

**ORASCOM**  
DEVELOPMENT

Media Conference

Zurich: 1 June 2016

# Agenda



ODH at a glance



Situation analysis and the way forward



Strategic and organizational re-orientation



Outlook 2016

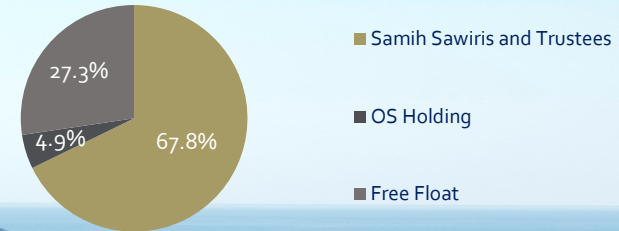
# ODH is a Pioneer Developer of Self-Sufficient Resort Towns

## Company Overview



- Orascom Development Holding ("ODH" or the "Company") is an integrated developer of resort towns, involving the development of residential units, hotels, and recreational facilities such as golf courses, town centers, and marinas, in addition to supporting infrastructure, such as hospitals, schools, and utilities.
- Boasting a land bank of 100.2 mn sqm and a comprehensive hospitality portfolio of 7,915 rooms, the Company's diversified portfolio of destinations is spread over 7 jurisdictions including Egypt, Oman, Morocco, Montenegro, Switzerland, UK, and UAE.
- ODH is listed on the SIX Swiss Exchange (market cap CHF 349.5 mn<sup>1</sup>), in addition to an EDR program on the Egyptian Stock Exchange (market cap CHF 84.9 mn<sup>2</sup>)

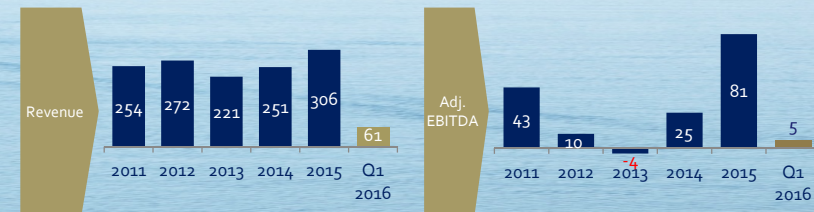
## Shareholding Structure <sup>1</sup>



## Organizational Structure

	Egypt	Oman	UAE	Montenegro	Other Projects	Total
Key Projects						
Total Land Bank	49.1 mn sqm	20.8 mn sqm	0.3 mn sqm	6.9 mn sqm	23.1 mn sqm	100.2 mn sqm
Number of Hotels	28 Hotels	4 Hotels	1 Hotel	-	1 Hotel	34 Hotels <sup>2</sup>
Number of Rooms	6,702 Rooms	767 Rooms	346 Rooms	-	100 Rooms	7,915 Rooms

## Key Financial Indicators (CHF mn)



<sup>1</sup> As of March 31, 2016.

<sup>2</sup> Includes Chedi Hotel in Andermatt with 100 rooms.





# Agenda



ODH at a glance



Situation analysis and the way forward



Strategic and organizational re-orientation



Outlook 2016

# Situation analysis

6 / 30

## Challenges and development areas related to strategy and internal structure

- Performance largely dependent on El Gouna, Egypt
- Most international destinations still in the ramp-up phase
- Financial pressure resulting from: negative operating cash flows, current debt levels and investment requirements

## Increased complexity in company structure requires organizational adjustments

- KPIs distribution is not granular enough
- Responsibility matrix leads to redundancies
- BU structure hinders development of the Group
- Project management inefficiencies



# ... moving forward

7/30

## ODH today ...

- Global touristic land marks, complemented by a huge asset base and strong fundamentals, yet facing some challenges:

## Mandate

- Preserve the Group's vision, with more focus on day to day execution and cash generation
- Faster monetization of the Group's potential
- Delivering on milestones and communicating timely business plans with targeted deliverables







