4)
Total comprehensive income	56.3	(9.0)	8.8	56.1	6.3	62.4
Share-based payments	3.2	—	—	3.2	—	3.2
Combined inter-segment net finance activities	153.1	—	—	153.1	(2.2)	150.9
Balance at 30 September 2013	673.1	(73.3)	(7.3)	592.5	55.3	647.8
Balance at 1 January 2014	891.9	(70.7)	(5.6)	815.6	58.9	874.5
Net (loss)	(89.9)	—	—	(89.9)	10.4	(79.5)
Other comprehensive income	—	(4.3)	(3.8)	(8.1)	4.3	(3.8)
Total comprehensive income	(89.9)	(4.3)	(3.8)	(98.0)	14.7	(83.3)
Share-based payments	4.3	—	—	4.3	—	4.3
Combined inter-segment net finance activities	4.2	—	—	4.2	(2.8)	1.4
Balance at 30 September 2014	810.5	(75.0)	(9.4)	726.1	70.8	796.9

The notes on pages F-7 to F-20 are an integral part of these interim condensed combined financial statements.

CONDENSED COMBINED STATEMENT OF CASH FLOWS
FOR THE NINE MONTH PERIOD ENDED

\$ millions	Note	30 September 2014	30 September 2013
Net (loss) / profit		(79.5)	66.8
Adjustments for:			
Depreciation and amortisation	(8),(9)	48.3	56.7
Interest income (excluding foreign exchange gain)	(22)	(6.2)	(9.0)
Interest expense (excluding foreign exchange loss)	(22)	18.5	64.9
Foreign exchange gain and loss	(22)	(18.8)	(43.9)
Share in income of associates	(11)	174.9	(71.5)
Result on sale of property and equipment		0.2	(2.9)
Equity settled share based payment transactions		4.3	3.2
Income tax expense	(19)	(288.7)	10.7
Changes in:			
Inventories	(12)	14.2	(55.0)
Trade and other receivables		483.2	(234.7)
Construction contract receivables		(211.1)	58.5
Trade and other payables		354.1	(25.0)
Billing in excess of construction contracts		(134.6)	233.3
Provisions		31.0	(1.0)
Cash flows:			
Interest paid		(54.9)	(65.2)
Interest received		6.2	9.0
Income taxes paid		(10.4)	(7.7)
Income tax litigation payment		—	(180.2)
Cash flow from / (used in) operating activities		330.7	(193.0)
Proceeds from sale of property and equipment	(8)	23.6	26.3
Investments in property and equipment	(8)	(53.7)	(46.8)
Investments in associates (net)	(11)	(94.8)	—
Proceeds from sale of associates	(11)	—	3.1
Dividends from equity-accounted investees	(11)	32.2	32.5
Cash flow (used in) / from investing activities		(92.7)	15.1
Proceeds from borrowings	(15)	49.7	213.5
Repayment of borrowings	(15)	(285.0)	(141.1)
Combined inter-segment net finance activities		1.4	200.4
Cash flow (used in) / from financing activities		(233.9)	272.8
Net increase in cash and cash equivalents		4.1	94.9
Cash and cash equivalents at 1 January	(14)	419.7	428.0
Currency translation differences		(2.6)	(6.2)
Cash and cash equivalents at 30 September	(14)	421.2	516.7

The notes on pages F-7 to F-20 are an integral part of these interim condensed combined financial statements.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS

1. General

Orascom Construction Limited is a company limited by shares incorporated in the Dubai International Financial Center (DIFC) on 18 January 2015 and will be the new Dubai-based holding company for the construction segment of OCI N.V. (The Orascom Construction Group). Orascom Construction Limited intends to pursue a dual listing on NASDAQ Dubai and on the Egyptian Exchange. Orascom Construction Limited (with its subsidiaries) will be an international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the United States, the Middle East, Africa and Central Asia for public and private clients.

The Interim Condensed Combined Financial Statements for the nine month period ended 30 September 2014 have not been audited, but have been reviewed by our external auditor. The comparative information for the nine month period ended 30 September was not subject to audit or review procedures.

2. Basis of preparation

Background and purpose of the Interim Condensed Combined Financial Statements

On 6 November 2014, OCI N.V. announced its plans to pursue a dual listing of its Engineering & Construction Group in both Egypt and the United Arab Emirates. Subsequently, on 10 December 2014, this plan was approved by OCI N.V.'s Board of Directors. According to the prospectus regulations in the United Arab Emirates, the prospectus issued by Orascom Construction Group ("the Orascom Construction Group", "the Group" or "the Company") shall include historical financial information covering the latest three financial years, i.e. the year ended 31 December 2013 and the two prior years ended 31 December 2012 and 2011.

As the Orascom Construction Group from a legal perspective did not exist as a separate sub group of companies in the years covering 1 January 2011 until 31 December 2013, the financial statements of the Orascom Construction Group will be presented as Combined Financial Statements. Therefore, the Combined Financial Statements consisting of the Combined Statements of Financial Position, Combined Statement of Profit or Loss and Comprehensive Income, Combined Statements of Changes in Net Investment, Combined Statements of Cash Flow and Notes to the Combined Financial Statements as of and for financial years ended 31 December 2013, 2012 and 2011 (the "Combined Financial Statements") were prepared. In addition, due to the prospectus regulations in the United Arab Emirates, the prospectus issued by Orascom Construction Group ("the Group" or "the Company") shall include Interim Condensed Combined Financial Statements consisting of the Condensed Combined Statement of Financial Position, Condensed Combined Statement of Profit or Loss and Comprehensive Income, Condensed Combined Statements of Changes in Net Investment, Condensed Combined Statements of Cash Flow and Notes to the Interim Condensed Combined Financial Statements as of and for the nine month period ended 30 September 2014 and 2013 ("Interim Condensed Combined Financial Statements").

Currently, the Orascom Construction Group is managed centrally by the Board of Directors of OCI N.V. located in Mijweg 1, Geleen, The Netherlands.

For further detailed information see also the Combined Financial Statements for the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

Presentation of the Interim Condensed Combined Financial Statements

Taking into account the specifics to be considered in preparing Interim Condensed Combined Financial Statements as of and for the nine month periods ended 30 September 2014 and 2013, which are explained in the Combined Financial Statements for the years ended 31 December 2013, 31 December 2012 and 31 December 2011, the Interim Condensed Combined Financial Statements have been prepared in accordance with International Accounting Standard (IAS) 34 Interim Financial Reporting. Therefore, they do not contain all the information and disclosures required in complete annual Combined Financial Statements. Selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance compared to the Combined Financial Statements. Consequently and for an adequate interpretation of the Interim Condensed Combined Financial Statements, these Interim Condensed Combined Financial Statements

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

2. Basis of preparation (Continued)

should be read in conjunction with the Combined Financial Statements for the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

The Interim Condensed Combined Financial Statements were authorized for issue by the Board of Directors of Orascom Construction Limited on 8 March 2015.

Scope of the companies included in the Combined Financial Statements

As of 31 December 2013, the legal companies within the OCI N.V. group of companies are structured in a way that most of OCI N.V.'s Engineering & Construction companies are legally structured as subsidiaries of one holding company. OCI intends to spin-off all Engineering & Construction entities and activities into Orascom Construction Limited. However, some Engineering & Construction activities within Orascom Construction Industries S.A.E. (OCI S.A.E.) and 50% of the BESIX group, were not yet part of the Engineering & Construction sub-group of companies and where (in)directly owned by OCI N.V.

In connection with the Demerger, the Company (or its subsidiaries) have entered into certain agreements with a subsidiary of OCI N.V., including the Sale Agreement, the Shared Services Agreement, and the Tax Claim Agreement.

Comparison of information

Comparisons in the accompanying Interim Condensed Combined Financial Statements refer to the nine month periods ended 30 September 2014 and 2013, except in the Interim Combined Statement of Financial Position, which compares information at 30 September 2014 and at 31 December 2013.

There has been no change concerning the combined entities and the combination methods compared to the Combined Financial Statements for the years ended 31 December 2013, 31 December 2012 and 31 December 2011. As such these Interim Condensed Combined Financial Statements should be read in conjunction with the Basis of preparation as included in the Combined Financial Statements for the years ended 31 December 2013, 31 December 2012 and 31 December 2011.

Significant allocations

Corporate administrative expenses

Under the "carve-out" basis of presentation, these Interim Condensed Combined Financial Statements include certain allocations for various expenses, including corporate administrative expenses incurred by OCI N.V. or companies not belonging to Orascom Construction Group and an allocation of certain assets and liabilities historically maintained by OCI N.V. or companies not belonging to Orascom Construction Group, and an allocation of income and expenses related to such assets and liabilities. These include corporate overhead allocations, pension expenses and liabilities and other post-employment benefit expenses.

OCI N.V. has applied historical a charge out for corporate expenses for management accounting purposes and in its segments reporting based on 85 percent Fertilizers & Chemicals and 15 percent for Engineering & Construction based on a complexity factor and the level of management attention. These corporate costs include cost and remuneration such as those related to the Board of Directors, Legal, Treasury, Corporate Governance, Communications, Investor Relations and Internal Audit and other consultancy fees incurred by OCI N.V. In these Interim Condensed Combined Financial Statements the same allocation of corporate administrative expenses has been applied for all years. The new Board of

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

2. Basis of preparation (Continued)

Directors has not been appointed yet, therefore no disclosure on 'Directors remuneration expenses' has been included in these Interim Condensed Combined Financial Statements.

Allocation of corporate administrative expenses (\$ million):	September 2014	September 2013
Salaries and wages	2.2	2.1
Consultancy fees	0.7	0.4
Rent and office expenses	0.2	0.2
IT expenses	0.1	0.1
Travel expenses	0.6	0.5
Other expenses	1.6	0.3
Total	5.4	3.6

Share-based payment expenses

Cost of share-based payment arrangements issued by OCI N.V. towards employees of the Orascom Construction Group as 'group share-based payment arrangements' have been recognized in these Interim Condensed Combined Financial Statements based on the requirements of IFRS 2.

Orascom Construction Industries S.A.E. (OCI S.A.E.) Financial Tax liability

The OCI S.A.E. Financial Tax liability relates to the tax claim issued with respect to sale of the 'Cement' segment to Lafarge in 2007. Further reference is made to note 19. As this transaction does not relate to either the Engineering & Construction segment nor to the Fertilizers & Chemicals segment, OCI has decided to allocate the Orascom Construction Industries S.A.E. Financial Tax liability on a 50 percent basis between both segments.

Transaction cost OCI N.V. restructuring 2013

In 2013 the Orascom Construction Industries Group changed its head office from Egypt to the Netherlands and became listed at the NYSE Euronext in Amsterdam via an exchange offer and tender offer towards existing shareholders with transaction cost totalling USD 242 million in order to have OCI N.V. be the new listed holding company. Management is of the opinion that these cost do not relate to the Construction business, therefore no cost have been allocated to the Orascom Construction Group.

Allocation of OCI S.A.E. Guarantees

Over the years OCI S.A.E. provided several guarantees towards several entities within the Engineering and Construction segment. As part of the 'conditional sale agreement' in order to transfer the construction activities from OCI S.A.E. to the Orascom Construction Group, any related guarantees will be part of this arrangement.

Allocation assumptions

Management believes the assumptions underlying the Interim Condensed Combined Financial Statements to be a reasonable reflection of the utilization of services provided by OCI N.V. However the costs Orascom Construction Limited would have incurred or will incur as a separate stand alone group may be higher or lower than the cost allocations reflected in these Interim Condensed Combined Financial Statements. As such, the Interim Condensed Combined Financial Statements may not necessarily reflect the financial positions, results of operations or cash flows that Orascom Construction Limited might have had in the past, or might have in the future, if Orascom Construction Limited had existed as a separate, stand alone business during the periods presented.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

3. Summary of significant accounting policies

3.1 General

The accounting policies applied in the preparation of the Interim Condensed Combined Financial Statements as of and for the nine month period ended 30 September 2014 and 2013 are consistent with those used in the preparation of the Combined Financial Statements for the years ended 31 December 2013, 31 December 2012 and 31 December 2011, except for the adoption, on 1 January 2014, of the amendments to standards published by the International Accounting Standards Board (IASB) noted below:

3.2 Standards, amendments, revisions and interpretation effective to OCI in the nine month period ended 30 September 2014

Amendment to IAS 39 ‘Novation of Derivatives and Continuation of Hedge Accounting’ The amendment issued on 27 June 2013 is effective for annual periods beginning on or after 1 January 2014. The amendment allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The amendment did not have a significant impact on the Interim Condensed Combined Financial Statements.

Amendment to IAS 32 ‘Offsetting Financial Assets and Financial Liabilities’ Effective for annual periods beginning on or after January 1, 2014. The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically the amendments clarify the meaning of currency has a legally enforceable right of set-off’ and simultaneous realization and settlement’. The amendment did not have a significant impact on the Interim Condensed Combined Financial Statements.

Amendment to IAS 36 ‘Recoverable Amount Disclosure Non-Financial Assets’ The amendment issued on 29 May 2013 is effective for annual periods beginning on or after 1 January 2014. The amendment clarifies the IASB’s original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The Group early adopted this amendment, which had no significant impact on the Interim Condensed Combined Financial Statements.

Amendment to IAS 19 ‘Defined Benefit Plans: Employee Contributions’ The amendments issued on 21 November 2013 are effective for annual periods beginning on or after 1 January 2014. The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The amendments did not have an impact on the Interim Condensed Combined Financial Statements, because the Group does not have any significant defined benefit plans.

IFRIC Interpretation 21 ‘Levies’ The interpretation issued on 20 May 2013 is effective for annual periods beginning on or after 1 January 2014. IFRIC 21 is an interpretation of IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’. IAS 37 sets out criteria for recognition of a liability, one of which is the requirement for an entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay levy is the activity described in the relevant legislation that trigger the payment of the levy. The IFRIC did not have a significant impact on the Interim Condensed Combined Financial Statements.

4. Seasonality of operations

The Group has three operating segments: MENA, USA and BESIX. The results of these three segments are not significantly impacted by seasonal fluctuations.

5. Judgments, estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the Interim Condensed Combined Financial Statements. The estimates and assumptions are based on experience and various other factors

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

5. Judgments, estimates and assumptions (Continued)

that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods. There have not been significant changes in this respect since the 2013, 2012 and 2011 combined annual report.

With respect to financial instruments, there have not been any reclassifications between categories of financial instruments. The business and economic circumstances have not affected the fair value of the Group's financial assets or liabilities either measured at fair value and amortized cost.

6. Significant rates

The following significant exchange rates applied during the financial period:

	Average during the nine month period ended 30 September 2014	Average during the nine month period ended 30 September 2013	Closing as at 30 September 2014	Closing as at 31 December 2013
Euro	1.3555	1.3175	1.2646	1.3761
Egyptian pound	0.1416	0.1457	0.1399	0.1439
Algerian Dinar	0.0126	0.0125	0.0120	0.0127

7. Financial risk and capital management

7.1 Financial risk management

The objectives and policies of financial risk management are consistent with those disclosed in the 2013, 2012 and 2011 combined financial statements.

7.2 Capital risk management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of Net assets attributable to Orascom Construction Group, other reserves and non-controlling interest. The Group monitors the return on capital as well as the level of dividends to ordinary shareholders. The objectives and policies of capital risk management are consistent with those disclosed in the 2013, 2012 and 2011 combined financial statements.

The Group's net debt to adjusted net investment ratio at the reporting date was as follows:

\$ millions	Notes	30 September 2014	31 December 2013
Loans and borrowings	(15)	585.5	806.8
Less: cash and cash equivalents	(14)	421.2	419.7
Net debt		164.3	387.1
Total net investment		796.9	874.5
Net debt to total net investment ratio		0.21	0.44

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

8. Property and equipment

\$ millions	2014	2013
Cost	690.7	722.3
Accumulated depreciation	(421.3)	(390.9)
At 1 January	269.4	331.4
Movements in the carrying amount:		
Additions	53.7	46.8
Disposals	(23.8)	(23.4)
Depreciation	(48.2)	(55.8)
Exchange rate effects	(11.9)	(14.7)
At 30 September	239.2	284.3
Cost	682.9	708.2
Accumulated depreciation	(443.7)	(423.9)
At 30 September	239.2	284.3

Capital commitments as at 30 September 2014 are nil (30 September 2013: nil).

9. Goodwill and other intangible assets

\$ millions	2014			2013		
	Goodwill	Other	Total	Goodwill	Other	Total
Cost	13.1	1.3	14.4	8.5	1.3	9.8
Accumulated amortization	—	(1.2)	(1.2)	—	—	—
At 1 January	13.1	0.1	13.2	8.5	1.3	9.8
Movements in the carrying amount:						
Purchase price adjustment on previously acquired subsidiary	—	—	—	1.2	—	1.2
Amortization	—	(0.1)	(0.1)	—	(0.9)	(0.9)
At 30 September	13.1	—	13.1	9.7	0.4	10.1
Cost	13.1	1.3	14.4	9.7	1.3	11.0
Accumulated amortization	—	(1.3)	(1.3)	—	(0.9)	(0.9)
At 30 September	13.1	—	13.1	9.7	0.4	10.1

The goodwill fully relates to the acquisition of the Weitz Group LLC (Weitz) in 2012. On 31 July 2012, the Group acquired Weitz, a United States general contractor based in Des Moines, Iowa, resulting in USD 8.5 million of goodwill. The transaction was completed on 12 December 2012. In 2013, Weitz completed its purchase price allocation resulting in the recognition of additional goodwill of USD 4.6 million. There were no indicators for impairment on goodwill in the nine month period ended 30 September 2014. The goodwill impairment test was performed on the 2015 budget combined with a 4-year forecast, using a 1% terminal growth-rate and a 9.73% WACC.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

10. Trade and other receivables

\$ millions	30 September 2014	31 December 2013
Trade receivables net	339.4	497.6
Loans and trade receivables towards the Fertilizers Group	27.8	441.1
Prepayments	22.0	11.1
Retentions	140.9	132.5
Derivative financial instruments	16.5	18.3
Other investments	7.6	0.9
Other receivables	317.1	218.1
Total	871.3	1,319.6
Non-current	49.7	368.9
Current	821.6	950.7
Total	871.3	1,319.6

The receivables from the Fertilizer Group are all related to the construction services provided in the USA. During the nine month period ended 30 September 2014, OCI N.V. has settled the majority of its intercompany balances between the Engineering & Construction segment and the Fertilizer & Chemical segment in order to prepare the Engineering & Construction segment for the demerger.

11. Associates

\$ millions	2014	2013
At 1 January	494.8	437.0
Income from associates (net of tax)	(174.9)	71.5
Investment / (divestment)	94.8	(3.1)
Dividend	(32.2)	(32.5)
Provisions on associates recorded under Trade and other payables	21.4	—
Movement in hedge reserve	(3.8)	8.8
Exchange rate effects	(22.5)	(30.7)
At 30 September	377.6	451.0

The entities disclosed under 'Associates' that are significant to the Group are BESIX (joint venture) and Sidra Medical Center (associate).

Sidra Medical Center

The contract for the design and build of the Sidra Medical and Research Centre in Doha, Qatar was awarded by the Qatar Foundation for Education, Science & Community Development in February 2008 to the JV between Obrascón Huarte Lain (55%) and Contrack (45%), for a total contract value of approximately USD 2.4 billion. The project is more than 95% complete and is not part of the Group's backlog as the project is accounted for under the equity method. In July 2014, the consortium received a Notice of Termination from the Qatar Foundation for Education, Science & Community Development. The matter has been referred to the UK court of arbitration. The management of the joint venture expects a favourable verdict. Provisions amounting to USD 187.9 million have been recognized in the third quarter results of 2014 preliminary in relation to equity investment and the executed guarantees with regards to this project.

The share in income for the nine month period ended 30 September 2014 resulted in a loss from associates of USD 174.9 million which is significantly less than profit in Q3 2013 (USD 71.5 million) due to the provision taken for Sidra Medical Centre which amounted to USD 187.9 million in 2014. The loss recognized for Sidra Medical Centre exceeded the carrying amount (USD 166.5 million) by USD 21.4 million. For this latter amount a provision was recognized under 'Trade and other payables'. The carrying amount of this investment was further reduced to zero.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

12. Inventories

\$ millions	30 September 2014	31 December 2013
Finished goods	2.9	1.4
Raw materials and consumables	135.2	154.2
Fuels and others	18.9	14.8
Real estate	10.3	11.1
Total	167.3	181.5

The write down of inventories in the nine month period ended September 2014 amounted to USD 1.6 million. In 2014 there were no reversals of write downs. The real estate relates to land bank available at the Suez industrial zone in Egypt.

13. Contract receivables / billing in excess of construction contracts

\$ millions	30 September 2014	31 December 2013
Costs incurred on incomplete contracts	12,806.4	10,769.5
Estimated earnings	1,007.8	1,037.5
	13,814.2	11,807.0
Less: billings to date	(13,393.8)	(11,732.3)
Total	420.4	74.7

\$ millions

Presented in the combined statements of financial position as follows:

Construction contracts in progress—current assets	586.5	375.4
Billing in excess on construction contracts—current liabilities	(166.1)	(300.7)
Total	420.4	74.7

The group claims in certain instances amounts (such as variations and additional works) or pending proceedings and disputes with clients. It is not possible to reasonably determine the extent and timing of possible inflow of economic benefits, therefore these amounts have not been recognized.