# Agenda



ODH at a glance



Situation analysis and the way forward



Strategic and organizational re-orientation



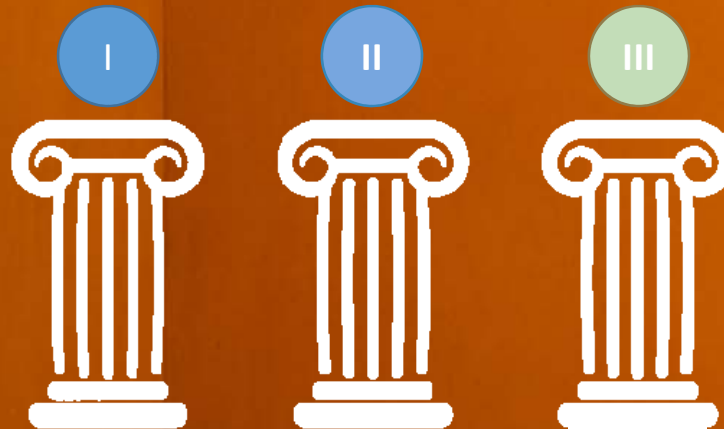
Outlook 2016

# Opportunity : Strategic Re-orientation

10 / 30

Revised strategic focus - Review of ODH's strategy founded on 3 pillars

## ODH Strategy



Establishment of enhanced business practices

Strengthening ODH balance sheet

Repositioning & enhancement of ODH brand

### Status quo

We believe that replicating to the extent applicable the El Gouna success story on an ODH-wide basis will be key to ensure the effective implementation of the revised strategy

### Replicating the success story of El Gouna

Plan to focus long term strategy along three "Pillars":

- Establishment of enhanced business practices
- Strengthening ODH balance sheet
- Repositioning & enhancement of ODH brand

We are striving to achieve our long-term vision:

- To become the leading developer and manager of fully fledged touristic towns and housing constructor providing "life as it should" be for each market segment





# I Establishment of enhanced business practices

12 / 30



## Destination based management

Cash flow driven, cost efficient and leaner organization

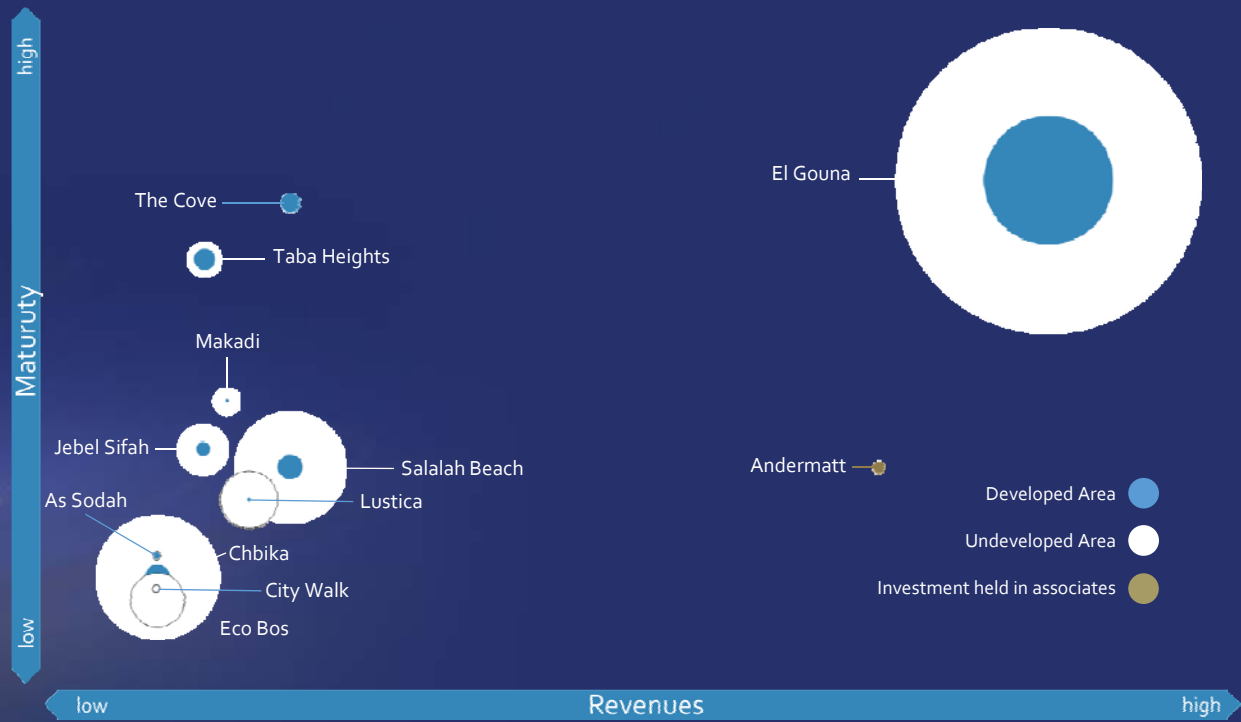


# Business Model to remain unchanged...



# ... but execution by destination based management

## Maturity chart



# ODH – Current Structure

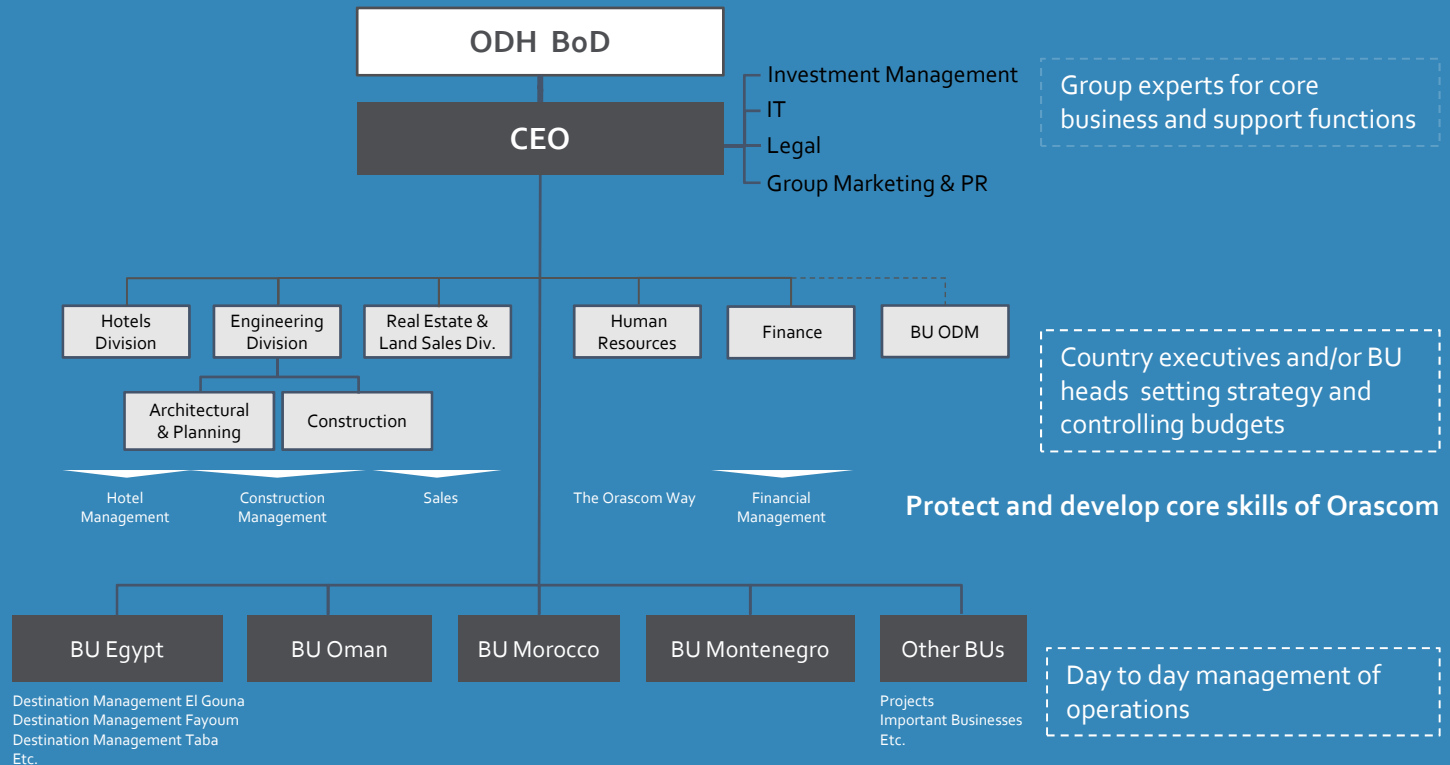