14. Cash and cash equivalents

\$ millions	30 September 2014	31 December 2013
Cash on hand	2.0	1.3
Bank balances	323.7	289.1
Restricted cash	35.1	37.6
Call deposits	60.4	91.7
Total	421.2	419.7

Restricted cash

Restricted cash is held as collateral against letters of credit and letter of guarantees issued.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

15. Loans and borrowings

\$ millions	2014	2013
Balance at 1 January	806.8	795.6
Proceeds from secured loans and borrowings	36.9	124.6
Proceeds from unsecured loans and borrowings	12.8	88.9
Redemption of secured loans and borrowings	(37.0)	(24.6)
Redemption of unsecured loans and borrowings	(248.0)	(116.5)
Exchange rate effects	14.0	31.2
Balance at 30 September	585.5	899.2
Non-current	36.3	82.8
Current	549.2	816.4
Balance at 30 September	585.5	899.2

16. Trade and other payables

\$ millions	30 September 2014	31 December 2013
Trade payables	335.2	208.8
Trade payables due to related parties	8.1	8.1
Customer advance payments	280.5	233.5
Accrued expenses	237.6	108.5
Other taxes	22.3	23.2
Other payables	81.5	56.7
Other non-current liabilities	7.6	4.5
Retentions payable	46.2	34.8
Total	1,019.0	678.1
Non-current	30.6	24.2
Current	988.4	653.9
Total	1,019.0	678.1

The changes in accrued expenses consist of invoices relating to project cost not yet received by Orascom E&C USA Inc. with respect to the construction of the US Fertilizer plants.

17. Provision

The change in provisions of USD 31 million relates primarily to provisions on losses on projects.

18. Segment information

The Group determines and presents operating segments on the information that internally is provided to the Chief Operating Decision Maker during the period. The Group has three reportable segments, as described below. Each of the segments is managed separately because they require different operating strategies and use their own assets and employees. Factors used to identify the Group's reportable segments are a combination of factors and whether operating segments have been aggregated and types of products and services from which each reportable segment derives its revenues.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

18. Segment information (Continued)

Business information

\$ millions	September:	MENA		USA		BESIX		Total	
		2014	2013	2014	2013	2014	2013	2014	2013
Total revenue		965.3	755.6	1,192.1	868.7	—	—	2,157.4	1,624.3
Share in profit of associates		(186.5)	31.7	2.7	(0.2)	8.9	40.0	(174.9)	71.5
Depreciation and amortization		(45.2)	(50.6)	(3.1)	(6.1)	—	—	(48.3)	(56.7)
Interest income		5.5	8.9	0.7	0.1	—	—	6.2	9.0
Interest expense		(16.9)	(63.3)	(1.6)	(1.6)	—	—	(18.5)	(64.9)
Profit before tax		(332.6)	43.5	(44.5)	(6.0)	8.9	40.0	(368.2)	77.5
Investment in PPE		34.9	37.0	2.2	9.1	—	—	37.1	46.1
Non-current assets		653.3	796.7	33.8	45.3	—	—	687.1	842.0
Total assets		2,123.6	2,438.8	560.1	561.2	—	—	2,683.7	3,000.0
Total liabilities		1,365.9	1,898.8	520.9	453.4	—	—	1,886.8	2,352.2

* Segment revenues have been presented based on the location the entity managing the contracts.

BESIX is presented as part of 'Associates', therefore in above schedule only the income from associates is reflected. For further information with respect to assets, liabilities, revenues and cost, reference is made to note 11.

The geographic information above analyses the Group's revenue and non-current assets by the Company where the activities are being operated. The Orascom Construction Group has the following customers that represent 10 percent or more of revenues:

Percentage	Notes	September 2014	September 2013
Bin Laden Group		11%	9%
United States Government		7%	17%
Egyptian Government		14%	11%
Iowa Fertilizer Corporation (IFCo) / OCI Partners LLC	(21)	30%	15%
Total		62%	52%

Revenues

The geographic information below analyses the Group's revenue where the activities are being operated.

Revenues \$ millions	30 September 2014	30 September 2013
Europe and America	1,137.9	698.2
Africa	575.9	448.4
Asia & Oceania	443.6	477.7
Total	2,157.4	1,624.3

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

19. Income tax

19.1 Income tax in the statement of profit or loss

Reconciliation of the weighted average statutory income tax rate with the effective tax rate can be summarized as follows:

\$ millions	Note	30 September 2014	30 September 2013
(Loss)/profit before income tax		(368.2)	77.5
Average weighted nominal tax rate		(82.7)	19.5
Unrecognized deferred tax assets		50.2	12.2
Tax liability related to sale of Orascom Building Material Holding . .	(19.2)	(304.2)	—
Income from equity accounted investees		43.8	(17.9)
Other differences		4.2	(3.1)
Total income tax in profit or loss		(288.7)	10.7

The effective tax rate for the nine month period ended 30 September 2014 amounted to 81.7% (September 2013: 13.8%).

19.2 Income tax payable

\$ millions	2014	2013
As 1 January	343.8	549.1
Additions (current tax of the year)	15.3	1.6
Tax dispute liability	(304.2)	(152.7)
Payments	(10.4)	(7.7)
Exchange rate effects	(36.7)	(59.4)
At 30 September	7.8	330.9

Orascom Construction Industries S.A.E. Financial Tax liability

Orascom Construction Industries S.A.E. filed its corporate tax returns for the years 2007 to 2010 on the due dates according to corporate tax law No. (91) for the year 2005 and paid the corporate tax amount due for these years. In 2012, a tax claim was initiated in Egypt accusing Orascom Construction Industries S.A.E. of tax evasion pertaining to the sale of the total number of shares owned by Orascom Construction Industries S.A.E. in the issued capital of Orascom Building Materials Holding S.A.E. ('OBMH') to Lafarge in December 2007 (Sale of Shares). OBMH was an Egyptian joint stock company that was listed on the Egyptian Stock Exchange (EGX).

Management consulted tax and legal advisors and all parties believed that the aforementioned transaction was a sale of shares that settled for cash. Accordingly, this meant that the transaction was exempted of tax in accordance with item No. (8) of article 50 of the tax law No. (91) for the year 2005 and that such exemption is unconditional and unrestricted. In addition, the shares were fully and unconditionally registered on the EGX in accordance with the registration rules applicable at the date the transaction was executed. Therefore, Orascom Construction Industries S.A.E. and its tax and legal advisors believe that no capital gain tax on the transaction was to be due. Despite our conviction that all laws and regulations were soundly applied during the sale of OBMH, Orascom Construction Industries S.A.E.'s management entered into a planned payment agreement with the Egyptian Tax Authority (ETA) amounting to EGP 7.1 billion (around USD 1 billion) to resolve the tax dispute. Under this agreement Orascom Construction Industries S.A.E. was to submit modified tax returns for the years 2007 to 2010 to modify the amount of accrued tax. These amended returns were submitted on 29 April 2013. The parties agreed to pay the amount in instalments with the first instalment of USD 360 million (equivalent to EGP 2.5 billion) paid on 10 May 2013.

Following the change in government, the Egyptian Public Prosecutor thoroughly investigated the entire tax file over a six months period and fully exonerated OCI S.A.E. of any tax evasion in a final written opinion

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

19. Income tax (Continued)

published on 18 February 2014. Subsequently, OCI S.A.E. re-launched its legal right to appeal the tax settlement and the case was referred to the Egyptian Tax Authority's (ETA) Independent Appeals Committee. On the 4th of November 2014, the Independent Appeals Committee issued a final ruling in favor of the Company. OCI S.A.E. has received a notification on the 11th of December 2014 that the ETA has lodged an appeal application before the primary court. On the 6th of January 2015, the court decided to postpone the first hearing to 27 March 2015. The management believes that the appeal has weak grounds as it does not include any new facts. The likelihood of a judgment issued in favor of the Tax Authority is unlikely. It is very rare to see judgments issued by Appeals Committees overturned by courts.

The tax dispute liability has been allocated to Orascom Construction on a 50% basis, reference is made to note 2.2 subsection 'Significant allocations'. The tax amounts of USD 360 million already paid in 2013 will not be recognized in the balance sheet as a deferred tax asset because it is uncertain at the balance sheet date whether OCI S.A.E. will be able to collect this amount.

On 13 November 2014, the Board of Directors of OCI N.V. approved the transfer of the rights to amounts paid to the ETA in 2013 to the "Tahya Misr" social fund in Egypt upon finalization of the dispute.

20. Selling, general and administrative expenses

SG&A expenses increased by USD 132.1 million from USD 94.6 million for the nine months ended 30 September 2013 to USD 226.8 million for the nine months ended 30 September 2014. This increase was primarily attributable to USD 98.5 million in provisions, of which significant contributors include USD 48.5 million in valuation allowances in Algeria related to Value Added Tax (VAT) for work completed that is owed to the Company, and a one-off USD 22.9 million provision related to an Algerian project in respect of expected losses.

21. Related party transactions

There were no significant changes with respect to related parties as reported in the 2013, 2012 and 2011 combined financial statements.

Revenue transactions with related parties amounted to USD 671.9 million for the nine month period ended 30 September 2014 (September 2013: USD 438.5 million). The breakdown of the 2014 revenues is as follows: IFCo USD 555.5 million, OCI Partners LLC USD 84.8 million and Natgasoline USD 31.6 million.

22. Net finance expense

\$ millions	30 September 2014	30 September 2013
Interest income on loans and receivables	6.0	9.0
Interest income on available-for-sale financial assets	0.2	—
Foreign exchange gains	19.8	43.9
Finance Income	26.0	52.9
Interest expense on financial liabilities measured at amortised cost	(18.5)	(64.9)
Foreign exchange losses	(1.0)	—
Finance costs	(19.5)	(64.9)
Net finance costs recognised in profit or loss	6.5	(12.0)

Interest expense includes the reversal of the interest recognized on the tax dispute liability in 2013 for an amount of USD 36.7 million

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

23. Contingencies

There have been no significant changes in contingencies compared to the situation as described in the combined financial statements 2013, 2012 and 2011 with the exception of the following:

Orascom Construction Industries S.A.E. Financial Tax liability

Reference is made to note 19

Sidra Medical Centre Project in Qatar—Notice of Termination

Reference is made to note 11.

24. Subsequent events

Arbitration against the Golden Pyramids Plaza

Orascom Construction Industries S.A.E. and Consolidated Contractors International Co. SAL have commenced arbitration against Golden Pyramids Plaza regarding the performance of its obligations relating to the City Stars Project. The claim was filed in 2005 and relates 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.

On 17 December 2014, the Court dismissed all objections to jurisdiction and admissibility of claims against Golden Pyramids Plaza. Orascom Construction Industries S.A.E. and Consolidated Contractors International Co. SAL were awarded compensation for damages resulting from the delayed and disrupted completion of the work, an amount of USD 31.1 million and EGP 248.3 million plus 5% interest from the day of the award until full payment. An amount of USD 3.6 million and EGP 12.6 million was awarded in relation to 'Final Account Claims' LIBOR plus 2% interest from the day of the award until full payment. Lastly, the companies were awarded USD 8.7 million for compensation of the cost of the arbitration plus 5% interest from the day of the award until full payment. The total award, of which Orascom Constructions Industries S.A.E.'s share is 50%, amounts to USD 80.0 million at the prevailing exchange rate on the date of the award.

The Group will recognize the award as of the date its share is received. Until that date the award will be disclosed as a contingent asset.

Court against former owner of Weitz

The previous owner of The Weitz Company ('Weitz') filed a variety of claims against Weitz arising out of alleged breaches of the Separation Agreement and Buy-Sell Agreements executed upon his departure from Weitz. He also filed a claim for tortious interference with contract against Orascom Construction Industries S.A.E., arising out of the same alleged breaches of the Separation Agreement and Buy-Sell Agreements. Weitz filed a motion for summary judgment on the ground that the proper purchase price had been paid for his stock pursuant to the Separation Agreement and Buy-Sell Agreements.

On 23 July 2012, the court decided that Weitz properly valued the stock for each transaction according to the stock's value at the end of the fiscal year, therefore Count VII remains. Management cannot make a reliable estimate on the outcome of this case. The Weitz Company is awaiting the trial ruling

Thereafter and on 6 February 2015, the court dismissed all other claims filed by the previous owner against both Weitz and Orascom Construction Industries S.A.E. relating to tortious interference with contract and breach of contract regarding promissory notes.

The previous owner's right to appeal expires on 11 March 2015. However, Weitz's legal advisors are of the opinion that it is unlikely for him to appeal due to the fact that The judge's decision was detailed and well-reasoned, making an appeal more difficult to mount.

25. Earnings per share

Orascom Construction Ltd, parent of the Orascom Construction Group, was established subsequent to the reporting period presented in these Interim Condensed Combined Financial Statements and does therefore not have an Earnings per Share history.

NOTES TO THE CONDENSED COMBINED FINANCIAL STATEMENTS (Continued)

26. List of principal entities as per 30 September 2014

Companies	Country	Percentage of interest	Consolidation Method
Construction segment of OCI S.A.E.	Egypt	99.84	Full
Orascom Construction S.A.E.	Egypt	99.90	Full
Cementech Limited	BVI	100.00	Full
BESIX Group	Belgium	50.00	Equity
Orascom Construction Industries—Algeria S.P.A.	Algeria	99.94	Full
Orascom Construction Industries—Nigeria Limited	Nigeria	99.90	Full
Orascom Construction Industries—Pakistan (Private) Limited	Pakistan	100.00	Full
OCI Saudi Arabia Limited Company	Saudi Arabia	100.00	Full
Orascom for Storage Services and Maintenance LLC	Egypt	100.00	Full
OCI Construction Holding Limited	Cyprus	100.00	Full
OCI Luxemburg S.A.R.L.	Luxembourg	100.00	Full
OCI Construction International B.V.	Netherlands	100.00	Full
Contrack International Inc.	USA	100.00	Full
Contrack (Cyprus) Limited	Cyprus	100.00	Full
Contrack International WLL—Manama	Bahrain	100.00	Full
Orasqualia for Development of Wastewater Treatment Plant S.A.E. .	Egypt	50.00	Equity
Orascom Tervi Skikda Ltd.	Algeria	50.00	Equity
OCI Construction Limited	Cyprus	100.00	Full
Orasqualia for Operations and Maintenance S.A.E.	Egypt	50.00	Equity
Orasqualia for Construction S.A.E.	Egypt	50.00	Equity
Suez Industrial Development Company	Egypt	60.50	Full
Orascom Road Construction S.A.E.	Egypt	99.98	Full
National Steel Fabrication S.A.E.	Egypt	99.90	Full
Alico Egypt S.A.E.	Egypt	50.00	Equity
Medrail Limited	UAE	50.00	Equity
Algerian Company for Industrial Cement LLC—S.A.R.L Sobil.	Algeria	99.90	Full
NSF Global Limited	BVI	100.00	Full
United Company for Paint and Chemicals S.A.E.	Egypt	56.50	Full
United Holding Company S.A.E.	Egypt	56.50	Full
OCI Construction Egypt S.A.E.	Egypt	100.00	Full
Mena Mining B.V.	Netherlands	100.00	Full
Red Sea Holding B.V.	Netherlands	100.00	Full
Orascom Saudi Company	Saudi Arabia	60.00	Full
OC International Limited	Cyprus	100.00	Full
OC Overseas International Limited	Cyprus	100.00	Full
OC Investments S.A.R.L.	Cyprus	100.00	Full
The Weitz Group LLC	USA	100.00	Full
Orascom E&C USA Inc.	USA	100.00	Full
Contrack B.V.	Netherlands	100.00	Full
OCI Construction B.V.	Netherlands	100.00	Full
National Pipes Company S.A.E.	Egypt	40.00	Equity
El-Yamama United Company	Saudi Arabia	50.00	Equity
Sidra Medical Center JV	Qatar	45.00	Equity
URS Contrack Pacer Forge IV JV	USA	45.00	Equity
Watts—Webcor Obayashi JV	USA	55.00	Equity
RW Constructors LLC JV	USA	50.00	Equity
Alexander—Weitz JV	USA	49.00	Equity
Orascom Holding Cooperatief U.A.	Netherlands	100.00	Full
OC IHC 1 B.V.	Netherlands	100.00	Full
OC IHC 2 B.V.	Netherlands	100.00	Full
OC IHC 3 B.V.	Netherlands	100.00	Full
OC IHC 4 B.V.	Netherlands	100.00	Full
OC IHC 5 B.V.	Netherlands	100.00	Full
OC IHC 6 B.V.	Netherlands	100.00	Full
OC IHC 7 B.V.	Netherlands	100.00	Full
OC IHC 8 B.V.	Netherlands	100.00	Full



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INDEPENDENT AUDITOR'S REPORT ON REVIEW OF CONDENSED INTERIM FINANCIAL INFORMATION

To the board of directors of Orascom Construction Limited

Introduction

We have reviewed the accompanying condensed combined statement of financial position of OCI N.V. Construction Group as at 30 September 2014, the condensed combined statements of profit or loss and other comprehensive income, changes in net investments and cash flows for the nine month period then ended, and notes to the interim financial information ('the condensed combined interim financial information'). Management is responsible for the preparation and presentation of this condensed combined interim financial information in accordance with IAS 34 Interim Financial Reporting and the basis of preparation set out in note (2) to the condensed combined interim financial information. Our responsibility is to express a conclusion on this condensed combined interim financial information based on our review.

Scope of review

We conducted our review in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed combined interim financial information as at 30 September 2014 is not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' and the basis of preparation set out in note (2) to the condensed combined interim financial information.

Emphasis of Matter

We draw attention to note (1) to the financial information which describes that the comparative figures included at the condensed combined interim financial statements for the nine months ended 30 September 2013 have not been reviewed.

Basis of Accounting

Without modifying our conclusion, we draw attention to note (2) to the condensed combined interim financial information, which describe the basis of preparation. However, had the OCI N.V. Construction Group actually operated, as an independent group, its financial position, results of operations and cash flows may not necessarily have been those set out in the condensed combined interim financial information. The condensed combined interim financial information are prepared for inclusion in the prospectus relating to admission of the OCI N.V. Construction Group to the Official List of Securities of the Dubai Financial Services Authority (DFSA). As a result, the combined financial information may not be suitable for another purpose.

Cairo, 8 March 2015

KPMG Egypt

ANNEX 2

COMBINED FINANCIAL STATEMENTS & AUDITOR'S REPORTS 2011, 2012 AND 2013

ORASCOM CONSTRUCTION GROUP

Combined

Financial Statements

and

Independent Auditors' Report

For the years ended 31 December 2013, 2012 and 2011

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COMBINED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER

\$ millions	Note	2013	2012	2011
Assets				
Non-current assets				
Property and equipment	(7)	269.4	331.4	379.8
Goodwill and other intangible assets	(8)	13.2	9.8	—
Trade and other receivables	(9)	368.9	130.5	4.1
Associates	(10)	494.8	437.0	408.3
Deferred tax assets	(11)	7.7	4.2	1.8
Total non-current assets		1,154.0	912.9	794.0
Current assets				
Inventories	(12)	181.5	142.1	156.3
Trade and other receivables	(9)	950.7	812.7	939.4
Construction contracts receivables	(13)	375.4	406.6	286.6
Cash and cash equivalents	(14)	419.7	428.0	448.1
Total current assets		1,927.3	1,789.4	1,830.4
Total assets		3,081.3	2,702.3	2,624.4
Net investment				
Owner's net investment		815.6	380.1	1,058.7
Non-controlling interest		58.9	51.2	52.5
Total net investment		874.5	431.3	1,111.2
Liabilities				
Non-current liabilities				
Loans and borrowings	(15)	56.1	38.8	—
Trade and other payables	(16)	24.2	23.8	5.1
Provisions	(17)	—	1.2	44.9
Deferred tax liabilities	(11)	4.3	1.9	0.7
Income tax payable	(11)	207.4	257.4	—
Total non-current liabilities		292.0	323.1	50.7
Current liabilities				
Loans and borrowings	(15)	750.7	756.8	588.7
Trade and other payables	(16)	653.9	734.3	577.5
Billing in excess of construction contracts	(13)	300.7	113.7	198.3
Provisions	(17)	73.1	51.4	82.1
Income tax payables	(11)	136.4	291.7	15.9
Total current liabilities		1,914.8	1,947.9	1,462.5
Total liabilities		2,206.8	2,271.0	1,513.2
Total net investment and liabilities		3,081.3	2,702.3	2,624.4

The notes on pages F-28 to F-76 are an integral part of these combined financial statements.