**Holding level**



**Country / BU**



**Destination**



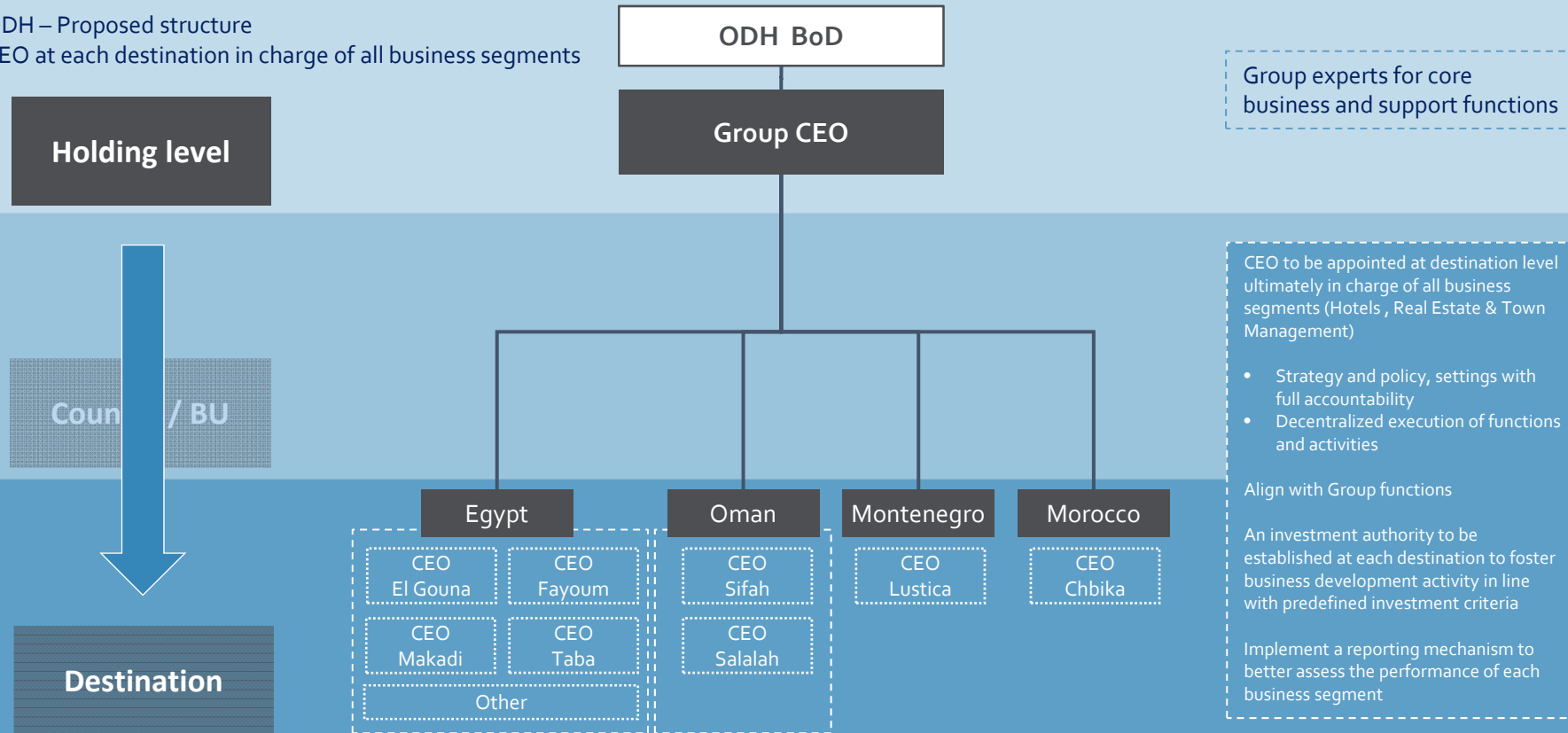
Ensure maximum Execution Power in each BU

Moving towards a destination based structure



# Opportunity: more efficient organization

ODH – Proposed structure  
 CEO at each destination in charge of all business segments