**COMBINED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEARS ENDED 31 DECEMBER**

\$ millions	Note	2013	2012	2011
Revenue	(19)	2,349.7	1,457.3	1,811.3
Construction cost and cost of sales	(19)	<u>(2,257.4)</u>	<u>(1,373.6)</u>	<u>(1,512.1)</u>
Gross profit		92.3	83.7	299.2
Other income	(20)	22.1	15.3	33.0
Selling, general and administrative expenses	(19)	(139.3)	(151.1)	(139.3)
Other expenses	(21)	<u>(5.8)</u>	<u>(26.6)</u>	<u>(3.7)</u>
Operating (loss) / profit		(30.7)	(78.7)	189.2
Finance income	(22)	81.9	29.3	10.2
Finance cost	(22)	<u>(109.2)</u>	<u>(75.2)</u>	<u>(43.6)</u>
Net finance cost	(22)	(27.3)	(45.9)	(33.4)
Income from associates (net of tax)	(10)	58.4	79.7	109.1
Profit / (loss) before income tax		0.4	(44.9)	264.9
Income tax	(11)	<u>(0.7)</u>	<u>(555.8)</u>	<u>(56.4)</u>
Net (loss) / profit		(0.3)	(600.7)	208.5
Other comprehensive income:				
items that are or may be reclassified to profit or loss				
Changes in fair value of cash flow hedges		10.5	(12.9)	0.1
Foreign currency translation differences		<u>(10.5)</u>	<u>(18.9)</u>	<u>(20.3)</u>
Other comprehensive income, net of tax		—	(31.8)	(20.2)
Total comprehensive income		(0.3)	(632.5)	188.3
(Loss) / Profit attributable to:				
Owner's net investment		(14.7)	(609.3)	199.9
Non-controlling interest		<u>14.4</u>	<u>8.6</u>	<u>8.6</u>
Net (loss) / profit		(0.3)	(600.7)	208.5
Total comprehensive income attributable to:				
Owner's net investment		(10.6)	(634.5)	180.0
Non-controlling interest		<u>10.3</u>	<u>2.0</u>	<u>8.3</u>
Total comprehensive income		(0.3)	(632.5)	188.3

The notes on pages F-28 to F-76 are an integral part of these combined financial statements.

COMBINED STATEMENT OF CHANGES IN NET INVESTMENT

\$ millions	Note	Net assets attributable to Orascom Construction Group	Currency translation reserve	Hedge reserve	Owner's net investment	Non- controlling interest	Total net investment
Balance at 1 January 2011		1,612.7	(32.0)	(3.3)	1,577.4	49.3	1,626.7
Net profit		199.9	—	—	199.9	8.6	208.5
Other comprehensive income		—	(20.0)	0.1	(19.9)	(0.3)	(20.2)
Total comprehensive income		199.9	(20.0)	0.1	180.0	8.3	188.3
Share-based payments (19)		4.9	—	—	4.9	—	4.9
Combined inter-segment net finance activities (2.1)		(703.6)	—	—	(703.6)	(5.1)	(708.7)
Balance at 31 December 2011		1,113.9	(52.0)	(3.2)	1,058.7	52.5	1,111.2
Net (loss)		(609.3)	—	—	(609.3)	8.6	(600.7)
Other comprehensive income		—	(12.3)	(12.9)	(25.2)	(6.6)	(31.8)
Total comprehensive income		(609.3)	(12.3)	(12.9)	(634.5)	2.0	(632.5)
Share-based payments (19)		8.5	—	—	8.5	—	8.5
Combined inter-segment net finance activities (2.1)		(52.6)	—	—	(52.6)	(3.3)	(55.9)
Balance at 31 December 2012		460.5	(64.3)	(16.1)	380.1	51.2	431.3
Net (loss)		(14.7)	—	—	(14.7)	14.4	(0.3)
Other comprehensive income		—	(6.4)	10.5	4.1	(4.1)	—
Total comprehensive income		(14.7)	(6.4)	10.5	(10.6)	10.3	(0.3)
Share-based payments (19)		4.5	—	—	4.5	—	4.5
Combined inter-segment net finance activities (2.1)		441.6	—	—	441.6	(2.6)	439.0
Balance at 31 December 2013		891.9	(70.7)	(5.6)	815.6	58.9	874.5

The notes on pages F-28 to F-76 are an integral part of these combined financial statements.

COMBINED STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED 31 DECEMBER

\$ millions	Note	2013	2012	2011
Net (loss) / profit		(0.3)	(600.7)	208.5
Adjustments for:				
Depreciation and amortisation	(7),(8)	78.6	93.5	101.3
Loss on derecognition of subsidiary		—	2.1	—
Interest income (excluding foreign exchange gain)	(22)	(9.5)	(14.4)	(5.9)
Interest expense (excluding foreign exchange loss)	(22)	107.9	73.4	34.7
Foreign exchange gain and loss	(22)	(71.1)	(13.1)	4.6
Share in income of associates	(10)	(58.4)	(79.7)	(109.1)
Gain on disposal of property and equipment	(7)	(3.0)	(9.8)	(7.0)
Equity-settled share-based payment transactions	(19)	4.5	8.5	4.9
Income tax expense	(11)	0.7	555.8	56.4
Changes in:				
Inventories	(12)	(39.4)	14.2	7.6
Trade and other receivables	(9)	(355.9)	6.7	620.9
Construction contract receivable	(13)	31.2	(120.0)	(19.9)
Trade and other payables	(16)	(55.4)	182.4	(55.6)
Billing in excess of construction contracts	(13)	187.0	(84.6)	(243.0)
Provisions	(17)	20.5	(74.4)	(23.9)
Cash flows:				
Interest paid		(70.7)	(73.6)	(34.5)
Interest received		9.5	14.4	5.9
Income taxes paid		(19.4)	(23.8)	(70.4)
Income tax litigation payment		(180.2)	—	—
Cash flow (used in) / from operating activities		(423.4)	(143.1)	475.5
Proceeds from sale of property and equipment	(7)	36.0	48.4	41.9
Investments in property and equipment	(7)	(53.4)	(90.6)	(43.0)
Proceeds from sale of associates	(10)	—	—	3.8
Investments in associates (net)	(10)	(10.6)	(1.4)	—
Dividends from equity-accounted investees	(10)	33.0	33.5	32.4
Acquisition of an associate through acquisition of a subsidiary (net of cash)	(23)	—	(2.9)	—
Cash flow from / (used in) investing activities		5.0	(13.0)	35.1
Proceeds from borrowings	(15)	432.6	269.0	504.8
Repayment of borrowings	(15)	(456.1)	(73.9)	(6.5)
Combined inter-segment net finance activities		439.0	(55.9)	(708.7)
Cash flow from / (used in) financing activities		415.5	139.2	(210.4)
Net (decrease) / increase in cash and cash equivalents		(2.9)	(16.9)	300.2
Cash and cash equivalents at 1 January	(14)	428.0	448.1	150.7
Currency translation differences		(5.4)	(3.2)	(2.8)
Cash and cash equivalents at 31 December	(14)	419.7	428.0	448.1

The notes on pages F-28 to F-76 are an integral part of these combined financial statements

**NOTES TO THE COMBINED FINANCIAL STATEMENTS
FOR THE YEARS ENDED 31 DECEMBER**

1. General

1.1 Incorporation

Orascom Construction Limited is a company limited by shares incorporated in the Dubai International Financial Center (DIFC) on 18 January 2015 and will be the new Dubai-based holding company for the construction segment of OCI N.V. (The Orascom Construction Group). Orascom Construction Limited intends to pursue a dual listing on NASDAQ Dubai and on the Egyptian Exchange. Orascom Construction Limited (with its subsidiaries) will be an international engineering and construction contractor focused on large-scale infrastructure, complex industrial and high-end commercial projects in the United States, the Middle East, Africa and Central Asia for public and private clients.

2. Basis of preparation

2.1 Group restructuring

Demerger

On 6 November 2014, the board of directors of OCI N.V. announced its intention to seek a dual listing for the construction business of OCI N.V., through the separation of the construction and fertilizer businesses of OCI N.V. The board of directors of OCI N.V. confirmed its intention to implement the Demerger at its meeting on 10 December 2014. The Demerger will result in the construction and fertilizer businesses being owned by two, separately-listed companies. OCI N.V., which will remain listed on Euronext Amsterdam, holding the fertilizer business and the Company, which will be listed on NASDAQ Dubai and the Egyptian Exchange, holding the construction business.

The Demerger will be implemented by OCI N.V. carrying out a reduction of its capital. At an extraordinary general meeting of shareholders of OCI N.V. held on 12 November 2014, shareholders approved the proposal to reduce the share capital of OCI N.V. to facilitate the Demerger. On 16 January 2015, the creditor objection period in relation to the resolutions passed on 12 November 2014 expired without any objections being made. Accordingly, the Directors have passed a resolution to implement the Demerger. In order to ensure that enough share capital is available to make such repayment, OCI N.V. will apply IFRS 1 'First time adoption of IFRS' in 2015 to its company financial statements and will apply a deemed cost approach to its subsidiaries using fair value (market capitalization). The resulting revaluation reserve will be partially converted to capital. Subsequently, the OCI N.V.'s capital will be reduced by the same amount, representing the value of the shares of Orascom Construction Limited which will be distributed to OCI N.V.'s shareholders.

The effective date of the reduction of capital is expected to be on or immediately prior to admission to the Official list of Securities of the DFSA. Accordingly, on or immediately prior to Admission, the shareholders of the Company will be identical to the shareholders of OCI N.V.

Orascom Construction Limited intends to pursue a dual listing on NASDAQ Dubai and the Egyptian Exchange during the first quarter of 2015, subject to necessary regulatory approvals.

Background and purpose of the Combined Financial Statements

According to the prospectus regulations in the United Arab Emirates, the prospectus issued by the Orascom Construction Group ("the Group" or "the Company") shall include historical financial information covering the latest three financial years, i.e. the year ended 31 December 2013 and the two prior years ended 31 December 2012 and 2011. As the Orascom Construction Group from a legal perspective did not exist as a separate sub group of companies in the years covering 1 January 2011 until 31 December 2013, the financial statements of the Orascom Construction Group will be presented as 'Combined Financial Statements'. Therefore, the Combined Financial Statements consisting of the Combined Statements of Financial Position, Combined Statement of Profit or Loss and Other Comprehensive Income, Combined Statements of Changes in Net Investment, Combined Statements of Cash Flow and Notes to the Combined Financial Statements as of and for financial years ended 31 December 2013, 2012 and 2011 (the "Combined Financial Statements") were prepared.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

2. Basis of preparation (Continued)

Currently, the Orascom Construction Group is managed centrally as part of the OCI N.V. Group by the Board of Directors of OCI N.V. located in Mijneweg 1, Geleen, The Netherlands.

The purpose of these Combined Financial Statements is to provide special purpose historical financial information of the Orascom Construction Group for the inclusion in the relevant filings for the admission to the Official list of Securities of the DFSA. Therefore, the Combined Financial Statements present only the historical financial information of those entities that will be part of the Orascom Construction Group upon demerger.

Scope of the companies included in the Combined Financial Statements

As of 31 December 2013, the legal companies within the OCI N.V. group of companies are structured in a way that most of OCI N.V.'s Engineering & Construction companies are legally structured as subsidiaries of one holding company. OCI intends to spin-off all Engineering & Construction entities and activities into Orascom Construction Limited. However, some Engineering & Construction activities within Orascom Construction Industries S.A.E. (OCI S.A.E.) and 50% of the BESIX group, were not yet part of the Engineering & Construction sub-group of companies and where (in)directly owned by OCI N.V.

In connection with the Demerger, the Company (or its subsidiaries) have entered into certain agreements with a subsidiary of OCI N.V., including the Sale Agreement, the Shared Services Agreement, and the Tax Claim Agreement.

OCI SAE Construction Operations Sale Agreement

OCI S.A.E. remains an OCI N.V. subsidiary, but contains both Fertilizers & Chemicals, and Engineering and Construction activities. OCI N.V. intends to split OCI S.A.E. in two separate legal entities and to transfer the Engineering & Construction activities into a new, separate entity. In order to consolidate the OCI S.A.E.'s Engineering & Construction activities in the Orascom Construction Group as of the date of the demerger of Orascom Construction Limited, OCI MENA B.V. the direct holding company of OCI S.A.E. (the seller) and OC IHC 4 B.V., a subsidiary of the OCI N.V. Engineering & Construction Group (the buyer), entered into a Sale Agreement in which the seller sells to the buyer the shares of the Engineering and Construction activities of OCI S.A.E. that will be formed upon the demerger of OCI S.A.E.

The transfer shares from the Seller to the Purchaser is conditional upon:

- (a) the completion of the Egypt Demerger, including obtaining all necessary approvals;
- (b) the approval of EFSA regarding the issue of the shares to the Seller as part of the Egypt Demerger; and
- (c) the successful incorporation of the Company.

The conditions of the Sale Agreement provides for the economic effect of all of the risk and reward in respect of the Engineering and Construction activities to pass from the OCI N.V. group to the Orascom Construction Group from 30 September 2014 and up to the transfer of shares (interim period). The agreement contains mutual indemnities and payment obligations to ensure that the economic benefit is properly transferred from the OCI N.V. group to the Orascom Construction Group in the interim period. In addition, the agreement provides that OCI MENA BV, in the interim period, commits to:

- 1—appoint management personnel in the construction operations who are nominated by OC IHC 4 B.V.;
- 2—appoint accounting personnel responsible for the preparation of the carve out financials of the construction operations who are nominated by OC IHC 4 B.V.; and
- 3—Vote in the BOD of OCI S.A.E. in matters related to the construction operations based on the recommendation of OC IHC 4 B.V.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

2. Basis of preparation (Continued)

The Sale Agreement also states that all costs and liabilities arising in the future, whether originated in the future or related to historical periods, and can not be directly allocated to either Construction or Fertilizer Operations, will be proportionally allocated at the ratio of 85% and 15% to Fertilizer and Construction respectively.

Tax Claim Agreement

On 6 February 2015, the Company and OCI S.A.E entered into a tax indemnity agreement which sets out the obligations of the parties in respect of the tax claim lodged by the tax authorities in Egypt relating to the sale of the OCI S.A.E group's cement assets to Lafarge SA in 2007 (the Tax Claim). The parties have agreed that, to the extent that any liability is incurred by OCI S.A.E in relation to the Tax Claim (including the costs of dealing with the Tax Claim), this will be shared between the parties on a 50:50 basis. In addition, to the extent that any recoveries are made in relation to the Tax Claim, these will be shared between the parties on a 50:50 basis. OCI S.A.E will have day to day conduct of the Tax Claim

Shared Services Agreement

On 5 February 2015, the Company and OCI N.V. entered into a shared services agreement whereby each of the parties has agreed to supply certain transitional services to the other. These services include the following functions accounting, treasury, information technology, human resources, and administrative functions. It is expected that the services will be provided for a transitional period of up to 12 months, following which each of the parties will make their own arrangements for the provision of these services. The consideration payable for the services will be at cost plus a mark-up of up to 8%, and it is expected that the net consideration payable by the Company to OCI N.V. under this agreement for the 12 month period to be in line with the historical allocation of corporate administrative expenses as stated in note 2.2, although this could increase depending on the length of time that services are provided.

Presentation of the Combined Financial statements

Taking into account the specifics to be considered in preparing Combined Financial Statements which are explained below, the Combined Financial Statements of Orascom Construction Group have been prepared in accordance with International Financial Reporting Standards ("IFRS") as adopted by the IASB, and the carve out basis of presentation as stated in section 2.2.

The accounting principles used by Orascom Construction Group for the preparation of its Combined Financial Statements do not differ from those used in the preparation of the financial information for OCI N.V.'s Consolidated Financial Statements in accordance with IFRS as adopted by the European Union. The only difference is that the Combined Financial Statements do not contain the one-year extension exception on the application of IFRS 10, 11 and 12 granted by the European Union, therefore the application of these standards has been applied as of 1 January 2011 in these Combined Financial Statements where as for OCI N.V. these standards have only been applied as of 2014.

The presentation of Net Investment for Orascom Construction Group differs from the presentation of Equity as prescribed by IAS 1. However, net assets attributable to Orascom Construction Group contain share capital, capital reserves, retained earnings and net-asset funding activities of the companies within the Orascom Construction Group, unless these are eliminated against the net equity of subsidiaries of these companies when included in the Combined Financial Statements. The net assets attributable to Orascom Construction Group also include undistributed profits of companies comprising the combined group—less interim dividends paid against profit for the year.

Material transactions with the other entities of OCI N.V., which are not part of Orascom Construction Group and which are directly or indirectly controlled by OCI N.V., are disclosed as transactions with related parties in note 27. In general this will be OCI N.V.'s Fertilizers & Chemicals companies. For the purpose of the Combined Financial Statements the other entities of OCI N.V. are treated as subsidiaries of OCI N.V. Accordingly, all transactions with "Other OCI N.V. entities" are presented as transactions with related parties.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

2. Basis of preparation (Continued)

Combined inter-segment net finance activities

With reference to the proposed split OCI S.A.E. into two separate entities (reference is made to the paragraph ‘Scope of the companies included in the Combined Financial Statements’), the OCI S.A.E. Construction activities were carved-out to the Orascom Construction Group. Consequently, the assets, liabilities, income and expenses of OCI S.A.E. construction activities have been allocated to these Orascom Construction Group combined financial statements. The remaining net-asset funding of these construction activities has been presented as ‘Combined inter-segment net finance activities’ in the combined statement of changes in Net Investment.

2.2 Significant allocations

Corporate administrative expenses

Under the “carve-out” basis of presentation, these Combined Financial Statements include certain allocations for various expenses, including corporate administrative expenses incurred by OCI N.V. or companies not belonging to Orascom Construction Group and an allocation of certain assets and liabilities historically maintained by OCI N.V. or companies not belonging to Orascom Construction Group, and an allocation of income and expenses related to such assets and liabilities. These include corporate overhead allocations, pension expenses and liabilities and other post-employment benefit expenses.

OCI N.V. has applied a historical charge out of corporate expenses for management accounting purposes and in its segments reporting based on 85 percent Fertilizers & Chemicals activities and 15 percent for Engineering & Construction activities based on a complexity factor and the level of management attention. These corporate costs include cost and remuneration such as those related to the Board of Directors, Legal, Treasury, Corporate Governance, Communications, Investor Relations, Internal Audit and other consultancy fees incurred by OCI N.V. In these Combined Financial Statements the same allocation of corporate administrative expenses has been applied for all years. The new Board of Directors has not been appointed yet, therefore no disclosure on ‘Directors remuneration expenses’ has been included in these Combined Financial Statements.

<u>Allocation of corporate administrative expenses (\$ million):</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
Salary and wages	2.4	2.1	1.4
Consultancy fees	0.6	0.6	0.4
Rent and office expenses	0.2	—	0.2
IT expenses	0.2	0.2	0.2
Travel expenses	0.6	0.2	0.6
Other expenses	0.2	0.2	0.2
Total	<u>4.2</u>	<u>3.3</u>	<u>3.0</u>

Share-based payment expenses

With reference to the basis of allocation as described in ‘Corporate administrative expenses’, the cost of share-based payment arrangements issued by OCI N.V. towards employees of the Orascom Construction Group as ‘group share-based payment arrangements’ have been recognized in these Combined Financial Statements based on the requirements of IFRS 2. Cost of share-based payments of the Board of Directors have not been allocated.

Orascom Construction Industries S.A.E. (OCI S.A.E) Financial Tax liability

The Orascom Construction Industries S.A.E. Financial Tax liability relating to the tax claim issued with respect to sale of the ‘Cement’ segment to Lafarge in 2007. Further reference is made to note 11.3. As this transaction does not relate to either the Engineering & Construction segment nor to the Fertilizers & Chemicals segment, OCI N.V. has decided to allocate the Orascom Construction Industries S.A.E. Financial Tax liability on a 50 percent basis between both segments.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

2. Basis of preparation (Continued)

Transaction cost OCI N.V. restructuring 2013

In 2013 the Orascom Construction Industries Group changed its head office from Egypt to the Netherlands and became listed on the NYSE Euronext in Amsterdam via an exchange offer and tender offer towards existing shareholders with transaction cost totalling USD 242 million in order to have OCI N.V. be the new listed holding. Management is of the opinion that these cost do not relate to the Construction business, therefore no costs have been allocated to the Orascom Construction Group.

Allocation of OCI S.A.E. Guarantees

Over the years OCI S.A.E. provided several guarantees towards several entities within the Engineering and Construction segment. As part of the 'Conditional Sale Agreement' in order to transfer the construction activities from OCI S.A.E. to the Orascom Construction Group, any related guarantees will be part of this arrangement.

Allocation assumptions

Management believes the assumptions underlying the Combined Financial Statements to be a reasonable reflection of the utilization of services provided by OCI N.V. However the costs Orascom Construction Limited would have incurred or will incur as a separate stand alone group may be higher or lower than the cost allocations reflected in these Combined Financial Statements. As such, the Combined Financial Statements may not necessarily reflect the financial positions, results of operations or cash flows that Orascom Construction Limited might have had in the past, or might have in the future, if Orascom Construction Limited had existed as a separate, stand alone business during the periods presented.

2.3 Other

The Combined Financial Statements were authorized for issue by the Board of Directors of Orascom Construction Limited on 8 March 2015.

These (special purpose) Combined Financial Statements have been prepared for the listing in Dubai.

These Combined Financial Statements have been prepared in accordance with International Financial Reporting Standards as adopted by the IASB.

The Combined Financial Statements have been prepared on the historical cost basis, except when otherwise indicated.

The financial year of the Group commences on 1 January and ends on 31 December.

These Combined Financial Statements are presented in US dollars ('USD'), which is the Group's presentation currency. All values are rounded to the nearest tenth million (in millions of USD), except when stated otherwise.

2.4 Combination

The Combined Financial Statements include the financial statements of the OCI Construction Group entities and activities and the proportion of OCI Construction's ownership of joint operations. Next to this the construction projects and activities of OCI S.A.E. have been included based on a 'conditional sale agreement' between a subsidiary of OCI N.V. and a subsidiary of the Orascom Construction Group.

Group entities

OCI Construction Group entities are all companies over which OCI N.V. has directly or indirectly the power to control the financial and operating policies, generally accompanying a shareholding of more than half of the shares issued and related voting power. In assessing control, potential voting rights that are presently exercisable or convertible are taken into account. Subsidiaries are fully combined from the date that control commences until the date that control ceases. When the Group ceases to have control over a

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

2. Basis of preparation (Continued)

subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related non-controlling interest and other components of equity. Any resulting gain or loss is recognized in profit or loss including related cumulative translation differences accumulated in other comprehensive income. If it becomes an associate, the interest retained is subsequently valued in accordance with the equity method. The principal subsidiaries are listed in note 30.

Transactions eliminated on the consolidation

Intra-group balances and transactions, and any unrealized income and expenses arising from intra-group transactions, are eliminated in preparing the Combined Financial Statements. Unrealized gains arising from transactions with associates and joint ventures are eliminated against the investment to the extent of the Group's interest in the associate and joint venture. Unrealized losses are eliminated in the same way as unrealized gains, but only to the extent that there is no evidence of impairment.

3. Summary of significant accounting policies

3.1 Business combinations

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interest in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interest in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are expensed as incurred and included in administrative expenses.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognized in profit or loss. Any contingent consideration to be transferred by the acquirer will be recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of IAS 39 Financial Instruments: Recognition and Measurement, is measured at fair value with changes in fair value recognized in either profit or loss or as a change to other comprehensive income. If the contingent consideration is not within the scope of IAS 39, it is measured in accordance with the appropriate IFRS. Contingent consideration that is classified as net investment is not remeasured and subsequent settlement is accounted for within 'net investment'. For accounting principles relating to goodwill references is made to note 3.7 'Goodwill and other intangible assets'.

Non-controlling interest

Non-controlling interest is presented as a separate component in Net Investment. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as an equity transaction.

3.2 Associates

Associates are those companies in which the Group exercises significant influence, but does not have control over the financial and operating policies, which is presumed to exist when the Group holds 20 percent to 50 percent of the shareholding and related voting rights of the other entity. Associates are accounted for by the 'equity method'. The Group's share of profit or loss of an investee is recognized in profit or loss from the date when significant influence begins up to the date when that influence ceases. Investments in associates with negative shareholder's equity are impaired and a provision for its losses is recognized only if the Group has a legal or constructive obligation to cover the losses. Equity changes in investees accounted for using the equity method that do not result from profit or loss are recognized

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

directly in other comprehensive income. Unrealized gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealized losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

3.3 Joint arrangements

The group has applied IFRS 11 to all joint arrangements as of 1 January 2011. Under IFRS 11 investments in joint arrangements are classified as either joint ventures or joint operations depending on the contractual rights and obligations of each investor. Those joint arrangements that are assessed as joint ventures are accounted for using the equity method. Joint operations are accounted for using the line-by-line method.

Under the equity method of accounting, interest in joint ventures are initially recognized at cost and adjusted subsequently for the group's share in the post-acquisition profit or losses and movements in comprehensive income. When the Group's share of losses in a joint venture equals or exceeds its interest in the joint venture (which includes any long-term interest that, in substance, form part of the Group's net investment in joint ventures), the Group does not recognize further losses, unless it has incurred obligation or made payments on behalf of the joint venture.

A joint operation is proportionately consolidated (combined) until the date on which the Group ceases to have joint control over the joint venture. Upon loss of joint control, the Group reassesses the joint arrangement.

3.4 Foreign currency translation

Foreign currency transactions

The financial statements of the Group entities and joint ventures are prepared in the currencies which are determined based on the primary economic environment in which they operate ('the functional currency'). Transactions in currencies other than the functional currency are recorded at the rates of exchange prevailing on the transaction dates. At each balance sheet date, monetary items denominated in foreign currencies are translated into the entity's functional currency at the then prevailing closing-rates. Exchange differences arising on the settlement and translation of monetary items are included in profit or loss for the period except when deferred to other comprehensive income for available-for-sale assets and the effective part of qualifying cash flow hedges.

Foreign currency operations

Upon consolidation, the assets and liabilities of subsidiaries with a functional currency other than the US dollar are translated into US dollar using the exchange rates prevailing at the balance sheet date. Income and expense items are translated using exchange rates prevailing at the date of the transactions. Investments in joint ventures and associates with a functional currency other than the US dollar are translated into US dollar using exchange rates prevailing on the balance sheet date. Exchange rate differences arising during consolidation and on the translation of investments in subsidiaries, joint ventures and associates are included in other comprehensive income, as 'currency translation differences'. When a foreign operation is (partly) disposed of or sold, (the proportionate share of) the related currency translation differences that were recorded in other comprehensive income are reclassified to profit or loss as part of the gain and loss on disposal or sale.

Goodwill and fair value adjustments arising on the acquisition of a foreign subsidiary are considered as assets and liabilities denominated in the functional currency of the foreign subsidiary.

3.5 Financial instruments

The Group classifies financial instruments into the following categories: (i) financial instruments at fair value through profit or loss, (ii) derivatives designated in a hedge relationship, (iii) loans and receivables and (iv) available-for-sale financial assets. Financial instruments with a remaining term of 12 months or

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

more are classified as non-current, otherwise they are classified as current. The Group derecognizes a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred, or it neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control over the transferred asset. Any interest in such derecognized financial assets that is created or retained by the Group is recognized as a separate asset or liability. The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously. Compound financial instruments are bifurcated and the components are presented separately as financial liabilities, financial assets or as equity instruments.

Financial instruments at fair value through profit or loss

A financial instrument is classified as at fair value through profit or loss if it is classified as held-for-trading or designated into this category. Directly attributable transaction costs are recognized in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein, including any interest or dividend income, are recognized in profit or loss. Financial instruments classified as at fair value through profit or loss are initially recognized on the trade date and the changes in fair value are accounted for under finance income and cost, note 3.15.

Embedded derivatives

Embedded derivatives are separated from the host contract and accounted for separately if the economic characteristics and risks of the host contract and the embedded derivative are not clearly and closely related, a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative, and the combined instrument is not measured at fair value through profit or loss. Changes in the fair value of separated embedded derivatives are recognized immediately in profit or loss.

Other non-trading derivatives

When a derivative financial instrument is not designated in a hedge relationship that qualifies for hedge accounting, all changes in its fair value are recognized immediately in profit or loss.

Derivatives designated in a hedge relationship

In order to mitigate risk, the Group applies hedging in case by case situations. The Group holds derivative financial instruments to hedge its foreign currency risk. On initial designation of the derivative as a hedging instrument, the Group formally documents the relationship between the hedging instrument and hedged item, including the risk management objectives and strategy in undertaking the hedge transaction and the hedged risk, together with the methods that will be used to assess the effectiveness of the hedging relationship. The Group makes an assessment, both at the inception of the hedge relationship as well as on an ongoing basis, of whether the hedging instruments are expected to be highly effective in offsetting the changes in the fair value or cash flows of the respective hedged items attributable to the hedged risk, and whether the actual results of each hedge are within a range of 80 - 125 percent.

For a cash flow hedge of a forecast transaction, the transaction should be highly probable to occur and should present an exposure to variations in cash flows that ultimately could affect reported profit or loss. Derivatives are recognized initially at fair value. Attributable transaction costs are recognized in profit or

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

loss as incurred. Subsequent to initial recognition, derivatives are measured at fair value and changes therein are accounted for as described below:

Cash flow hedges

When a derivative is designated as the hedging instrument in a hedge of the variability in cash flows attributable to a particular risk associated with a recognized asset or liability or a highly probable forecast transaction that could affect profit or loss, the effective portion of changes in the fair value of the derivative is recognized in other comprehensive income as 'hedging reserve', net of related tax. Any ineffective portion of changes in the fair value of the derivative is recognized immediately in profit or loss. When the hedged item is a non-financial asset, the amount accumulated in Net Investment is included in the carrying amount of the asset. In other cases, the amounts recognized as other comprehensive income are reclassified to profit or loss when the hedged transaction affects profit or loss. If the hedging instrument no longer meets the criteria for hedge accounting, expires or is sold, terminated or exercised, or the designation is revoked, then hedge accounting is discontinued prospectively. If the forecast transaction is no longer expected to occur, then the balance in Net Investment is reclassified to profit or loss.

Loans and receivables / payables

Loans and receivables / payables are initially recognized at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at amortized cost, using the effective interest method (EIR) and any impairment losses.

The Group recognizes a financial asset arising from a service concession arrangement when it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor for the construction or upgrade services provided. Such financial assets are measured at fair value on initial recognition and classified as loans and receivables. Subsequent to initial recognition, the financial assets are measured at amortized cost.

If the Group has paid for the construction services partly by a financial asset and partly by an intangible asset, then each component of the consideration is accounted for separately and is initially recognized at the fair value of the consideration.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories of financial instruments under IAS 39. Available for sale financial assets include debt and equity securities, for available-for-sale debt securities interest income is recognized using the effective interest method. Available-for-sale financial assets are accounted for using trade date accounting and are carried at fair value. The change in fair value is recognized in other comprehensive income after tax. When securities classified as available-for-sale are sold or impaired, the accumulated gains and losses are reclassified to profit or loss. Available-for-sale financial assets are included in non-current assets unless the Group intends to dispose of the available-for-sale financial assets within 12 months after the balance sheet date. The dividend income from equity instruments is recognized in profit or loss as 'Other income' when the Groups right to receive payment is established.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits with maturities of three months or less from the acquisition date (original maturity) that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Restricted cash is where specific restrictions exist on the Company's ability to use this cash. Restricted cash includes cash which has been deposited as collateral for letters of credit issued by the Company.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

3.6 Property and equipment

Items of property and equipment are measured at cost less accumulated depreciation and any impairment. Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes the following:

- the cost of material, direct labour;
- any other directly attributable cost incurred to bring the asset ready to its intended use;
- cost of asset retirement obligations.

Purchased software that is integral to the functionality of the related equipment is capitalized as part of that equipment. When parts of property and equipment have different useful lives, they are accounted for as separate items (major components) of property and equipment. Any gain or loss on disposal of an item of property and equipment (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognized in profit or loss. Subsequent expenditures are capitalized only when it is probable that the future economic benefits associated with the expenditure will flow to the Group. Ongoing repairs and maintenance costs are expensed as incurred.

Finance leases

Leased assets in which the Group has substantially all the risks and rewards of ownership are classified as finance leases and recognized under property and equipment. Upon initial recognition, the leased asset is measured at the lower of its fair value and the present value of minimum lease payments. Minimum lease payments made under finance leases are apportioned between the interest expenses and the reduction of the outstanding liability. The interest expenses are recognized as other financing expenses over the lease term. The finance cost is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Property and equipment under construction

Expenditures incurred for purchasing and constructing property and equipment are initially recorded as 'under construction' until the asset is completed and becomes ready for use. Upon the completion of the assets, the recognized costs are reclassified from 'under construction' to its final category of property and equipment. Projects under construction are not depreciated and measured at cost less any impairment losses.

Depreciation

Items of property and equipment are depreciated on a straight line basis in profit or loss over the estimated useful lives of each component lives, taking into account any residual values. Finance lease assets are depreciated over the shorter of the lease term and their useful lives. If it is reasonably certain that the Group will obtain ownership by the end of the lease term, the finance lease assets are depreciated over their useful lives. Land is not depreciated. Items of property and equipment are depreciated from the date that they are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for items of property and equipment are as follows:

	<u>Years</u>
Buildings	10 - 50
Equipment	5 - 25
Fixtures and fittings	3 - 10

Depreciation methods, useful lives and residual values are reviewed at each reporting date for the Group.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

3.7 Goodwill and other intangible assets

Goodwill

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share in the net identifiable assets of the acquired subsidiary at the date of acquisition. Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognized for non-controlling interest over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the gain is recognized in profit or loss.

Goodwill on acquisition of entities that qualify as subsidiaries is presented under 'Intangible assets'. Goodwill on acquisitions of entities that qualify as associates is included in 'Associates' (note 10). Goodwill on acquisition of subsidiaries is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or group of units that are expected to benefit from the business combination through which the goodwill arose, based on past experience. After initial recognition, goodwill is measured at cost less any accumulated impairment losses.

Goodwill is tested annually for impairment; an impairment loss is recognized for the amount by which the cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount of the cash-generating unit is determined by the higher of its fair value less cost to sell and its value in use. Goodwill is carried at cost less any impairment losses. Impairment losses on goodwill are not reversed. Gains and losses on the disposal of an entity include the carrying amount of goodwill related to the entity sold. All other expenditures on internally generated goodwill and other intangible assets are recognized in profit or loss as incurred.

Other intangible assets

Other intangible assets comprise intangible assets identified on the acquisition of the Weitz Group. Other intangible assets have finite useful lives are measured at cost less accumulated amortization and any impairment losses.

Amortization

Other intangible assets with a defined useful life (purchase price allocations) are amortized on a straight-line basis in profit or loss over their estimated useful lives taking into account any residual value, from the date that they are available for use. The estimated useful life of 'Other intangible assets' is 1 to 2 years.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

3.8 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories of raw materials and supplies cost are based on weighted average principle or the first-in-first-out method, and includes expenditure incurred in acquiring the inventories and bringing them to their existing location and condition. In case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

3.9 Non-current assets held for sale / discontinued operations

Non-current assets (or disposal groups) for which the carrying amounts are highly probable to be recovered primarily through sale rather than through continuing use, are classified as 'held for sale'. Immediately before classification as held for sale, the non-current assets or disposal groups are measured in accordance with their applicable IFRSs. Thereafter, the non-current assets or disposal groups are

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

measured at the lower of their carrying amount and fair value less costs of disposal. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on pro rata basis, except that no loss is allocated to inventories, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with their applicable IFRSs. Impairment losses on initial classification as held for sale and subsequent gains and losses in fair value less cost of disposal are recognized in profit or loss. Subsequent gains in fair value less cost of disposal are not recognized in excess of any cumulative impairment loss. Once classified as held for sale, intangible assets and property and equipment are no longer amortized or depreciated, and any equity-accounted investee is no longer equity accounted.

A discontinued operation is a component of the Group's business, the operations and cash flows of which can be clearly distinguished from the rest of the Group and which:

- represents a separate major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations; or
- is a subsidiary acquired exclusively with a view to re-sale.

Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statements of profit or loss and other comprehensive income is represented as if the operation has been discontinued from the start of the comparative year.

3.10 Impairment of assets

Non-derivative financial assets

The Group assesses at each balance sheet date whether there is objective evidence that a non-derivative financial assets or a group of non-derivative financial assets is impaired. An impairment loss is recognized for the amount by which the carrying amount of a non-derivative financial asset exceeds its estimated discounted future cash flows using the original interest rate. Objective evidence may include amongst other circumstances in which a counterparty has been placed in bankruptcies or has failed on the repayments of principal and interest. Impaired non-derivative financial assets are tested periodically to determine whether the estimated future cash flows have increased and the impairment has to be reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized (such as an improvement in the debtor's credit rating). In the case of a financial asset classified as available-for-sale, a significant or prolonged decline in the fair value of the available-for-sale financial asset below its acquisition cost (for more than 25 percent and more than 6 months) is considered as an indicator that the available-for-sale financial asset is impaired. If any such evidence exists for an available-for-sale financial asset, the cumulative loss—measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognized in profit or loss—is removed from other comprehensive income and recognized in profit or loss. Impairment losses recognized in profit or loss on equity instruments classified as available-for-sale are not reversed through profit or loss. For debt-securities, an impairment trigger exist when the counterpart fails to meet its contractual payment obligations or there is evidence that the counterpart has encountered financial difficulties.

Derivative financial assets

Derivative financial assets are measured at fair value and the Group investigates whether the counterparty creditworthiness gives rise to an impairment.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

Non-financial assets

Non-financial assets that have an indefinite useful life, for example goodwill, are not subject to amortization but are tested annually for impairment or more frequently when indicators arise. Assets with a finite useful life are subject to depreciation or amortization and are reviewed (at least at the balance sheet date) for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognized for the amount by which the assets' carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use. For the purposes of assessing impairment, assets are grouped based on the lowest level for which there are separately identifiable cash flows (cash-generating units). Impairment is recognized as an expense in profit or loss. Non-financial assets, which are impaired, are tested periodically to determine whether the recoverable amount has increased and the impairment has to be reversed. Impairment losses on goodwill are not reversed. Reversal of impairments is only permitted if in a subsequent period after an impairment loss has been recognized the amount of the impairment loss decreases and the decrease can be related objectively to an event after the impairment loss was recognized (such as an improvement in the debtor's credit rating).

3.11 Provisions

We recognize provisions when a present legal or constructive obligation as a result of a past event exists, and it is probable that an outflow of economic benefits is required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognized as finance cost. Significant estimates are involved in the determination of provisions related to onerous contracts, warranty costs, asset retirement obligations and legal proceedings.

Warranties

A provision for warranties is recognized when the underlying services are sold, based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Restructuring

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan, and the restructuring either has commenced or has been announced. Future operating losses are not provided for.

Onerous contracts

A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Group recognizes any impairment loss on the assets associated with that contract, reference is made to note 3.10 'Impairment of assets'.

Asset retirement obligations

Significant estimates and assumptions are also involved in the determination of provisions related to major asset retirement obligations. Uncertainties surrounding the amount to be recognized include, for example, the estimated costs of decommissioning because of the long time frame over which future cash outflows are expected to occur including the respective interest accretion. Amongst others, the estimated cash outflows could alter significantly if, and when, political developments affect future laws and regulation with respect to asset retirements.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

Legal

The Group is subject to legal and regulatory proceedings in various jurisdictions. Such proceedings may result in criminal or civil sanctions, penalties or disgorgements against the Company. If it is more likely than not that an obligation of the Company exists and will result in an outflow of resources, a provision is recorded if the amount of the obligation can be reliably estimated. Regulatory and legal proceedings as well as government investigations often involve complex legal issues and are subject to substantial uncertainties. Accordingly, management exercises considerable judgment in determining whether there is a present obligation as a result of a past event at the end of the reporting period, whether it is more likely than not that such a proceeding will result in an outflow of resources and whether the amount of the obligation can be reliably estimated. The Company periodically reviews the status of these proceedings with both the internal and external legal counsel. These judgments are subject to change as new information becomes available. The required amount of a provision may change in the future due to new developments in the particular matter. Revisions to estimates may significantly impact future profit or loss. Upon resolution, The Group may incur charges in excess of the recorded provisions for such matters.

3.12 Revenue recognition

Revenues comprise the fair value of the considerations received or receivable from the sale of goods and services to third parties in the ordinary course of the Group's activities excluding the taxes levied on revenues and taking into account any discounts granted. The Orascom Construction Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Orascom Construction Group and specific criteria have been met as described below.

Construction contracts

Construction contracts are stated at cost incurred and allocated result in line with the progress of the construction, less total expected losses and invoiced installments. The cost price consists of all costs which are directly related to the project and directly attributable indirect cost based on the normal production capacity. If the outcome of a contract can be estimated reliably, project revenue and cost are recognized in profit or loss based on the progress of work performed. If the outcome of a contract cannot be estimated reliably, revenue is recognized only to the extent of the contract costs incurred that are likely to be recoverable. Onerous sales contracts are identified by monitoring the progress of the project and updating the estimate of total contract costs which also requires significant judgment relating to achieving certain performance standards as well as estimates involving warranty costs and estimates regarding project delays including the assessment of responsibility splits between the contract partners for these delays. If it is probable that the total contract cost exceed the total contract revenue, the total expected loss is recognized as an expense.

The Group uses the 'percentage of completion method' to determine the appropriate amount of revenue (and cost) to be recognized in a given period. The stage of completion is measured by reference to the contract cost incurred as a percentage of total actual or estimated project cost. In case of fixed price contracts, revenue is recognized when the total contract revenue can be measured reliable, it is probable that future economic benefits will flow to the entity, both the contract cost and the stage of completion can be measured reliably at the end of the period and the contract cost attributable to the contract can be clearly identified so that actual cost incurred can be compared with prior periods. For cost plus contract revenue is recognized when it is probable that future economic benefits associated with the contract will flow to the entity and the contract cost attributable to the contract whether or not specifically reimbursable, can be clearly identified and measured reliable. Projects are presented in the statement of financial position as receivables from or payables to customers on behalf of the contract. If the costs incurred (including the result recognized) exceed the invoiced installments, the net contract position is presented as a receivable. If the invoiced installments exceed the costs incurred (including the result recognized) the net contract position is presented as a liability.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

Contracts containing the construction of a project and the possibility of subsequent long-term maintenance of that project as separate components, or for which these components could be negotiated individually in the market, are accounted for as two separate contracts. Revenue and results are recognized accordingly in the combined statement of comprehensive income as construction contract revenue or the rendering of services, respectively.

Service concession arrangements

Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognizing revenue on construction contracts. Operation or service revenue is recognized in the period in which the services are provided by the Group. If the Group provides more than one service in a service concession arrangement, then the consideration received is allocated with reference to the relative fair values of the services delivered if the amounts are separately identifiable.

Goods sold

Revenue from the sale of goods in the course of ordinary activities is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when persuasive evidence exists, usually in the form of an executed sales agreement, that the significant risks and rewards of ownership have been transferred to the customer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably. If it is probable that discounts will be granted and the amount can be measured reliably, then the discount is recognized as a reduction of revenue as the sales are recognized. The timing of the transfer of risks and rewards varies depending on the individual terms of the sales agreement, which usually transfer occurs when the product is received at the customer's warehouse or the products leave the Company's warehouse; however, for some international shipments transfer occurs on loading the goods onto the relevant carrier at the port. Generally for such products the customer has no right of return.