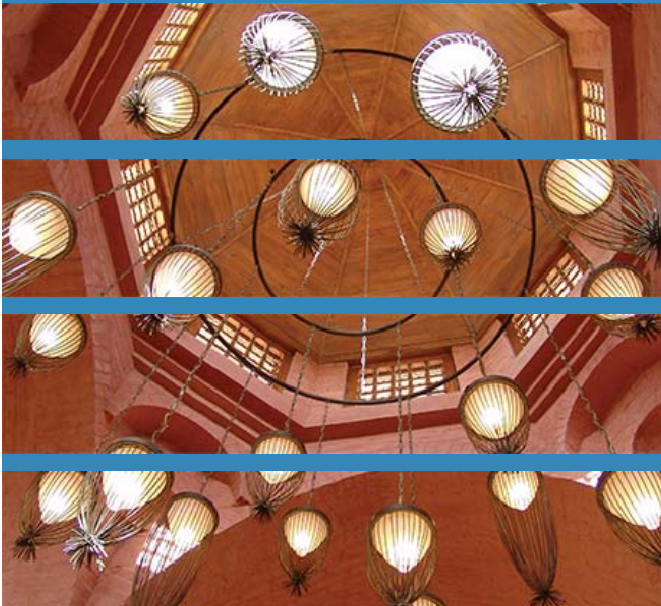


Destinations gain more autonomy and become independent entities



# I Establishment of enhanced business practices

17 / 30



Destination based management

Cash flow driven, cost efficient  
and leaner organization



# Cash flow driven, cost efficient and leaner organization

18 / 30

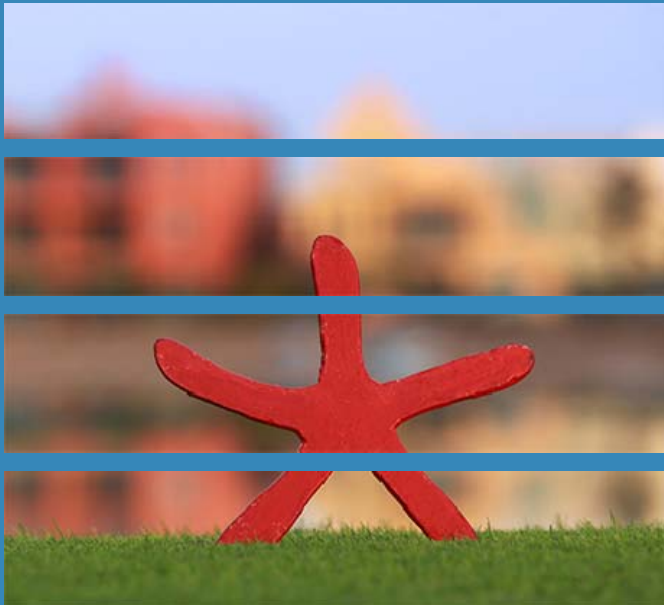
- Set specific investment criteria
- Encourage co-investment opportunities
- Sub-development (land sales)
- New hotel developments
- Streamline the organizational structure





## II Strengthening ODH Balance Sheet

20 / 30



Debt Reduction and Reschedule

Debt Re-allocation & employment of new debt instruments



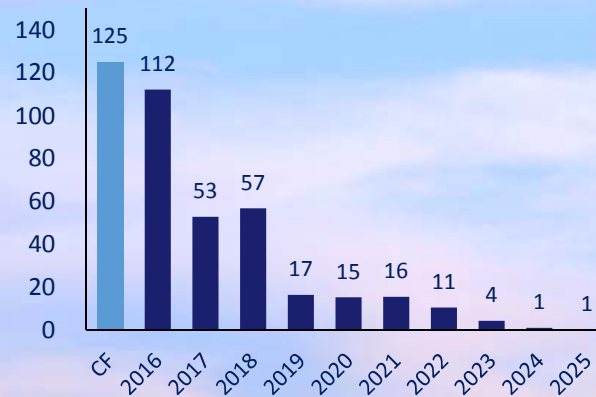
# Debt reduction and reschedule

## Debt restructuring

- Rescheduling the current debt for a 3 years grace period as offered by the Central Bank of Egypt
- Total debt excluding Tamweel Group in Q1 2016 reached CHF 412 mn.
- Planning to repay CHF 47.2 mn.

## Monetization

- Evaluate the opportunity of disposing ODH minority stakes
- Consider the disposal of non-core assets



**Current maturity profile excluding Tamweel**

CHF mn, as of 31.3.16



**Debt maturity profile after rescheduling**

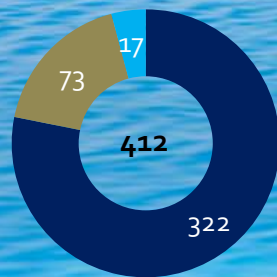
CHF mn, as of 31.3.16

# Debt reallocation & employment of new debt instruments

- Debt to be taken at the project level as opposed to Egyptian holding level when feasible
- Evaluate the feasibility of various debt instruments to extend maturity profile of ODH and match the cash flow generation

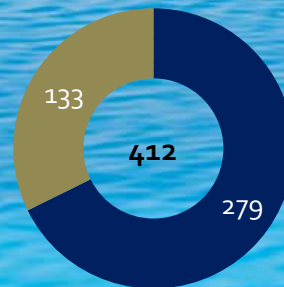


**Debt by country<sup>(1)</sup>**  
CHF mn, as of 31.3.2016



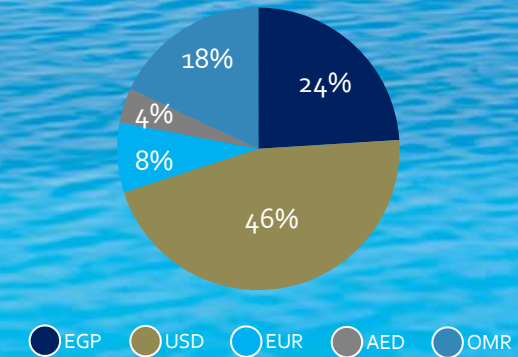
● Egypt ● Oman ● UAE

**Debt by entity<sup>(1)</sup>**  
CHF mn, as of 31.3.2016



● Corporate (Egypt) ● Hotels

**Total debt by currency<sup>(1)</sup>**  
in %, as of 31.March.2016



● EGP ● USD ● EUR ● AED ● OMR

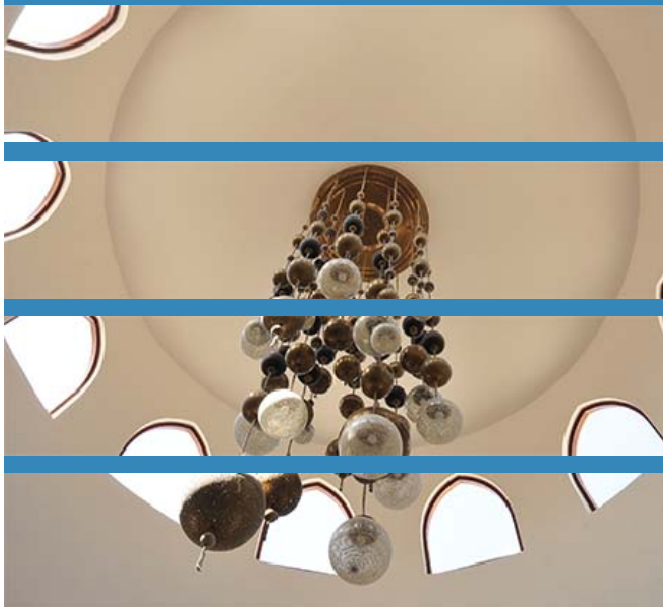
Note: (1) Debt figures excluding Tamweel Group