3.13 Government grants

An unconditional government grant related to an asset is recognized in profit or loss as other income when the grant becomes receivable. When the grant relates to an asset, it is recognized as income in equal amounts over the expected useful life of the related asset. Grants that compensate the Group for expenses incurred are recognized in profit or loss as other income on a systematic basis in the periods in which the expenses are recognized. Other government grants are recognized initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant, and are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset.

3.14 Operating leases

Assets classified as operating leases are not recognized. Operating lease payments are recognized in profit or loss on a straight-line basis over the term of the lease, including any lease incentives received.

3.15 Financing income and cost

Finance income comprises:

- interest income on funds invested (including available-for-sale financial assets);
- gains on the disposal of available-for-sale financial assets;
- fair value gains on financial assets at fair value through profit or loss;

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

- gains on the re-measurement to fair value of any pre-existing interest in an acquired business combination;
- gains on hedging instruments that are recognized in profit or loss and reclassifications of amounts previously recognized in other comprehensive income; and
- interest income is recognized as it accrues in profit or loss, using the effective interest method.

Dividend income is recognized in profit or loss on the date that the Group's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

Finance cost comprise:

- interest expense on borrowings;
- unwinding of the discount on provisions and contingent consideration;
- losses on disposal of available-for-sale financial assets;
- fair value losses on financial assets at fair value through profit or loss; and
- impairment losses recognized on financial assets (other than trade receivables).

Foreign currency gains and losses are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

3.16 Employee benefits

Defined contribution plan

Certain Group subsidiaries provide pension plans, end of service remuneration plans and long-term service benefits. These pension plans qualify as defined contribution plans. Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Long-term employee benefits

The Group employee benefits are recognized if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably to determine its present value. The discount rate is the yield at the balance sheet date on AAA credit rated bonds that have maturity dates approximating to the terms of the Group's obligations. Re-measurements are recognized in profit or loss in the period in which they arise.

Termination benefits

Employee termination benefits are payable when employment is terminated before the normal retirement date, or whenever an employee accepts voluntary redundancy in exchange for these benefits. The Orascom Construction Group recognizes termination benefits when the Orascom Construction Group is demonstrably committed to either terminating the employment of current employees according to a detailed formal plan without possibility of withdrawal, or when the Orascom Construction Group is providing termination benefits as a result of an offer made to encourage voluntary redundancy. Benefits falling due more than 12 months after balance sheet date are discounted at present value.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

Share-based payments

Certain employees (including senior Executives) of the Group are eligible to participate in certain equity-settled share-based compensation plans of OCI N.V. These employees receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). Costs of these share-based payment arrangements at the grant date fair value of share-based payment arrangements granted to employees is recognized as an employee expense, with a corresponding increase in equity, over the period (the vesting period) that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized as an expense is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

3.17 Income tax

Current tax

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. Current tax payable also includes any tax liability arising from the declaration of dividends.

Deferred tax

Deferred income tax liabilities are recognized for all taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the Combined Financial Statements ('liability' method). Deferred income tax assets are recognized for all deductible temporary differences, unused carry forward losses and unused carry forward tax credits, to the extent that it is probable that future taxable profit will be available against which the deferred income tax assets can be utilized.

Deferred income tax is not recognized if it arises from initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profit or loss. Also no deferred income tax is recognized regarding the initial recognition of goodwill.

Deferred income tax is measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date. Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax relates to the same fiscal authority.

3.18 Segment reporting

An operating segment is a component of an entity that engages in business activities for which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the same entity), whose operating results are regularly reviewed by the entity's chief operating decision maker to make decisions about resource allocation to the segment and to assess its performance, and for which discrete financial information is available. The Group determines and presents operating segments on the information that internally is provided to the Chief Operating Decision Maker during the period. The Group has identified three reportable segments, United States, MENA and BESIX.

3.19 Consolidated cash flow statement

The consolidated cash flow statement has been prepared using the 'indirect' method. Cash flows in foreign currencies have been translated at average exchange rates. Currency translation differences are shown separately in the consolidated cash flow statement. Cash flows from investing activities consist mostly of investments and divestments in property, plant and equipment, intangible assets, and acquisitions insofar

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

3. Summary of significant accounting policies (Continued)

as these are paid for in cash. Acquisitions or disposals of subsidiaries are presented as 'Net of cash balances acquired'.

3.20 Earnings per share

Earnings per ordinary share are calculated by dividing the profit or loss (net) attributable to holders of ordinary shares by the weighted average number of ordinary shares outstanding during the year. In making this calculation the (ordinary) treasury shares are deducted from the number of ordinary shares outstanding.

The calculation of the diluted earnings per share is based on the weighted average number of ordinary shares outstanding plus the potential increase as a result of the conversion of convertible bonds and the settlement of share-based compensation plans (share option plans). Anti-dilutive effects are not included in the calculation. With regard to convertible bond it is assumed that these are converted in full. An adjustment is made to profit or loss (net) to eliminate interest charges, whilst allowing for effect of taxation. Regarding equity-settled share option plans it is assumed that all outstanding plans will vest. The potential increase arising from share option plans is based on a calculation of the value of the options outstanding. This is the number of options times the exercise price, divided by the average share price during the financial year. This potential increase is only applied if the option has intrinsic value.

The Group is in the process of filing its financial statements with the Official list of Securities of the DFSA. Orascom Construction Limited, the parent of the Orascom Construction Group, was established subsequent to the reporting period presented in the Combined Financial Statements and does therefore not have earnings per share information.

3.21 Subsequent events

The Group assesses whether events occurring between the balance sheet date and the date of issues of the Combined Financial Statements have given rise to either adjusting events or non-adjusting events. Adjusting events are events that provide evidence of conditions that existed at the end of the reporting period and have to be recognized in the financial statements. Non-adjusting events are those events that are indicative of conditions that arose after the reporting period, these events are disclosed. Changes in estimates are only adjusted if the estimates contain errors.

4. New accounting standards and policies

On a regular basis, the IASB issues new accounting standards, amendments and revisions to existing standards and interpretations. In 2013, the following new accounting standards, amendments and revisions to existing standards and interpretations were issued by the IASB, which will become or became effective to the Orascom Construction Group.

4.1 Standards, amendments, revisions and interpretations effective to the Orascom Construction Group in 2013:

As these are the first Combined Financial Statements of the Orascom Construction Group, there are no effect of IAS 8 with respect the adoption of any new standards. The accounting principles used by Orascom Construction Group for the preparation of its Combined Financial Statements do not differ from those used in the preparation of the financial information for OCI N.V.'s Consolidated Financial Statements (in accordance with IFRS as adopted by the European Union). The only difference is that these Combined Financial Statements do not contain the one-year extension exception on the application of IFRS 10, 11 and 12 granted by the European Union, therefore the application of these standards has been applied as of 1 January 2011 in these Combined Financial Statements where as for OCI N.V. these standards will only be applied as of 2014.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

4. New accounting standards and policies (Continued)

4.2 Standards, amendments, revisions and interpretations not yet effective to the Orascom Construction Group:

IFRS 9 ‘Financial Instruments’ IFRS 9 is applicable for annual periods beginning on or after 1 January 2018 (tentative). IFRS 9 addresses the classification and measurement of financial assets. The publication of IFRS 9 represents the completion of the first part of a three-part project to replace IAS 39 ‘Financial Instruments: Recognition and Measurement’. IFRS 9 enhances the ability of investors and other users of financial information to understand the accounting of financial assets and reduces complexity. The Orascom Construction Group is currently investigating the impact of IFRS 9 on the Combined Financial Statements.

Amendment to IAS 32 ‘Offsetting Financial Assets and Financial Liabilities’ Effective for annual periods beginning on or after January 1, 2014. The amendments to IAS 32 clarify existing application issues relating to the offset of financial assets and financial liabilities requirements. Specifically the amendments clarify the meaning of currency has a legally enforceable right of setoff’ and simultaneous realization and settlement’. The Orascom Construction Group does not anticipate material impact on the Combined Financial Statements upon adoption.

Amendment to IAS 36 ‘Recoverable Amount Disclosure Non-Financial Assets’ The amendment issued on 29 May 2013 is effective for annual periods beginning on or after 1 January 2014. The amendment clarifies the IASB’s original intention: that the scope of those disclosures is limited to the recoverable amount of impaired assets that is based on fair value less costs of disposal. The Group early adopted this amendment, which had no significant impact on the Combined Financial Statements.

Amendment to IAS 39 ‘Novation of Derivatives and Continuation of Hedge Accounting’ The amendment issued on 27 June 2013 is effective for annual periods beginning on or after 1 January 2014. The amendment allows hedge accounting to continue in a situation where a derivative, which has been designated as a hedging instrument, is novated to effect clearing with a central counterparty as a result of laws or regulation, if specific conditions are met. The Orascom Construction Group does not expect that this amendment will have an impact on the Combined Financial Statements.

Amendment to IAS 19 ‘Defined Benefit Plans: Employee Contributions’ The amendments issued on 21 November 2013 are effective for annual periods beginning on or after 1 January 2014. The amendments apply to contributions from employees or third parties to defined benefit plans. The objective of the amendments is to simplify the accounting for contributions that are independent of the number of years of employee service, for example, employee contributions that are calculated according to a fixed percentage of salary. The Orascom Construction Group does not anticipate material impact on the Combined Financial Statements upon adoption.

IFRIC Interpretation 21 ‘Levies’ The interpretation issued on 20 May 2013 is effective for annual periods beginning on or after 1 January 2014. IFRIC 21 is an interpretation of IAS 37 ‘Provisions, Contingent Liabilities and Contingent Assets’. IAS 37 sets out criteria for recognition of a liability, one of which is the requirement for an entity to have a present obligation as a result of a past event (known as an obligating event). The interpretation clarifies that the obligating event that gives rise to a liability to pay levy is the activity described in the relevant legislation that trigger the payment of the levy. The Orascom Construction Group is currently investigating the impact of the IFRIC on the Combined Financial Statements, but does not expect a significant impact.

IFRS 15 ‘Revenue from Contracts with Customers’ IFRS 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognized. It replaces existing revenue recognition guidance, including IAS 18 Revenue, IAS 11 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. IFRS 15 is effective for annual reporting periods beginning on or after 1 January 2017, with early adoption permitted. The Group is assessing the potential impact on its consolidated financial statements resulting from the application of IFRS 15.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

5. Critical accounting estimates and assumptions

The preparation of the financial statements in compliance with IFRS requires management to make judgments, estimates and assumptions that affect amounts reported in the Combined Financial Statements. The estimates and assumptions are based on experience and various other factors that are believed to be reasonable under the circumstances and are used to judge the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised or in the revision period and future periods, if the changed estimates affect both current and future periods. The most critical accounting policies involving a higher degree of judgment and complexity in applying principles of valuation and for which changes in the assumptions and estimates could result in significantly different results than those recorded in the financial statements are the following:

Estimation and assumptions uncertainties

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the Combined Financial Statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Intangible assets

Intangible assets with defined useful lives are carried at cost less cumulative amortization and any impairment. Amortization is calculated using the 'straight-line' method based on the estimated useful lives. Management makes estimates regarding the useful lives and residual values and assumes that amortization takes place on a 'straight-line' basis. The assets' useful lives are reviewed, and adjusted if appropriate, at each balance sheet date. The Group tests annually or more frequently when indicators arise whether intangible assets with undefined lives have suffered any impairment by comparing the recoverable amounts of the other intangible assets with their carrying amounts. For intangible assets with defined useful lives, The Orascom Construction Group tests for impairment when indicators exist that suggest that the intangible asset might be impaired. In determining the recoverable amounts of intangible assets, The Orascom Construction Group makes estimates and assumptions about the net present value of future cash flows based on the value in use. In doing so the Orascom Construction Group also makes assumptions and estimates regarding the discount rate used for calculating the net present value. The Orascom Construction Group tests at least annually whether goodwill has suffered any impairment (see note 8) by comparing the recoverable amounts of cash-generating units with their carrying amounts. The recoverable amount is the higher of the fair value less cost to sell and the value in use. In determining the recoverable amount, The Orascom Construction Group makes estimates and assumptions concerning future revenues, future costs, future working capital, future investments, Weighted Average Cost of Capital (WACC) and future inflation rates.

Financial instruments and fair value measurement

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The fair value of financial instruments that are not traded in an active market is determined using generally accepted valuation techniques. These valuation techniques include estimates and assumptions about forward rates, discount rates based on a single interest rate or on a yield-curve based on market conditions existing at the balance sheet date. The fair value of borrowings and interest rate swaps is calculated based on the present value of the estimated future cash flows based on the yield-curve applicable at the balance sheet date. The fair value of forward foreign exchange contracts is determined using quoted forward exchange rates at the balance sheet date. The net carrying amount of trade receivables and trade payables is assumed to approximate the fair value due to the short term nature.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

5. Critical accounting estimates and assumptions (Continued)

The fair value of non-current financial liabilities is estimated by discounting the future cash flows using yield-curves. For unlisted equity securities in the available-for-sale category the equity-method is used as a proxy for fair value. In using the equity method, input is derived from the financial statements of the unlisted equity investments.

Counterparty risk in connection with triggers for impairment are based on judgment of the financial position of the counterparty. A significant and prolonged decline in fair value of available-for-sale financial assets is depending on the average volatility of the instrument, if an instrument exceeds certain ranges in both time frame and negative volatility, a trigger for impairment is considered. This is considered on an item by item bases.

Inventories

In determining the net realisable value of inventories, The Group estimates the selling prices in the ordinary course of business, cost of completion and cost to sell. In doing so, The Group makes estimates and assumptions based on current market prices, historical usage of various product categories versus current inventory levels and specific identified obsolescence risks (e.g. end of life of related equipment, the remaining service period of this equipment and the impact of new environmental legislation).

Provision for impairment of trade receivables and retentions

In determining the provision for impairment of trade receivables and retentions the Orascom Construction Group makes its estimates and assumptions based on aging and specific developments and past experience regarding customers (e.g. creditworthiness and market developments) and retentions. The provision for impairment of trade receivables and retentions is reviewed periodically to assess the adequacy of the provision.

Provision for restructuring

The Orascom Construction Group recognizes a provision for restructuring regarding cost-saving restructuring measures. Provisions for restructuring include, amongst other, estimates and assumptions about severance payments and termination fees.

Revenue recognition on construction contracts

The Company conducts a significant portion of its business under construction contracts with customers. The Company generally accounts for construction projects using the percentage-of-completion method, recognizing revenue as performance on contract progresses. This method places considerable importance on accurate estimates of the extent of progress towards completion and may involve estimates on the scope of deliveries and services required for fulfilling the contractually defined obligations. Depending on the methodology to determine contract progress, the significant estimates include total contract costs, remaining costs to completion, total contract revenues, contract risks, including technical, political and regulatory risks, and other judgments. Management of the operating divisions continually reviews all estimates involved in such construction contracts, including commercial feasibility, and adjusts them as necessary. Under the percentage-of-completion method, such changes in estimates may lead to an increase or decrease of revenues in the respective reporting period.

Income taxes

The Orascom Construction Group is subject to income taxes in numerous jurisdictions. Estimates are required in determining the worldwide provision for income taxes. There are some transactions and calculations for which the ultimate tax position is uncertain during the ordinary course of business. The Group recognizes liabilities for anticipated tax audit issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from amounts that were initially recorded, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The Orascom Construction Group recognizes deferred tax assets to the extent

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

5. Critical accounting estimates and assumptions (Continued)

that it is probable that future taxable profits will be available for the deferred tax asset to be recovered. This is based on estimates of taxable future income by jurisdiction in which the Orascom Construction Group operates and the period over which deferred tax assets are recoverable. In the event that actual results or new estimates differ from previous estimates and depending on the possible tax strategies that may be implemented, changes to the recognition of deferred tax assets could be required, which could impact the financial position and profit or loss. For outstanding tax disputes reference is made to note 11 'Income taxes'.

6. Financial risk and capital management

Introduction

Currently, the Orascom Construction Group is managed centrally by the Board of Directors of OCI N.V. Furthermore an Audit Committee is in place within OCI N.V. which is assisted by the Internal Audit Department. Although the Orascom Construction Group has its own Senior management, no separate Board of Directors, Audit Committee or Internal Audit Department has been in place yet for the Orascom Construction Group.

Overview

The Group has exposure to the following risks arising from financial instruments:

- Credit risk
- Liquidity risk
- Market risk

These risks arise from exposures that occur in the normal course of business and are managed on a combined company basis. This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital.

Risk management framework

Senior management has an overall responsibility for the establishment and oversight of the Group's risk management framework. The Board is responsible for developing and monitoring the Group's risk management policies.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Audit Committee of OCI N.V. oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The OCI N.V.'s Audit Committee is assisted in its oversight role by the Internal Audit department. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

6.1 Exposure to credit risk

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. In monitoring customer credit risk, customers are grouped according to their credit risk characteristics. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

6. Financial risk and capital management (Continued)

component that relates to individually significant exposures, and a collective loss component established for groups of similar assets in respect of losses that have been incurred but not yet identified. The collective loss allowance is determined based on historical data of payment statistics for similar financial assets. The carrying amount of financial assets represents the maximum credit exposure. The maximum credit risk is the carrying amount of financial instruments. For an overview reference is made to the tables financial instruments by category.

The major exposure to credit risk at the reporting date was as follows:

\$ millions	Note	2013	2012	2011
Trade and other receivables:	(9)	1,319.6	943.2	943.5
Contract receivables	(13)	375.4	406.6	286.6
Cash and cash equivalents	(14)	419.7	428.0	448.1
Total		<u>2,114.7</u>	<u>1,777.8</u>	<u>1,678.2</u>

The major exposure to credit risk for trade and other receivables by geographic region (based on region where the service has been provided) was as follows:

\$ millions	2013	2012	2011
Africa	646.3	397.7	611.5
Asia and Oceania	411.4	309.4	63.9
United States and Europe	261.9	236.1	268.1
Total	<u>1,319.6</u>	<u>943.2</u>	<u>943.5</u>

6.2 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulties in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. This is also safeguarded by using multiple financial institutions in order to mitigate any concentration of liquidity risk.

The following are the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements:

At 31 December 2011 \$ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Financial liabilities							
Loans and borrowings	(15)	588.7	591.2	591.2	—	—	—
Trade and other payables	(16)	582.6	582.6	577.5	—	5.1	—
Billing in excess on construction contracts	(13)	198.3	198.3	198.3	—	—	—
Total		<u>1,369.6</u>	<u>1,372.1</u>	<u>1,367.0</u>	<u>—</u>	<u>5.1</u>	<u>—</u>

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
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6. Financial risk and capital management (Continued)

At 31 December 2012 \$ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Financial liabilities							
Loans and borrowings	(15)	795.6	807.3	761.3	—	22.5	23.5
Trade and other payables	(16)	758.1	758.1	734.3	—	23.8	—
Billing in excess on construction contracts	(13)	113.7	113.7	113.7	—	—	—
Total		1,667.4	1,679.1	1,609.3	—	46.3	23.5
At 31 December 2013 \$ millions	Note	Carrying amount	Contractual cash flow	6 months or less	6 - 12 months	1 - 5 years	More than 5 years
Financial liabilities							
Loans and borrowings	(15)	806.8	815.5	688.6	63.8	63.1	—
Trade and other payables	(16)	678.1	679.1	654.9	—	24.2	—
Billing in excess on construction contracts	(13)	300.7	300.7	300.7	—	—	—
Total		1,785.6	1,795.3	1,644.2	63.8	87.3	—

The carrying value of most of the non-derivative financial liabilities stated on the combined statement of financial position is approximately equal to their contractual cash flows with the exception of borrowings.

6.3 Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, commodity prices and equity prices will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group is exposed to foreign currency risk arising in separate ways:

Foreign exchange operations risk

The Group entities predominantly execute their activities in their respective functional currencies. Some Group subsidiaries are however exposed to foreign currency risks in connection with the scheduled payments in currencies that are not their functional currencies. In general this relates to foreign currency denominated supplier payables and receivables. The Group monitors the exposure to foreign currency risk arising from operating activities. The Group does not use foreign exchange contracts for hedge accounting purposes therefore all changes in fair value adjustments are recognized in profit or loss.

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which sales, purchases and borrowings are denominated and the respective functional currencies of Group companies. The functional currencies of Group companies are primarily the US Dollar, Egyptian Pound, and the Algerian Dinar.

For details reference is made to note 9 'Trade and other receivables', which includes derivative financial instruments.

As of 31 December 2013, if the functional currencies had strengthened/weakened by 10 per cent against the Euro, US Dollar, Egyptian Pound, and Algerian Dinar with all other variables held constant, the translation of foreign currency receivables and payables that would have resulted in an increase/decrease of USD 79.5 million of the profit of the year.

Foreign exchange translation exposure

Due to the Group's international presence, the Orascom Construction Group's Financial Statements are exposed to Foreign exchange fluctuations as these affect the translation of the subsidiaries' assets and

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

6. Financial risk and capital management (Continued)

liabilities denominated in foreign currencies to the US dollar (the Group's presentation currency). The currency concerned is mainly the Egyptian pound. Foreign exchange translation risk is considered a part of doing business on an international level; this risk is not actively managed nor is it hedged.

The summary of quantitative data about the Group's exposure to (local) foreign operation currency risk provided to management of the Group based on its risk management policy for the main currencies was as follows:

<u>At 31 December 2011 millions</u>	<u>USD</u>	<u>EUR</u>	<u>EGP</u>	<u>DZD</u>
Trade and other receivable	579.6	365.7	1,729.4	8,834.6
Trade and other payable	(598.6)	(238.2)	(473.2)	(4,574.1)
Loans and borrowings	(119.2)	(127.7)	(1,279.8)	(10,106.2)
 <u>At 31 December 2012 millions</u>	 <u>USD</u>	 <u>EUR</u>	 <u>EGP</u>	 <u>DZD</u>
Trade and other receivable	310.1	391.3	402.3	9,255.5
Trade and other payable	(597.6)	(247.3)	(554.1)	(2,135.3)
Loans and borrowings	(2.0)	(93.4)	(3,305.7)	(6,149.6)
Tax dispute liability	—	—	(3,338.4)	—
 <u>At 31 December 2013 millions</u>	 <u>USD</u>	 <u>EUR</u>	 <u>EGP</u>	 <u>DZD</u>
Trade and other receivable	401.3	55.6	1,269.9	8,378.4
Trade and other payable	(228.7)	(83.6)	(2,138.4)	(1,681.7)
Loans and borrowings	(340.1)	(63.5)	(1,434.5)	(4,836.1)
Tax dispute liability	—	—	(2,338.9)	—

Significant rates

The following significant exchange rates applied during the year:

	<u>Average 2013</u>	<u>Average 2012</u>	<u>Average 2011</u>	<u>Closing 2013</u>	<u>Closing 2012</u>	<u>Closing 2011</u>
Euro	1.3284	1.3041	1.4028	1.3761	1.3190	1.2957
Egyptian pound	0.1455	0.1651	0.1684	0.1439	0.1571	0.1657
Algerian Dinar	0.0125	0.0131	0.0136	0.0127	0.0125	0.0131

The following tables demonstrate the sensitivity to a reasonably possible change in EUR, DZD and EGP exchange rates, with all other variables held constant. The impact on the Group's profit before tax is due to changes in the fair value of monetary assets and liabilities including non-designated foreign currency derivatives and embedded derivatives. The impact on the Group's Net Investment is due to changes in the fair value of forward exchange contracts designated as cash flow hedges and net investment hedges. The Group's exposure to foreign currency changes for all other currencies is not material.

Loans and borrowings are contractually arranged in the functional currency of the reporting entity. The reporting entity in general will not incur foreign exchange gains or losses from the outstanding loans. Within the Orascom Construction Group several entities have a different functional currency compared to the functional currency of the group. Foreign exchange results arising from the currency translation of loans and borrowings from entities using a functional currency different from the functional currency of

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
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6. Financial risk and capital management (Continued)

the group are recognized in the currency translation differences in Net Investment. This is reflected in the sensitivity table below.

<u>2013 \$ millions</u>	<u>Change in FX rate</u>	<u>Effect on profit before tax</u>	<u>Effect on Net Investment</u>
EUR	10 percent	(3.7)	(8.7)
	– 10 percent	3.7	8.7
EGP	10 percent	(46.1)	(20.6)
	– 10 percent	46.1	20.6
DZD	10 percent	8.5	(6.1)
	– 10 percent	(8.5)	6.1
 <u>2012 \$ millions</u>	 <u>Change in FX rate</u>	 <u>Effect on profit before tax</u>	 <u>Effect on Net Investment</u>
EUR	10 percent	19.0	(12.3)
	– 10 percent	(19.0)	12.3
EGP	10 percent	(54.8)	(51.9)
	– 10 percent	54.8	51.9
DZD	10 percent	8.9	(7.7)
	– 10 percent	(8.9)	7.7
 <u>2011 \$ millions</u>	 <u>Change in FX rate</u>	 <u>Effect on profit before tax</u>	 <u>Effect on Net Investment</u>
EUR	10 percent	16.5	(16.5)
	– 10 percent	(16.5)	16.5
EGP	10 percent	20.8	(21.2)
	– 10 percent	(20.8)	21.2
DZD	10 percent	5.6	(13.2)
	– 10 percent	(5.6)	13.2

Interest rate risk

The Group is primarily financed by bank overdrafts and loans & borrowings. For the interest rate sensitivity analysis however only loans & borrowings have been included, as bank overdrafts have no fixed repayment schedules. The Group's interest rate risk arises from loans & borrowings. Loans & borrowings received at variable interest rates expose the Group to cash flow interest rate risk. The Group reviews it in light of global interest rate environment after consulting with a consortium of global banks.

The Group analyses its interest rate exposure on a dynamic basis. The Group calculates the impact on profit or loss of a defined interest rate shift. The same interest rate shift is used for all currencies. The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of borrowings affected, after the impact of hedge accounting. With all other variables held constant, the Group's profit before tax is affected through the impact on floating rate borrowings, as follows:

<u>\$ millions</u>	<u>Increase/decrease in basis points</u>	<u>2013 Effect of profit before tax</u>	<u>2012 Effect of profit before tax</u>	<u>2011 Effect of profit before tax</u>
	+100 bps	(6.8)	(6.9)	(6.1)
	– 100 bps	6.8	6.9	6.1

The assumed movement in basis points for the interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly higher volatility than in prior years. The interest on the tax dispute liability has not been included in the interest rate risk because the legal interest is fixed and independent from the market interest rate.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
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6. Financial risk and capital management (Continued)

Categories of financial instruments

<u>2011</u> <u>\$ millions</u>	<u>Note</u>	<u>Loans and</u> <u>receivables</u>	<u>Derivatives</u>	<u>Available-for-sale</u> <u>financial assets</u>
Assets				
Trade and other receivables	(9)	941.3	—	2.2
Cash and cash equivalents	(14)	448.1	—	—
Total		1,389.4	—	2.2
Liabilities				
Loans and Borrowings	(15)	588.7	—	—
Trade and other payables	(16)	582.6	—	—
Total		1,171.3	—	—
 <u>2012</u> <u>\$ millions</u>	 <u>Note</u>	 <u>Loans and</u> <u>receivables</u>	 <u>Derivatives</u>	 <u>Available-for-sale</u> <u>financial asset</u>
Assets				
Trade and other receivables	(9)	923.3	6.5	13.4
Cash and cash equivalents	(14)	428.0	—	—
Total		1,351.3	6.5	13.4
Liabilities				
Loans and Borrowings	(15)	795.6	—	—
Trade and other payables	(16)	758.1	—	—
Total		1,553.7	—	—
 <u>2013</u> <u>\$ millions</u>	 <u>Note</u>	 <u>Loans and</u> <u>receivables</u>	 <u>Derivatives</u>	 <u>Available-for-sale</u> <u>financial asset</u>
Assets				
Trade and other receivables	(9)	1,300.4	18.3	0.9
Cash and cash equivalents	(14)	419.7	—	—
Total		1,720.1	18.3	0.9
Liabilities				
Loans and Borrowings	(15)	806.8	—	—
Trade and other payables	(16)	678.1	—	—
Total		1,484.9	—	—

Most financial instruments are in the fair value hierarchy category level 2, with the exception of financial assets in the available-for-sale category. An amount of nil (2012: 0.1 million) was recognized as level 3 and was measured using the equity-method, reference is made to note 9.

Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of net assets attributable to Orascom Construction Group and other components of Net Investment. The Board of Directors monitors the return on capital as well as the level of dividends.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

6. Financial risk and capital management (Continued)

The Group's net debt to adjusted Net Investment ratio at the reporting date was as follows:

\$ millions	Note	2013	2012	2011
Loans and borrowings	(15)	806.8	795.6	588.7
Less: cash and cash equivalents	(14)	(419.7)	(428.0)	(448.1)
Net debt		387.1	367.6	140.6
Total Net Investment		874.5	431.3	1,111.2
Net debt to Net Investment ratio at 31 December		0.44	0.85	0.13

7. Property and equipment

\$ millions	Land and buildings	Equipment	Fixtures and fittings	Under construction	Total
Cost	162.2	530.7	24.7	36.4	754.0
Accumulated depreciation and impairment	(20.3)	(238.7)	(12.1)	—	(271.1)
At 1 January 2011	141.9	292.0	12.6	36.4	482.9
Movements in carrying amount:					
Additions	4.1	30.5	1.8	6.6	43.0
Disposals	(7.1)	(27.6)	(0.2)	—	(34.9)
Depreciation	(7.0)	(90.2)	(4.1)	—	(101.3)
Transfers	11.8	5.7	0.1	(17.6)	—
Exchange rate effects	(3.8)	(4.5)	(0.5)	(1.1)	(9.9)
At 31 December 2011	139.9	205.9	9.7	24.3	379.8
Cost	164.0	521.6	24.2	24.3	734.1
Accumulated depreciation and impairment	(24.1)	(315.7)	(14.5)	—	(354.3)
At 1 January 2012	139.9	205.9	9.7	24.3	379.8
Movements in the carrying amount:					
Additions	7.6	81.2	1.7	0.1	90.6
Disposals	(12.0)	(26.2)	(0.4)	—	(38.6)
Derecognition of subsidiary	—	(2.1)	—	—	(2.1)
Acquisition of subsidiary	—	6.3	—	—	6.3
Depreciation	(6.6)	(83.0)	(3.9)	—	(93.5)
Transfers	19.6	1.1	(0.3)	(20.4)	—
Exchange rates effects	(6.8)	(4.2)	—	(0.1)	(11.1)
At 31 December 2012	141.7	179.0	6.8	3.9	331.4
Cost	182.0	512.6	23.8	3.9	722.3
Accumulated depreciation and impairment	(40.3)	(333.6)	(17.0)	—	(390.9)
At 1 January 2013	141.7	179.0	6.8	3.9	331.4
Movements in the carrying amount:					
Additions	1.9	45.5	2.9	3.1	53.4
Disposals	(2.5)	(29.4)	(1.1)	—	(33.0)
Depreciation	(7.1)	(66.6)	(3.7)	—	(77.4)
Transfers	—	0.3	0.6	(0.9)	—
Exchange rates effects	(8.3)	4.2	(0.6)	(0.3)	(5.0)
At 31 December 2013	125.7	133.0	4.9	5.8	269.4
Cost	159.9	497.3	27.7	5.8	690.7
Accumulated depreciation and impairment	(34.2)	(364.3)	(22.8)	—	(421.3)
At 31 December 2013	125.7	133.0	4.9	5.8	269.4

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

7. Property and equipment (Continued)

The derecognition of subsidiary in 2012 of USD 2.1 million relates to the lost court case with respect to the International Boiler Steel Fabrication Company.

As at 31 December 2013, the group had land with a carrying amount of USD 15.9 million (2012: USD 17.6 million, 2011: USD 18.7 million). The acquisition of subsidiary in 2012 relates to the acquisition of the Weitz Group LLC (Weitz), reference is made to note 23.

8. Goodwill and other intangible assets

\$ millions	Goodwill	Other intangibles	Total
Cost	—	—	—
Accumulated amortization	—	—	—
At 1 January 2011	—	—	—
Movements in the carrying amount:			
Impairment	—	—	—
Exchange rate effects	—	—	—
At 31 December 2011	—	—	—
Cost	—	—	—
Accumulated amortization	—	—	—
At 1 January 2012	—	—	—
Movements in the carrying amount:			
Acquisition of subsidiary	8.5	1.3	9.8
At 31 December 2012	8.5	1.3	9.8
Cost	8.5	1.3	9.8
Accumulated amortization	—	—	—
At 1 January 2013	8.5	1.3	9.8
Movements in the carrying amount:			
Purchase price adjustment on previously acquired subsidiary	4.6	—	4.6
Amortization	—	(1.2)	(1.2)
At 31 December 2013	13.1	0.1	13.2
Cost	13.1	1.3	14.4
Accumulated amortization	—	(1.2)	(1.2)
At 31 December 2013	13.1	0.1	13.2

Goodwill

Goodwill in 2013 fully relates to the acquisition of Weitz in 2012. On 31 July 2012, the Group acquired the Weitz Company LLC, a United States general contractor based in Des Moines, Iowa, resulting in USD 8.5 million of goodwill. The transaction was completed on 12 December 2012. (reference is made to note 23).

The agreement provided for a contingent consideration arrangement, which is based upon the ultimate collection of specific assets, originally valued at USD 43.2 million, including the ultimate resolution of other contract receivables (claims). The fair value of the contingent consideration at the time of acquisition was estimated based upon the assessment of collectability by a third party. Certain measurement period adjustments relating to real estate for sale, an investment in a joint venture and a judgment on other contract receivables totaling USD 4.6 million have been adjusted through goodwill during the year ended 31 December 2013 as purchase price adjustments.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

8. Goodwill and other intangible assets (Continued)

In 2013 Weitz completed its initial purchase price accounting and performed a qualitative impairment test which did not indicate any impairment. More recently, in September 2014, an impairment test has been performed showing no impairment losses.

Other intangibles

Other intangible assets relates to the intangible assets identified in the purchase price allocation of the acquisition of the Weitz Group in 2012. These intangible assets are amortized over 17 months.

9. Trade and other receivables

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
Trade receivables (net)	497.6	429.7	516.5
Loans and trade receivables towards the Fertilizer Group (note 27)	441.1	147.6	96.6
Prepayments	11.1	16.4	6.9
Retentions	132.5	93.5	125.9
Derivative financial instruments	18.3	6.5	—
Other investments	0.9	13.4	2.2
Other receivables	218.1	236.1	195.4
Total	<u>1,319.6</u>	<u>943.2</u>	<u>943.5</u>
Non-current	368.9	130.5	4.1
Current	950.7	812.7	939.4
Total	<u>1,319.6</u>	<u>943.2</u>	<u>943.5</u>

The carrying amount of 'Trade and other receivables' as at 31 December 2011, 2012 and 2013 approximates its fair value.

Prepayments relate for the largest part to the amounts prepaid to sub-contractors, retentions related for the largest part to amounts withheld by customers.

The non-current part of trade and other receivables mostly consists of related party receivables of entities of the OCI Fertilizer Group. Reference is made to note 27 'Related party transactions'

The aging of current trade and other receivables at the reporting date was as follows:

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
Neither past due nor impaired	154.3	162.7	501.5
Past due 1 - 30 days	64.7	61.7	215.6
Past due 31 - 90 days	184.2	106.8	105.3
Past due more than 91 days	547.5	481.5	117.0
Total	<u>950.7</u>	<u>812.7</u>	<u>939.4</u>

Management believes that the amounts that are past due by more than 30 days are still collectible in full, based on historic payment behavior and extensive analysis of customer credit risk, including underlying customers' credit ratings if they are available.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

9. Trade and other receivables (Continued)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
At 1 January	61.5	25.8	24.5
Unused amounts reversed	(6.4)	(4.5)	—
Used amounts	(6.0)	(0.4)	(1.6)
Impairment losses recognised	2.3	42.2	3.7
Exchange rates differences	(1.7)	(1.6)	(0.8)
At 31 December	<u>49.7</u>	<u>61.5</u>	<u>25.8</u>

Derivative financial instruments

On 23 March 2012, the Group used forward exchange contracts and foreign currency options to hedge its currency risk exposure to the Japanese Yen that matures in October 2015. The contract has a notional amount of USD 320.7 million at the inception of the contract. The Group does not apply hedge accounting therefore all fair value changes related to this financial instrument is recognized in profit or loss. As at December 2013, the foreign exchange contracts had a fair value of USD 18.3 million (2012: USD 6.5 million).

The joint venture BESIX uses FX contracts to hedge foreign currency exposures. The joint venture applies hedge accounting on these contracts, the fair value of these FX contracts is recognized as 'Hedge reserve' within 'Net Investment'.

Other investment

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
Non-current investments			
Available-for-sale / debt securities	0.9	1.9	—
Available-for-sale / equity securities	—	0.1	—
Sub-total	<u>0.9</u>	<u>2.0</u>	<u>—</u>
Current investments			
Other investments	—	11.4	2.2
Sub-total	<u>—</u>	<u>11.4</u>	<u>2.2</u>
Total	<u>0.9</u>	<u>13.4</u>	<u>2.2</u>

Available-for-sale debt securities

Available-for-sale debt securities of USD 0.9 million in 2013 primarily relates to hedge funds and corporate bonds held by Weitz.

Other investments

Other investments of USD 11.4 million in 2012 relates to foreign treasury bills held by Naga Hammadi and Metro G2 (Joint operations of OCI S.A.E.).

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

10. Associates

(i) The following table analysis the carrying amount of the Groups' associates and joint ventures:

\$ millions	2013	2012	2011
At 1 January	437.0	408.3	343.8
Income from associates (net of tax)	58.4	79.7	109.1
Investment / (divestment)	10.6	1.4	(3.8)
Dividend	(33.0)	(33.5)	(32.4)
Movement in hedge reserve	10.5	(12.9)	0.1
Exchange rate effects	11.3	(6.0)	(8.5)
At 31 December	494.8	437.0	408.3

The entities disclosed under 'Associates' that are significant to the Group are BESIX (joint venture) and Sidra Medical Center (associate).

BESIX Group (BESIX)

Established in 1909 in Belgium, BESIX is a global multi-service group offering engineering, procurement and construction (EPC) services. BESIX operates in the construction, real estate and concession sectors in 15 countries focusing on Europe, Africa, the Middle East and Australia. Their core construction competencies include buildings, infrastructure and environmental projects, industrial civil engineering, maritime and port works and real estate development. In addition to EPC services, BESIX is active in real estate development and holds concessions in several Public Private Partnerships (PPP) and design, build, finance, and maintain/operate (DBFM) contracts, through which it develops, operates and maintains projects. In 2004, OCI acquired 50% of BESIX in a joint leverage buyout in partnership with BESIX management.

Sidra Medical Center

Sidra Medical Center joint venture is a consortium of Contrack (45%) and Obrascón Huarte Lain (OHL) (55%) which began construction of the Sidra Medical and Research Center in Doha, Qatar in 2008.

In July 2014, a consortium received a Notice of Termination from the Qatar Foundation for Education, Science & Community Development for the contract. Reference is made to note 24.

The below table summarizes the financial information of both BESIX and Sidra Medical Center based on the percentage of interest the Group has in it:

\$ millions	BESIX Group (50%)			Sidra Medical Center (45%)		
	2013	2012	2011	2013	2012	2011
Assets	1,371.9	1,106.8	1,115.1	152.1	195.3	245.3
Liabilities	(1,002.5)	(785.6)	(818.5)	(51.8)	(94.5)	(150.7)
Net assets	369.4	321.2	296.6	100.3	100.8	94.6
Construction revenues	1,537.2	1,424.2	1,226.4	119.5	206.4	227.6
Construction cost	(1,477.9)	(1,357.8)	(1,148.0)	(120.2)	(200.2)	(201.5)
Net profit / (loss)	59.3	66.4	78.4	(0.7)	6.2	26.1

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

10. Associates (Continued)

(ii) The Group has interests in a number of associates including the following:

Name	Parent	Country	Participation %
BESIX Group	MANOCI Belgium	Belgium	50.0
Medrail Ltd.	Orascom Construction Limited	UAE	50.0
Egyptian Gypsum Company	UHC	Egypt	28.3
Alico	Orascom Construction Limited	Egypt	50.0
Sidra Medical Center	Contrack Int.	USA	45.0
URS Contrack Pacer Forge IV	Contrack Int.	USA	45.0
Watts—Webcor Obayashi	Contrack Int.	USA	34.0
RW Constructors LLC	The Weitz Group	USA	50.0
Alexander—Weitz	The Weitz Group	USA	49.0
National Pipe Company	Orascom Construction Limited	Egypt	40.0
El Yamama	Orascom Construction Limited	Egypt	50.0
Orasqualia, Orasqualia for Construction S.A.E. and Orasqualia for Maintenance	Orascom Construction Limited	Egypt	50.0

(iii) The following table summarizes the financial information of the Orascom Construction Group's significant associates (100%) including BESIX, El Yamama, National Pipe Company, all of Weitz's associates, Egyptian Gypsum Company and Sidra Medical Centre:

\$ millions	2013	2012	2011
Assets	3,311.6	2,890.8	2,103.1
Liabilities	(2,291.2)	(1,992.2)	(1,566.0)
Net assets	1,020.4	898.6	537.1
Construction revenue	3,499.7	3,456.2	1,996.7
Construction cost	(3,395.8)	(3,322.5)	(1,885.0)
Net profit	103.9	133.7	111.7

Transaction between Group entities and associates / joint ventures

There are no significant transactions between entities of the group and the associates / joint ventures, except for the investments in and the dividends received from these associates and joint ventures.

Service concession arrangements

On 29 June 2009 Orasqualia, a partnership between the Orascom Construction Group and Aqualia (a Spanish company specialized in water treatment) entered into an agreement with 'The New Urban Communities Authority' (further referred to as 'NUCA') for the availability and operation of a wastewater treatment plant in New Cairo, Egypt. NUCA is a governmental body under the direction of the Minister of Housing, Utilities and Urban Development in Egypt.

The purpose of the agreement with NUCA is to design, finance, construct, operate, maintain, renew and transfer the ownership back to NUCA at the expiry date; therefore NUCA will become the owner of the infrastructure after the expiration date. NUCA controls and regulates what services Orasqualia must provide with the infrastructure, to whom it must provide them, and at what price.

The agreement has a predefined and fixed-term of 20 years from the effective date (September 2013). Orasqualia will perform the sewage treatment services in compliance with the performance criteria determined by NUCA and good industry practice for the contract duration.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

10. Associates (Continued)

NUCA will pay a quarterly sewage treatment charge to Orasqualia, existing of a fixed and a variable component. Furthermore, NUCA will pay a pass-through charge to reimburse Orasqualia for the full cost of electricity consumption.