## III Repositioning & enhancement of ODH brand

24 / 30



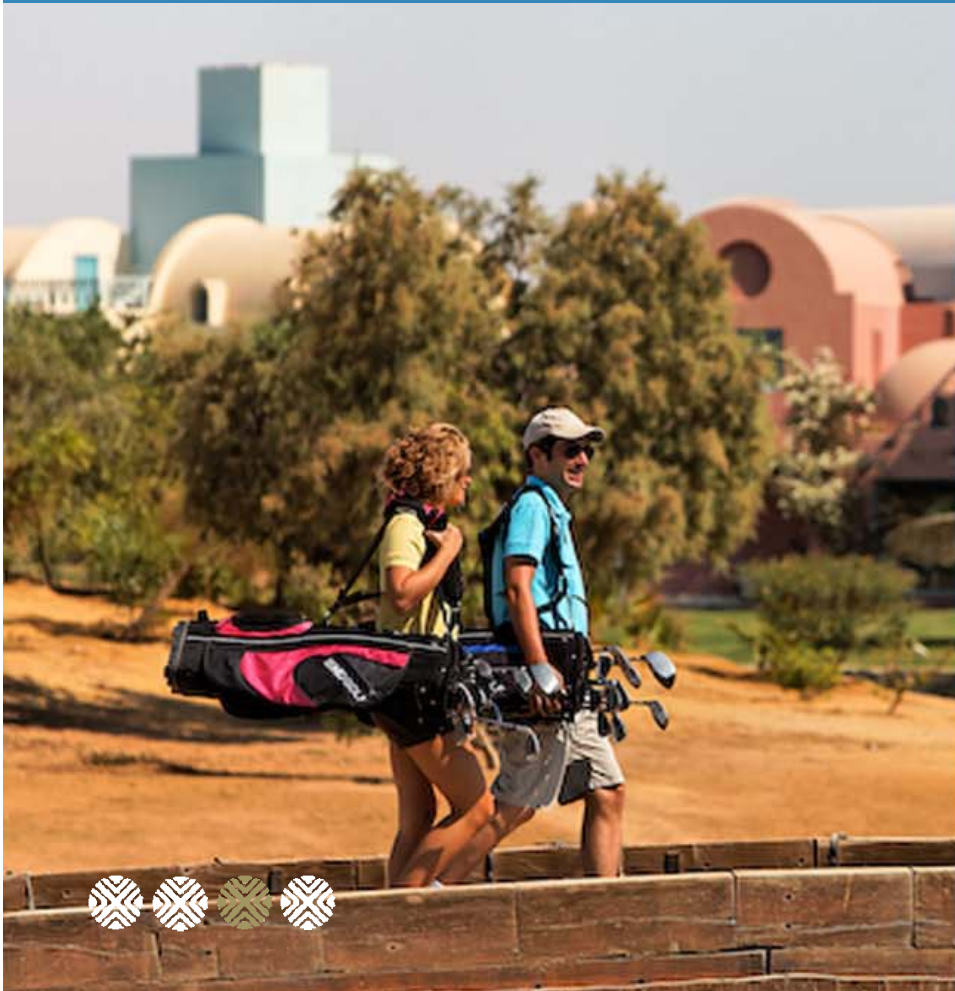
Life as it should be





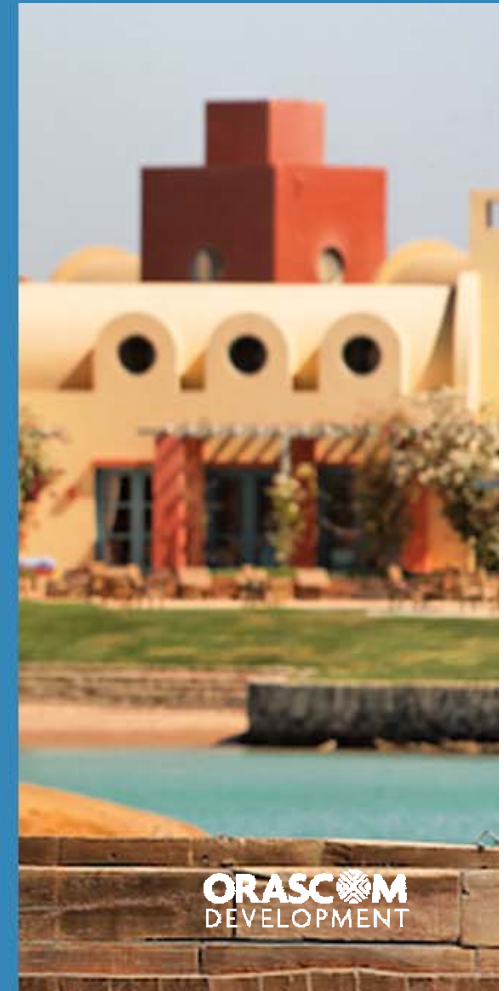
# Life as it should be

25 / 30



Repositioning of the “Life as it should be” statement across all destinations

Institutionalize the entrepreneurial investment approach to be embedded within the corporate culture



**ORASCOM**  
DEVELOPMENT

# Agenda



ODH at a glance



Situation analysis and the way forward



Strategic and organizational re-orientation



Outlook 2016

# Outlook 2016

27 / 30

## Corporate

- Continuing with the optimization of the cost structure and organizational efficiency
- Continuing with the debt rescheduling negotiations with the banks opting for a 3 years grace period, expecting to be finalized by June/July 2016
- Successfully launched El Gouna "State of Mind" marketing campaign and positioning and also working on a PR digital campaign on a regional scope



**ORASCOM**  
DEVELOPMENT

# Outlook 2016

28 / 30

## Destinations

- El Gouna, Egypt, capitalizing on Fanadir Bay project that was launched in April 2016 with a total inventory of USD 60.0 mn
- Fayoum, Egypt, planning to launch new products with a total inventory of USD 3.4 mn in Q4 16 and finalizing the construction of Byoum Hotel to be opened in Q3 16
- Salalah, Oman, finalizing the water park designs, planning to start construction by Q4 16
- In Egypt, currently studying several land opportunities in New Cairo and the North Coast for first and second homes markets
- Lustica Bay, Montenegro, on target with the construction of the new apartment buildings and Marina, to be opened by summer 2017. Planning to start the construction of the Promenade Hotel during 2016, with plans to start operations in summer 2018
- The Cove extension, UAE to be opened later this year
- Capitalizing on the huge demand that was acknowledged in Oman during the ITB Berlin conference by adding 80 new rooms to Al Fanar hotel' s existing portfolio, bringing its total room count to 298 by Dec 2016



# El Gouna State of mind



ORASCOM  
HOTELS & DEVELOPMENT  
Life as it should be



# Disclaimer

30 / 30

THESE MATERIALS ARE BEING PROVIDED TO YOU SOLELY FOR YOUR INFORMATION AND ARE STRICTLY CONFIDENTIAL AND MUST NOT BE REPRODUCED, DISCLOSED OR FURTHER DISTRIBUTED TO ANY OTHER PERSON, OR PUBLISHED, IN WHOLE OR IN PART, FOR ANY PURPOSE.

IN PARTICULAR, NEITHER THIS DOCUMENT NOR ANY PART OR COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO THE UNITED STATES OF AMERICA (THE "UNITED STATES") OR TO U.S. PERSONS OR DISTRIBUTED, DIRECTLY OR INDIRECTLY, IN THE UNITED STATES OR TO U.S. PERSONS. NEITHER THIS DOCUMENT NOR ANY PART OR COPY OF IT MAY BE TAKEN OR TRANSMITTED INTO, OR DISTRIBUTED OR REDISTRIBUTED, DIRECTLY OR INDIRECTLY, IN AUSTRALIA, CANADA OR JAPAN, OR TO ANY RESIDENT THEREOF.

ANY FAILURE TO COMPLY WITH THESE RESTRICTIONS MAY CONSTITUTE A VIOLATION OF UNITED STATES, AUSTRALIAN, CANADIAN OR JAPANESE SECURITIES LAWS. THE DISTRIBUTION OF THIS DOCUMENT IN OTHER JURISDICTIONS MAY BE RESTRICTED BY LAW, AND PERSONS INTO WHOSE POSSESSION THIS DOCUMENT COMES SHOULD INFORM THEMSELVES ABOUT, AND OBSERVE, ANY SUCH RESTRICTIONS.

THIS DOCUMENT DOES NOT CONTAIN OR CONSTITUTE AN OFFER TO SELL OR A SOLICITATION OF ANY OFFER TO BUY SECURITIES IN THE UNITED STATES OR IN ANY OTHER JURISDICTION IN WHICH SUCH OFFER OR SOLICITATION IS NOT AUTHORIZED OR TO ANY PERSON TO WHOM IT IS UNLAWFUL TO MAKE AN OFFER OR SOLICITATION. THE SECURITIES OF OD HOLDING HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES LAWS AND MAY NOT BE OFFERED OR SOLD IN THE UNITED STATES OR TO OR FOR THE ACCOUNT OR THE BENEFIT OF "U.S. PERSONS" (AS SUCH TERM IS DEFINED IN REGULATIONS UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED) ABSENT REGISTRATION OR AN EXEMPTION FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED. OD HOLDING NOR ITS SHAREHOLDERS INTEND TO REGISTER ANY PORTION OF THE OFFERING IN THE UNITED STATES OR CONDUCT A PUBLIC OFFERING OF SECURITIES IN THE UNITED STATES.

THIS DOCUMENT IS DIRECTED ONLY AT PERSONS (i) WHO ARE OUTSIDE THE UNITED KINGDOM OR (ii) WHO HAVE PROFESSIONAL EXPERIENCE IN MATTERS RELATING TO INVESTMENTS FALLING WITHIN ARTICLE 19(5) OF THE FINANCIAL SERVICES AND MARKETS ACT 2000 (FINANCIAL PROMOTION) ORDER 2005 (AS AMENDED) (THE "ORDER") OR (iii) WHO FALL WITHIN ARTICLE 49(2)(a) TO (e) ("HIGH NET WORTH COMPANIES, UNINCORPORATED ASSOCIATIONS ETC.) OF THE ORDER (ALL SUCH PERSONS TOGETHER BEING REFERRED TO AS "RELEVANT PERSONS"). ANY PERSON WHO IS NOT A RELEVANT PERSON MUST NOT ACT OR RELY ON THIS COMMUNICATION OR ANY OF ITS CONTENTS. ANY INVESTMENT OR INVESTMENT ACTIVITY TO WHICH THIS COMMUNICATION RELATES IS AVAILABLE ONLY TO RELEVANT PERSONS AND WILL BE ENGAGED IN ONLY WITH RELEVANT PERSONS.

IN ANY EEA MEMBER STATE THAT HAS IMPLEMENTED DIRECTIVE 2003/71/EC (TOGETHER WITH ANY APPLICABLE IMPLEMENTING MEASURES IN ANY EEA MEMBER STATE, THE "PROSPECTUS DIRECTIVE") THIS COMMUNICATION IS ONLY ADDRESSED TO AND IS ONLY DIRECTED AT QUALIFIED INVESTORS IN THAT EEA MEMBER STATE WITHIN THE MEANING OF THE PROSPECTUS DIRECTIVE.

THIS DOCUMENT CONSTITUTES NEITHER AN OFFER TO SELL NOR A SOLICITATION TO BUY ANY SECURITIES AND IT DOES NOT CONSTITUTE A PROSPECTUS PURSUANT TO ARTICLES 652a AND/OR 1156 OF THE SWISS CODE OF OBLIGATIONS OR ARTICLES 27 ET SEQQ. OF THE LISTING RULES OF THE SIX SWISS EXCHANGE.

CERTAIN MATTERS DISCUSSED IN THIS PRESENTATION MAY CONSTITUTE FORWARD-LOOKING STATEMENTS. THESE STATEMENTS ARE BASED ON CURRENT EXPECTATIONS, ESTIMATES AND ASSUMPTIONS OF ORASCOSM HOLDING DEVELOPMENT LTD (THE "COMPANY") AND INVOLVE RISKS AND UNCERTAINTIES. THE COMPANY CAN GIVE NO ASSURANCE THAT THESE EXPECTATIONS AND ESTIMATES WILL BE ACHIEVED OR THAT THE ASSUMPTIONS ARE ACCURATE. IN PARTICULAR, FORWARD-LOOKING STATEMENTS ARE NOT GUARANTEES OF FUTURE PERFORMANCE. ALL FORWARD-LOOKING STATEMENTS ARE THEREFORE QUALIFIED IN THEIR ENTIRETY.

THE INFORMATION CONTAINED IN THIS DOCUMENT IS NOT INTENDED TO LEAD TO THE CONCLUSION OF ANY CONTRACT OF WHATSOEVER NATURE, IN PARTICULAR WITHIN THE TERRITORY OF EGYPT, THE UNITED ARAB EMIRATES, KUWAIT, MOROCCO, OMAN AND SAUDI ARABIA.

## **Rounding**

Numbers presented throughout this presentation may not add up precisely to the totals provided in the tables and text. For presentation purposes, figures are rounded to the nearest decimal place. Percentages, percent changes and absolute variances, however, are calculated based on the exact figures as shown in the financial statements.