Orasqualia performs both construction of the plant and operation services under a single contract. Revenue related to construction or upgrade services under a service concession arrangement is recognized based on the stage of completion of the work performed, consistent with the Group's accounting policy on recognizing revenue on construction contracts.

11. Income taxes

11.1 Income tax in the statement of profit or loss

Reconciliation of the weighted average statutory income tax rate and the effective tax rate can be summarized as follows:

\$ millions	2013	2012	2011
Current tax	(0.4)	554.6	55.4
Deferred tax	1.1	1.2	1.0
Total tax in statement of profit or loss	0.7	555.8	56.4
Reconciliation of the effective tax rate			
Profit / (loss) before income tax	0.4	(44.9)	264.9
Average weighted statutory income tax rate	(4.6)	(2.5)	85.4
Unrecognized deferred tax assets	13.7	14.5	12.0
Tax liability related to sale of Orascom Building Material Holding	(11.3)	—	524.4
Tax on Income from equity accounted investees	(14.6)	(19.9)	(26.3)
Other	6.2	39.3	(14.7)
Total Income tax in statement of profit or loss	0.7	555.8	56.4

11.2 Deferred income tax assets and liabilities

Recognized deferred tax assets and liabilities

\$ millions	Assets			Liabilities			Net		
	2013	2012	2011	2013	2012	2011	2013	2012	2011
Property and equipment	4.0	1.5	0.6	(4.2)	(1.8)	(0.1)	(0.2)	(0.3)	0.5
Intangible assets	0.7	0.5	—	—	—	—	0.7	0.5	—
Employee benefits	—	0.4	—	—	—	—	—	0.4	—
Provisions	1.0	0.9	0.2	—	—	—	1.0	0.9	0.2
Other items	2.0	0.9	1.0	(0.1)	(0.1)	(0.6)	1.9	0.8	0.4
Total	7.7	4.2	1.8	(4.3)	(1.9)	(0.7)	3.4	2.3	1.1

11.3 Income tax payable

\$ millions	2013	2012	2011
As 1 January	549.1	15.9	26.7
Additions (current tax of the year)	1.8	37.0	60.2
Tax dispute liability	(143.5)	524.4	—
Payments	(19.4)	(23.8)	(70.4)
Exchange rate effects	(44.2)	(4.4)	(0.6)
At 31 December	343.8	549.1	15.9
Non-current	207.4	257.4	—
Current	136.4	291.7	15.9
Total	343.8	549.1	15.9

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
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11. Income taxes (Continued)

Orascom Construction Industries S.A.E. Financial Tax liability

Orascom Construction Industries S.A.E. filed its corporate tax returns for the years 2007 to 2010 on the due dates according to corporate tax law No. (91) for the year 2005 and paid the corporate tax amount due for these years. In 2012, a tax claim was initiated in Egypt accusing Orascom Construction Industries S.A.E. of tax evasion pertaining to the sale of the total number of shares owned by Orascom Construction Industries S.A.E. in the issued capital of Orascom Building Materials Holding S.A.E. ('OBMH') to Lafarge in December 2007 (Sale of Shares). OBMH was an Egyptian joint stock company that was listed on the Egyptian Stock Exchange (EGX).

Management consulted tax and legal advisors and all parties believed that the aforementioned transaction was a sale of shares that settled for cash. Accordingly, this meant that the transaction was exempted of tax in accordance with item No. (8) of article 50 of the tax law No. (91) for the year 2005 and that such exemption is unconditional and unrestricted. In addition, the shares were fully and unconditionally registered on the EGX in accordance with the registration rules applicable at the date the transaction was executed. Therefore, Orascom Construction Industries S.A.E. and its tax and legal advisors believe that no capital gain tax on the transaction was to be due. Despite our conviction that all laws and regulations were soundly applied during the sale of OBMH, Orascom Construction Industries S.A.E.'s management entered into a planned payment agreement with the Egyptian Tax Authority (ETA) amounting to EGP 7.1 billion (around USD 1 billion) to resolve the tax dispute. Under this agreement Orascom Construction Industries S.A.E. was to submit modified tax returns for the years 2007 to 2010 to modify the amount of accrued tax. These amended returns were submitted on 29 April 2013. The parties agreed to pay the amount in instalments with the first instalment of USD 360 million (equivalent to EGP 2.5 billion) paid on 10 May 2013.

Following the change in government, the Egyptian Public Prosecutor thoroughly investigated the entire tax file over a six months period and fully exonerated OCI S.A.E. of any tax evasion in a final written opinion published on 18 February 2014. Subsequently, OCI S.A.E. re-launched its legal right to appeal the tax settlement and the case was referred to the Egyptian Tax Authority's (ETA) Independent Appeals Committee. On the 4th of November 2014, the Independent Appeals Committee issued a final ruling in favor of the Company. OCI S.A.E. has received a notification on the 11th of December 2014 that the ETA has lodged an appeal application before the primary court. On the 6th of January 2015, the court decided to postpone the first hearing to 27 March 2015. The management believes that the appeal has weak grounds as it does not include any new facts. The proceedings are expected to take between two to three years before the court issues its judgment. The likelihood of a judgment issued in favor of the Tax Authority is unlikely. It is very rare to see judgments issued by Appeals Committees overturned by courts.

The tax dispute liability has been allocated to Orascom Construction on a 50% basis, reference is made to note 2.2 subsection 'Significant allocations'. The tax amounts of USD 360 million already paid in 2013 will not be recognized in the balance sheet as a deferred tax asset because it is uncertain at the balance sheet date whether OCI S.A.E. will be able to collect this amount. On 13 November 2014, the Board of Directors of OCI N.V. approved the transfer of the rights to amounts paid to the ETA in 2013 to the "Tahya Mistr" social fund in Egypt upon finalization of the dispute.

12. Inventories

\$ millions	2013	2012	2011
Finished goods	1.4	1.3	14.5
Raw materials and consumables	154.2	111.9	135.4
Fuels and others	14.8	16.3	6.4
Real estates	11.1	12.6	—
Total	181.5	142.1	156.3

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
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12. Inventories (Continued)

In 2013, the total write-downs amount to USD 1.7 million which relates to raw materials (2012: USD 2.4 million, 2011: nil). In 2013 there were no reversals of write downs (2012 and 2011: nil). The real estate relates to land bank available at the Suez industrial zone in Egypt.

13. Contract receivables / billing in excess of construction contracts

\$ millions	2013	2012	2011
Costs incurred on incomplete contracts	10,769.5	8,721.0	7,212.1
Estimated earnings	1,037.5	949.1	866.9
	11,807.0	9,670.1	8,079.0
Less: billings to date	(11,732.3)	(9,377.2)	(7,990.7)
Total	74.7	292.9	88.3

\$ millions	2013	2012	2011
Presented in the combined statements of financial position as follows:			
Construction contracts in progress—current assets	375.4	406.6	286.6
Billing in excess on construction contracts—current liabilities	(300.7)	(113.7)	(198.3)
Total	74.7	292.9	88.3

The Group claims in certain instances amounts (such as variations and additional works) or pending proceedings and disputes with clients. It is not possible to reasonably determine the extent and timing of possible inflow of economic benefits, therefore these amounts have not been recognized.

14. Cash and cash equivalents

\$ millions	2013	2012	2011
Cash on hand	1.3	0.4	0.4
Bank balances	289.1	263.1	213.4
Call deposits	91.7	126.7	204.9
Restricted cash	37.6	37.8	29.4
Total	419.7	428.0	448.1

Restricted cash is held as collateral against letters of credit and letter of guarantees issued.

15. Loans and borrowings

\$ millions	2013	2012	2011
Non-current liabilities:			
Secured bank loans	21.3	—	—
Unsecured loans	34.8	38.8	—
Sub-total	56.1	38.8	—
Current liabilities:			
Secured bank loans	74.4	52.3	71.3
Unsecured bank loans	3.8	77.9	—
Bank overdraft	672.5	626.6	517.4
Sub-total	750.7	756.8	588.7
Total	806.8	795.6	588.7

Information about the Group's exposure to interest rate, foreign currency and liquidity risk is disclosed in the Financial risk and capital management paragraph in note 6. The fair value of loans and borrowings is

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

15. Loans and borrowings (Continued)

USD 5.9 million lower than the carrying amount (2012: USD 4.6 million lower). The loans and borrowings are not subject to covenants.

<u>Borrowing Company</u>	<u>Type of loan</u>	<u>Interest rate</u>
Orascom Construction	Unsecured	Variable
Orascom Construction Industries	Unsecured	10.85% on the EGP portion and 2.65% annually for the USD portion
Orascom Construction Industries—Algeria	Secured	Variable 5.8%
	Secured	Variable 7%
Contrack international	Unsecured	3.95 fixed
Contrack International W.L.L.	Unsecured	Variable
Total as per 31 December 2011		

<u>Borrowing Company</u>	<u>Type of loan</u>	<u>Interest rate</u>
Orascom Construction	Unsecured	Variable
Orascom Construction Industries	Unsecured	10.85% on the EGP portion and 2.65% annually for the USD portion
Orascom Construction Industries—Algeria	Secured	Variable 5.8%
	Secured	Variable 7%
Contrack international	Unsecured	3.95 fixed
	Unsecured	3.95 fixed
The Weitz Group, LLC	Unsecured	Multiple rates
Contrack International W.L.L.	Unsecured	Variable
Total as per 31 December 2012		

<u>Borrowing Company</u>	<u>Type of loan</u>	<u>Interest rate</u>
Orascom Construction	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%
Orascom Construction Industries	Unsecured	Variable LIBOR + margin ranging: USD: 2.28 - 4% (including LIBOR) EUR: 2.21 - 5% (including LIBOR) EGP: 9.8 - 12.95%
Orascom Saudi	Secured	LIBOR +2.0%
	Secured	LIBOR +2.75%
Orascom Construction Industries—Algeria	Secured	Variable 6.5%
Contrack international	Unsecured	LIBOR +3.7%
	Unsecured	LIBOR +2.5%
The Weitz Group, LLC	Unsecured	Multiple rates
Total as per 31 December 2013		

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

15. Loans and borrowings (Continued)

<u>Date of maturity</u>	<u>Carrying amount</u>	<u>Long term portion</u>	<u>Short term portion</u>	<u>Bank overdraft</u>	<u>Collateral / Guarantee given (if applicable)</u>
Renewed annually	395.5	—	—	395.5	Corporate guarantee from OCI S.A.E.
Renewed annually	45.4	—	—	45.4	Promissory notes guarantee.
2012	61.2	—	—	61.2	Promissory notes guarantee from OCI S.A.E.
2012	71.3	—	71.3	—	
2012	15.0	—	—	15.0	Corporate guarantee from OCI S.A.E.
2012	0.3	—	—	0.3	
	588.7	—	71.3	517.4	

<u>Date of maturity</u>	<u>Carrying amount</u>	<u>Long term portion</u>	<u>Short term portion</u>	<u>Bank overdraft</u>	<u>Collateral / Guarantee given (if applicable)</u>
Renewed annually	386.7	—	75.0	311.7	Corporate guarantee from OCI S.A.E.
Renewed annually	257.7	—	—	257.7	Promissory notes guarantee.
2013	52.3	—	52.3	—	Promissory notes guarantee from OCI S.A.E.
2013	24.6	—	—	24.6	
2013	10.0	—	—	10.0	Corporate guarantee from OCI S.A.E.
2013	22.4	—	—	22.4	
2018	41.7	38.8	2.9	—	
2013	0.2	—	—	0.2	
	795.6	38.8	130.2	626.6	

<u>Date of maturity</u>	<u>Carrying amount</u>	<u>Long term portion</u>	<u>Short term portion</u>	<u>Bank overdraft</u>	<u>Collateral / Guarantee given (if applicable)</u>
Renewed annually	385.4	—	—	385.4	Corporate guarantee from OCI S.A.E. and promissory notes from Orascom Construction.
Renewed annually	221.2	—	—	221.2	Promissory notes.
2014	34.1	—	—	34.1	Guarantee letter with 710M signed by the client and guarantor, obligation letter for the client invoices to be paid in ANB Bank.
2014	42.6	21.3	21.3	—	
2014	61.4	—	53.1	8.3	USD 62.4 mln cash cover at Citi Bank Dubai.
2014	10.0	—	—	10.0	Corporate guarantee from OCI S.A.E.
2014	13.5	—	—	13.5	
2018	38.6	34.8	3.8	—	
	806.8	56.1	78.2	672.5	

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

16. Trade and other payables

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
Trade payables	208.8	251.8	166.2
Trade payables due to related party (note 27)	8.1	2.5	—
Customer—advance payments	233.5	253.7	214.0
Accrued expenses	108.5	139.3	82.0
Other taxes	23.2	21.8	12.2
Other payables	56.7	55.8	101.6
Other non-current liabilities	4.5	5.2	5.1
Retentions payable	34.8	28.0	1.5
Total	<u>678.1</u>	<u>758.1</u>	<u>582.6</u>
Current	653.9	734.3	577.5
Non-current	24.2	23.8	5.1
Total	<u>678.1</u>	<u>758.1</u>	<u>582.6</u>

Information about the Group's exposure to currency and liquidity risk is included in note 6. The carrying amount of 'Trade and other payables' approximated the fair value.

Customer—advance payments relate to the prepayments made by construction customers in order to prepare for the start of construction. Retentions payable relate to amounts withheld from sub-contractors.

17. Provisions

\$ millions	<u>Warranties</u>	<u>Onerous contracts</u>	<u>Other</u>	<u>Total</u>
At 1 January 2013	<u>11.7</u>	<u>14.5</u>	<u>26.4</u>	<u>52.6</u>
Provision made	3.0	31.9	1.0	35.9
Provisions used	—	(9.0)	(6.4)	(15.4)
At 31 December 2013	<u>14.7</u>	<u>37.4</u>	<u>21.0</u>	<u>73.1</u>
Non-current	—	—	—	—
Current	14.7	37.4	21.0	73.1
Total	<u>14.7</u>	<u>37.4</u>	<u>21.0</u>	<u>73.1</u>

Warranties

The warranties are based on historical warranty data and a weighting of possible outcomes against their associated probabilities.

Other

'Other' includes amongst other OCI S.A.E.'s employee benefits (USD 4.3 million) mainly due to "end of service" engagements in whereby at end of service the employee/worker receives an indemnity based upon actual salary and years of service and to legal proceedings.

18. Segment information

The Group determines and presents operating segments on the information that internally is provided to the Chief Executive Officer during the period. The Group has three reportable segments, as described below. Each of the segments is managed separately because they require different operating strategies and use their own assets and employees. Factors used to identify The Group's reportable segments, are a combination of factors and whether operating segments have been aggregated and types of products and services from which each reportable segment derives its revenues.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

18. Segment information (Continued)

Business information

	MENA			USA			BESIX			Total		
\$ millions	2013	2012	2011	2013	2012	2011	2013	2012	2011	2013	2012	2011
Total revenue	1,171.9	1,144.0	1,482.4	1,177.8	313.3	328.9	—	—	—	2,349.7	1,457.3	1,811.3
Share in profit of associates	0.2	19.7	58.2	0.9	—	—	57.3	60.0	50.9	58.4	79.7	109.1
Depreciation and amortization	(68.0)	(87.3)	(96.2)	(10.6)	(6.2)	(5.1)	—	—	—	(78.6)	(93.5)	(101.3)
Interest income	9.4	14.4	5.6	0.1	—	0.3	—	—	—	9.5	14.4	5.9
Interest expense	(104.4)	(72.4)	(34.7)	(3.5)	(1.0)	—	—	—	—	(107.9)	(73.4)	(34.7)
Profit before tax	(23.0)	(101.1)	165.1	(33.9)	(3.8)	48.9	57.3	60.0	50.9	0.4	(44.9)	264.9
Investment in PPE	44.8	86.6	37.9	8.6	4.0	5.1	—	—	—	53.4	90.6	43.0
Non-current assets	1,119.8	860.7	772.4	34.2	52.2	21.6	—	—	—	1,154.0	912.9	794.0
Total assets	2,590.4	2,351.9	2,463.2	490.9	350.4	161.2	—	—	—	3,081.3	2,702.3	2,624.4
Total liabilities	1,805.9	2,036.2	1,464.1	400.9	234.8	49.1	—	—	—	2,206.8	2,271.0	1,513.2

* Segment revenues have been presented based on the location the entity managing the contracts.

BESIX is presented as part of 'Associates', therefore in above schedule only the income from associates is reflected. For further information with respect to assets, liabilities, revenues and cost, reference is made to note 10.

The geographic information above analyses the Group's revenue and non-current assets by the Company where the activities are being operated. The Orascom Construction Group has customers that represent 10 percent or more of revenues:

Percentage	Note	2013	2012	2011
United States Government		16%	15%	12%
Egyptian Government		12%	17%	14%
Iowa Fertilizer Company	(27)	17%	—	—
Total		45%	32%	26%

19. Revenues, construction cost and gross margin

a. Revenues

\$ millions	2013	2012	2011
Construction contract revenues	2,055.5	1,331.8	1,743.9
Sales of goods	293.0	123.1	65.9
Rendering of services	1.2	2.4	1.5
Total	2,349.7	1,457.3	1,811.3

b. Expenses by nature

\$ millions	2013	2012	2011
Cost of projects, changes in raw materials and consumables, finished goods and work in progress	1,833.8	1,027.2	1,151.9
Employee benefit expenses (c)	385.4	312.9	340.6
Depreciation, amortisation (7, 8)	78.6	93.5	101.3
Consultancy expenses	11.6	8.2	7.0
Other	87.3	82.9	50.6
Total	2,396.7	1,524.7	1,651.4

The expenses by nature comprise 'construction cost' and 'selling, general and administrative expenses'.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

19. Revenues, construction cost and gross margin (Continued)

c. Employee benefit expenses

\$ millions	2013	2012	2011
Wages and salaries (including pensions and social security costs)	377.4	293.9	299.4
Employee profit sharing	1.7	9.7	36.0
Share-based payment expense (d)	4.5	8.5	4.9
Other employee expenses	1.8	0.8	0.3
Total	385.4	312.9	340.6

d. Share-based payment arrangements

Cost of share-based payment arrangements issued by OCI N.V. towards employees of the Orascom Construction Group as 'group share-based payment arrangements' have been recognized in these Combined Financial Statements based on the requirements of IFRS 2. There was no allocation of share-based payment cost of Board of Directors of OCI N.V.

Certain employees of the Orascom Construction Group participate in the share-based payment arrangements of OCI N.V. (Group share-based payment arrangements). OCI N.V. currently has two incentive plans which are intended to (i) attract and retain the best available personnel for positions of substantial responsibility, (ii) provide additional incentive to management and employees, (iii) promote the success of the Company's business, and (iv) align the economic interests of key personnel directly with those of shareholders. Under both plans, stock options have been granted to management and employees. Both plans are 'equity-settled share-based compensation plans'.

Under the terms of the OCI S.A.E. plan (the first plan), certain employees were allowed to vest their options immediately and purchase the respective shares with a promissory note (as a payment method in order to be able to finance the exercise price) bearing interest at the "applicable federal rate prescribed under the United States Internal Revenue Code" at the time of purchase, secured by a pledge of the shares purchased by the note pursuant to a security agreement. The notes generally have a term of nine years, and may not be prepaid until four years after issuance which necessitates that the employee remain a shareholder for at least four years.

On 20 December 2013, the non-executive board members of OCI N.V. adopted an additional Employees Incentive Plan (the second plan). The second plan authorized the issuance of up to 1 million shares to employees and excludes the executive directors. The exercise price of the options granted to employees is equal to the fair market value of the shares on the date of grant. The options granted under this plan generally vest after three years (cliff vesting) and expire after seven years.

The following table only summarizes information about the stock options outstanding at 31 December 2013 for the Orascom Construction Group employees:

Grant date ⁽¹⁾	Number of options outstanding at 31 December 2013	Exercise price per share (EUR)	Weighted average remaining life (in years)	Number of options exercisable at 31 December 2013	Weighted average exercise price per share (USD)
4 January 2010	522,000	26.71	1.00	—	36.76
31 March 2011	651,000	26.43	2.25	—	41.27
28 November 2012	714,500	25.45	3.00	—	35.02
28 November 2012	428,000	26.46	3.00	428,000	36.42
31 December 2013	463,240	32.74	7.00	—	45.05

(1) In the table above, options granted between 2010 and 2012 are a part of the first plan described above replaced in August 2013. Options granted in December 2013 are a part of the second plan described above.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

19. Revenues, construction cost and gross margin (Continued)

Measurement of fair values

The fair value of the options granted to employees has been measured using the Black-Scholes option valuation model. The inputs used in the measurement of the fair values at grant date of plans were as follows:

	2013 ⁽¹⁾	2012	2011
Fair value at grant date	USD 13.42	USD 9.69	USD 13.26
Share price at grant date	USD 45.05	USD 35.29	USD 41.24
Exercise price	USD 45.05	USD 33.95	USD 41.18
Expected volatility (weighted average)	31.86%	39.8%	48.0%
Expected life (weighted average in years)	5.0	3.5	4.1
Expected dividends	none	1.5%	3.0%
Risk-free interest rate (based on government bonds)	1.07%	0.35%	10.00%

(1) In the table above, options granted in December 2013 had a fair value of EUR 9.75 based on an exercise price of EUR 32.74, the share price at the grant date.

Expected volatility has been based on an evaluation of the historical volatility of OCI N.V.'s share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behavior.

Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans and replacement awards to the Orascom Construction Group employees were as follows:

Options	Number of options 2013 ⁽¹⁾	Weighted-average exercise price 2013 (USD)	Number of options 2012 ⁽²⁾	Weighted-average exercise price 2012 (USD)	Number of options 2011 ⁽²⁾	Weighted-average exercise price 2011 (USD)
Outstanding at 1 January	3,275,598	35.70	2,188,405	36.62	1,477,405	35.64
Forfeited during the year	(217,487)	35.51	(45,497)	31.02	—	—
Granted during the year	463,240	45.05	1,227,500	34.44	1,106,000	38.65
Exercised during the year	(460,627)	17.48	(94,810)	42.98	(395,000)	38.65
Expired during the year	(271,984)	52.02	—	—	—	—
Outstanding at 31 December	2,788,740	37.55	3,275,598	35.70	2,188,405	36.62
Exercisable at 31 December	428,000	36.41	453,000	35.29	—	—

(1) In August 2013 options under the OCI S.A.E. plan were replaced by OCI N.V.'s options

(2) 2012 comparatives information is taken the original OCI S.A.E. incentive plan

The options outstanding at 31 December 2013 had an exercise price in the range of USD 36.76 to USD 45.05 (2012 and 2011: USD 19.48 to USD 56.79) and a weighted-average contractual life of 3.36 years (2012 and 2011: 2.94 years).

20. Other income

\$ millions	2013	2012	2011
Net gains on sale of property and equipment	3.0	9.8	7.0
Reversal of provisions	5.7	—	6.4
Late payment penalties received from clients	5.8	—	—
Rental income of equipment	—	—	9.5
Compensation from Bay Power Station at Libya	—	—	5.8
Other	7.6	5.5	4.3
Total	22.1	15.3	33.0

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

21. Other expenses

The other expenses of in 2012 include loss on sale steel material by USD 25.1 million (National Steel Fabrication, NSF).

22. Net finance cost

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
Interest income on loans and receivables	9.3	14.4	5.7
Interest income on available-for-sale financial assets	0.2	—	0.2
Foreign exchange gain	72.4	14.9	4.3
Finance Income	<u>81.9</u>	<u>29.3</u>	<u>10.2</u>
Interest expense on financial liabilities measured at amortised cost	(107.9)	(73.4)	(34.7)
Foreign exchange loss	(1.3)	(1.8)	(8.9)
Finance costs	<u>(109.2)</u>	<u>(75.2)</u>	<u>(43.6)</u>
Net finance costs recognised in profit or loss	<u>(27.3)</u>	<u>(45.9)</u>	<u>(33.4)</u>

The amount of USD 72.4 million in 2013, includes an amount of USD 44.1 million relating to the EGP-USD revaluation of the tax dispute liability, reference is made to note 11 'Income taxes'. The interest expense of USD 107.9 million include an amount of USD 36.7 million related to the recognition of interest cost on the tax dispute liability.

The above finance income and finance costs include the following interest income and expense in respect of assets (liabilities) not measured at fair value through profit or loss:

\$ millions	<u>2013</u>	<u>2012</u>	<u>2011</u>
Total interest income on financial assets	9.5	14.4	5.9
Total interest expenses on financial liability	(107.9)	(73.4)	(34.7)

23. Acquisitions

The Weitz Group LLC

On 31 July 2012, the Group acquired the Weitz Company LLC, a United States general contractor based in Des Moines, Iowa, for the acquisition cost of USD 2.9 million net of cash. The transaction was completed on 12 December 2012. The Weitz Company has three core business line: commercial, federal and plant service construction. The Weitz Company generated USD 681.5 million of revenues in 2011. The Weitz Company is consolidated in the Group's financial statements as of 31 December 2012, the date the Group gained control.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

23. Acquisitions (Continued)

In 2013 an adjustment of USD 4.6 million was made on the purchase price allocation based on a claim adjustment, the adjustment was recognized as goodwill.

\$ millions	Initial purchase price allocation	Purchase price adjustment	Final purchase price allocation
Property and equipment	6.3	—	6.3
Intangible assets	1.3	—	1.3
Goodwill	8.5	4.6	13.1
Trade and other receivables	101.7	(4.6)	97.1
Contract receivables	9.5	—	9.5
Other assets	29.4	—	29.4
Trade and other payables	(63.0)	—	(63.0)
Borrowings	(39.4)	—	(39.4)
Billing in excess of construction contracts	(34.2)	—	(34.2)
Other liabilities	(14.3)	—	(14.3)
Net assets acquired	5.8	—	5.8
Minority interest	(2.9)	—	(2.9)
Purchase price (net of cash)	2.9	—	2.9

24. Contingencies

Contingent liabilities

Capital commitments

There have not been any significant capital commitments during 2013, 2012 and 2011.

Litigations and claims

In the normal course of business, the Group entities and joint ventures are involved in some arbitration or court cases as defenders or claimants. These litigations are carefully monitored by the entities management and legal counsels, and are regularly assessed with due consideration for possible insurance coverage and recourse rights on third parties.

Orascom Construction Group does not expect these proceedings to result in liabilities that have a material effect on the company's financial position. In case where it is probable that the outcome of the proceedings will be unfavorable, and the financial outcome can be measured reliably, a provision has been recognized in the financial statements which is disclosed in note 17 'Provisions'. It should be understood that, in light of possible future developments, such as (a) potential additional lawsuits, (b) possible future settlements, and (c) rulings or judgments in pending lawsuits, certain cases may result in additional liabilities and related costs. At this point in time, Orascom Construction Group cannot estimate any additional amount of loss or range of loss in excess of the recorded amounts with sufficient certainty to allow such amount or range of amounts to be meaningful. Moreover, if and to the extent that the contingent liabilities materialize, they are typically paid over a number of years and the timing of such payments cannot be predicted with confidence. While the outcome of said cases, claims and disputes cannot be predicted with certainty, we believe, based upon legal advice and information received, that the final outcome will not materially affect our combined financial position but could be material to our results of operations or cash flows in any one accounting period.

Administrative court against Suez Industrial Development Company

A decision was issued against Suez Industrial Development Company, which operates in the field of land development in the North West of the Gulf of Suez, for the cessation of dealings on any of its allocated plots of land as of mid-November 2011 until the investigations, conducted by the Public Fund Prosecution and Military Prosecution and relating to the allocation and sale of lands located in the North West of the

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

24. Contingencies (Continued)

Gulf of Suez, are concluded. On 28 May 2012, the Company submitted a request to the Dispute Settlement Committee at the General Authority of Investment and Free Zones to cancel the said decision. On 25 July 2012, the decision issued by the Prime Minister to withdraw the plot of land allocated to the company was challenged before the Administrative Court and the hearing was postponed to 2 November 2013. On the hearing of November 2, 2013, the hearing was referred to a different court on the grounds of jurisdiction and accordingly the case was referred to the 8th District Contracts and during the hearing of 4 March 2014 the case was referred to the commissioners to prepare their report.

It is noteworthy to mention that on 22 April 2013, another decision was issued by the Ministerial Group Committee for Investment Dispute Settlement verifying the land contracts entered into by the company and ratified by Suez Governorate. On 14 May 2013, the company was notified with the ratification of the said decision by the Council of Ministers. During the hearing of 4 March 2014 the case was referred to the commissioners to prepare their report which was issued referring the case to the experts to issue their report. The Orascom Construction Group expects a outcome of this ruling in favor of SIDC.

Administrative court against Egyptian Gypsum Company S.A.E.

A lawsuit was filed before the Administrative Court against Egyptian Gypsum Company S.A.E. which operates in the field of Gypsum manufacturing, to nullify the sale contract of the company on the grounds that it is one of the companies sold under the privatization scheme. The report of the commissioners is being currently prepared and a hearing was scheduled to take place on 15 September 2014 pending the commissioners' report. At the hearing of 15 September 2014, the case was postponed until 20 April 2015. If the final award is against the company, the ownership of the plant will be transferred to its original owner and the company will get the sales price back. The external lawyer expects the outcome of this proceedings to be in favor of the Egyptian Gypsum Company S.A.E.

Court against former owner of Weitz

The previous owner of The Weitz Company ('Weitz') filed a variety of claims against Weitz arising out of alleged breaches of the Separation Agreement and Buy-Sell Agreements executed upon his departure from Weitz. He also filed a claim for tortious interference with contract against Orascom Construction Industries S.A.E., arising out of the same alleged breaches of the Separation Agreement and Buy-Sell Agreements. Weitz filed a motion for summary judgment on the ground that the proper purchase price had been paid for his stock pursuant to the Separation Agreement and Buy-Sell Agreements.

On July 23, 2012, the court decided that Weitz properly valued the stock for each transaction according to the stock's value at the end of the fiscal year, therefore Count VII remains. Management cannot make a reliable estimate on the outcome of this case. The Weitz Company is awaiting the trial ruling.

Thereafter and on 6 February 2015, the court dismissed all other claims filed by the previous owner against both Weitz and Orascom Construction Industries S.A.E. relating to tortious interference with contract and breach of contract regarding promissory notes.

The previous owner's right to appeal expires on 11 March 2015. However, Weitz's legal advisors are of the opinion that it is unlikely for him to appeal due to the fact that The judge's decision was detailed and well-reasoned, making an appeal more difficult to mount.

Sidra Medical Centre Project in Qatar—Notice of Termination

The contract for the design and build of the Sidra Medical and Research Centre in Doha, Qatar was awarded by the Qatar Foundation for Education, Science & Community Development in February 2008 to the JV between Obrascón Huarte Lain (55%) and Contrack (45%), for a total contract value of approximately USD 2.4 billion. The project is more than 95% complete and is not part of the Group's backlog as the project is accounted for under the equity method. In July 2014, the consortium received a Notice of Termination from the Qatar Foundation for Education, Science & Community Development. The matter has been referred to the UK court of arbitration. The management of the joint venture expects

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

24. Contingencies (Continued)

a favourable verdict. Provisions amounting to USD 187.9 million have been recognized in the third quarter results of 2014 preliminary in relation to the equity investment and the executed guarantee with regards to this project.

Letters of credit

The Orascom Construction Group has issued letters of credit totalling USD 37.6 million. The letters of credits were mainly issued by Contrack International USD 13.5 million and Orascom Saudi USD 19.9 million.

Letters of guarantee

The Orascom Construction Group has issued letters of guarantee totalling USD 717.2 million with respect to construction contracts. These were mainly issued by The construction activities of OCI S.A.E. (USD 446.6 million), OCI Egypt (USD 149.6 million) and Contrack Cyprus (USD 95.6 million).

Contingent assets

Arbitration against the Golden Pyramids Plaza

Orascom Construction Industries S.A.E. and Consolidated Contractors International Co. SAL have commenced arbitration against Golden Pyramids Plaza regarding the performance of its obligations relating to the City Stars Project. The claim was filed in 2005 and relates 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.

On 17 December 2014, the Court dismissed all objections to jurisdiction and admissibility of claims against Golden Pyramids Plaza. Orascom Construction Industries S.A.E. and Consolidated Contractors International Co. SAL were awarded compensation for damages resulting from the delayed and disrupted completion of the work, an amount of USD 31.1 million and EGP 248.3 million plus 5% interest from the day of the award until full payment. An amount of USD 3.6 and EGP 12.6 million was awarded in relation to 'Final Account Claims' LIBOR plus 2% interest from the day of the award until full payment. Lastly, the companies were awarded USD 8.7 million for compensation of the cost of the arbitration plus 5% interest from the day of the award until full payment. The total award, of which Orascom Construction Industries S.A.E.'s share is 50%, amounts to USD 80.0 million at the prevailing exchange rate on the date of the award.

The Group will recognize the award as of the date its share has been received, until that date the award will be disclosed as a contingent asset.

25. Earnings per share

Orascom Construction Ltd, parent of the Orascom Construction Group, was established subsequent to the reporting period presented in these Combined Financial Statements and does therefore not have an Earnings per Share history.

26. Operating lease commitments

The Group leases a number of office spaces, computers, machinery and cars under operating leases. The leases typically run for a period of 10 years, with an option to renew the lease after that date. Lease payments are renegotiated every five years to reflect market rentals. Some leases provide for additional rent payments that are based on changes in local price indices.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

26. Operating lease commitments (Continued)

Future minimum lease payments

\$ millions	2013	2012	2011
Less than one year	4.2	0.5	0.5
Between one and five years	2.2	2.2	2.1
More than five years	—	0.3	0.8
Total	6.4	3.0	3.4

27. Related party transactions

2011 Related party	Dividend	Revenue transactions during the year	AR outstanding at year end	Loans receivables at year end	AP outstanding at year end
Sorfert	—	17.5	22.8	—	—
Egyptian Fertilizer Company	—	59.5	2.8	—	—
OCI ESOP	—	—	71.0	—	—
OCI Overseas Holding Cyprus	352.7	—	—	—	—
Total	352.7	77.0	96.6	—	—

2012 Related party	Dividend	Revenue transactions during the year	AR outstanding at year end	Loans receivables at year end	AP outstanding at year end
Sorfert	—	2.4	26.3	—	2.5
Egyptian Fertilizer Company	—	3.9	—	—	—
OCI ESOP	—	—	82.2	—	—
OCI Overseas Holding Cyprus	—	—	—	39.1	—
Total	—	6.3	108.5	39.1	2.5

2013 Related party	Dividend	Revenue transactions during the year	AR outstanding at year end	Loans receivables at year end	AP outstanding at year end
OCI Overseas Holding Cyprus	—	—	—	322.2	—
Sorfert	—	0.5	28.7	—	1.8
OCI Partners LLC	—	14.6	0.5	—	—
Iowa Fertilizer Company	—	412.3	64.3	—	1.2
OCI N.V.	—	—	—	25.4	5.1
Egyptian Fertilizer Company	—	11.0	—	—	—
Egyptian Basic Industries Corporation	—	0.1	—	—	—
Total	—	438.5	93.5	347.6	8.1

(i) Transactions with related party—Normal course of business

Transactions with related parties occur when a relationship exists between Construction Group entities, its participating interest and their directors and key management personnel. In the normal course of business, Construction Group entities buys and sells goods and services from and to various related parties (including associates) within the Group. These transactions are conducted on a commercial basis under comparable conditions that apply to transactions with third parties.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

27. Related party transactions (Continued)

Orascom E&C and Iowa Fertilizer Corporation and OCI Beaumont

Orascom E&C is engaged in the construction of the Iowa Fertilizer Company plant and the debottlenecking of the OCI Beaumont (owned by OCI Partners) plant during 2013. Both the Iowa Fertilizer Company and OCI Beaumont are part of OCI N.V. Fertilizer Group. The total amount of revenues of Orascom E&C in 2013 amount to USD 412.3 million (2011: USD 59.5 million). The construction / debottlenecking of these plants will continue in 2014 and 2015.

OCI Algeria and Sorfert

OCI Algeria was engaged in the construction of the Sorfert Plant.

Interest income and expense

Interest income and expense with related parties is insignificant.

OCI Foundation and Sawiris Foundation for Social Development

The OCI Foundation invests company resources in educational programs that improve the communities in which we operate. Orascom has cultivated strong ties with several leading universities, including the University of Chicago (Onsi Sawiris Scholars Exchange Program), Stanford (The American Middle Eastern Network Dialogue) and Yale (Master of Advanced Management program and Global Network for Advanced Management program).

In 2013, through the Onsi Sawiris Scholarship Program, the Group provided scholarships to five students who are attending Yale, Stanford, Wharton, and Northwestern for graduate studies.

Furthermore, the Sawiris Foundation for Social Development also provides grants to fund projects implemented by charitable organizations, educational institutions, local government and private business. These related charitable organizations have a total transaction amount during 2013 of USD 0.7 million (2012: USD 0.9 million).

Key management personnel

Part of key management is under employment of OCI N.V. and related salary and other costs are charged to the Orascom Construction Group.

28. Subsequent events

Orascom Construction Industries S.A.E. Financial Tax liability

Reference is made to note 11.3.

Arbitration against the Golden Pyramids Plaza

Reference is made to contingent assets under note 24.

Corporate income tax rate in Egypt

During 2014, the corporate income tax rate in Egypt increased from 25% to 30%.

Court against former owner of Weitz

Reference is made to contingencies.

29. Key Management remuneration

The cost of key management (Board of Directors of OCI N.V.) has been allocated on a 15 percent basis of the total cost, reference is made to note 2.2 'Corporate administrative expenses'.

NOTES TO THE COMBINED FINANCIAL STATEMENTS (Continued)
FOR THE YEARS ENDED 31 DECEMBER

30. List of principal entities as per 31 December 2013

<u>Companies</u>	<u>Country</u>	<u>Percentage of interest</u>	<u>Consolidation Method</u>
Construction segment of OCI S.A.E.	Egypt	99.84	Full
Orascom Construction S.A.E.	Egypt	99.90	Full
Cementech Limited	BVI	100.00	Full
BESIX Group	Belgium	50.00	Equity
Orascom Construction Industries—Algeria S.P.A.	Algeria	99.94	Full
Orascom Construction Industries—Nigeria Limited	Nigeria	99.90	Full
Orascom Construction Industries—Pakistan (Private) Limited	Pakistan	100.00	Full
OCI Saudi Arabia Limited Company	Saudi Arabia	100.00	Full
Orascom for Storage Services and Maintenance LLC	Egypt	100.00	Full
OCI Construction Holding Limited	Cyprus	100.00	Full
OCI Luxemburg S.A.R.L.	Luxembourg	100.00	Full
OCI Construction International B.V.	Netherlands	100.00	Full
Contrack International Inc.	USA	100.00	Full
Contrack (Cyprus) Limited	Cyprus	100.00	Full
Contrack International WLL—Manama	Bahrain	100.00	Full
Orasqualia for Development of Wastewater Treatment Plant S.A.E.	Egypt	50.00	Equity
Orascom Tervi Skikda Ltd.	Algeria	50.00	Equity
OCI Construction Limited	Cyprus	100.00	Full
Orasqualia for Operations and Maintenance S.A.E.	Egypt	50.00	Equity
Orasqualia for Construction S.A.E.	Egypt	50.00	Equity
Suez Industrial Development Company	Egypt	60.50	Full
Orascom Road Construction S.A.E.	Egypt	99.98	Full
National Steel Fabrication S.A.E.	Egypt	99.90	Full
Alico Egypt S.A.E.	Egypt	50.00	Equity
Medrail Limited	UAE	50.00	Equity
Algerian Company for Industrial Cement LLC—S.A.R.L. Sobil	Algeria	99.90	Full
NSF Global Limited	BVI	100.00	Full
United Company for Paint and Chemicals S.A.E.	Egypt	56.50	Full
United Holding Company S.A.E.	Egypt	56.50	Full
OCI Construction Egypt S.A.E.	Egypt	100.00	Full
Mena Mining B.V.	Netherlands	100.00	Full
Red Sea Holding B.V.	Netherlands	100.00	Full
Orascom Saudi Company	Saudi Arabia	60.00	Full
OC International Limited	Cyprus	100.00	Full
OC Overseas International Limited	Cyprus	100.00	Full
OC Investments S.A.R.L.	Cyprus	100.00	Full
The Weitz Group LLC	USA	100.00	Full
Orascom E&C USA Inc.	USA	100.00	Full
Contrack B.V.	Netherlands	100.00	Full
OCI Construction B.V.	Netherlands	100.00	Full
National Pipes Company S.A.E.	Egypt	40.00	Equity
El-Yamama United Company	Saudi Arabia	50.00	Equity
Sidra Medical Center JV	Qatar	45.00	Equity
URS Contrack Pacer Forge IV JV	USA	45.00	Equity
Watts—Webcor Obayashi JV	USA	55.00	Equity
RW Constructors LLC JV	USA	50.00	Equity
Alexander—Weitz JV	USA	49.00	Equity



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INDEPENDENT AUDITOR'S REPORT

To the board of directors of Orascom Construction Limited

Introduction

We have audited the accompanying combined financial statements of OCI N.V. Construction Group, which comprise the combined statement of financial position as at 31 December 2013, 2012 and 2011 and the combined statement of profit or loss and other comprehensive income, combined statement of changes in net investment and combined statement of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and presentation of these combined financial statements in accordance with the International Financial Reporting Standards and the basis of preparation set out in note (2) to the combined financial statements. The combined financial statements contain an aggregation of financial information relating to OCI N.V. Construction Group and have been prepared from the books and records maintained OCI N.V. Construction Group and its entities. Management's responsibility includes; designing, implementing and maintaining internal control relevant to the preparation and presentation of combined financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with relevant ethical requirements and plan and perform the audit to obtain reasonable assurance whether the combined financial statements are free of material misstatement. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and presentation of the combined interim financial information in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the combined financial statements referred to above presented fairly, in all material respects, the financial position of OCI N.V. Construction Group as at 31 December 2013, 2012 and 2011 and the results of its operations and its cash flows for each of the years in the three years period ended 31 December 2013 in accordance with International Financial Reporting Standards and basis set out in note (2).

Basis of Accounting

Without modifying our opinion, we draw attention to note (2) to the combined financial statements, which describe the basis of preparation. However, had the OCI N.V. Construction Group actually operated, as an independent group, its financial position, results of operations and cash flows may not necessarily have been those set out in the combined financial statements. The combined financial statements are prepared for inclusion in the prospectus relating to admission of the OCI N.V. Construction Group to the Official List of Securities of the Dubai Financial Services Authority (DFSA). As a result, the combined financial statements may not be suitable for another purpose.

Cairo, 8 March 2015

KPMG Egypt

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