

Press Release

Orascom Development Egypt (ODE) signs two final offers to divest non-core assets. Proceeds of the sale will reduce its debt by c. EGP 1.0 billion and generate on average an interest savings of c. 100.0 million annually.

Cairo, February 25, 2018 – In line with the Orascom Development Egypt's (ODE) strategy of enhancing its balance sheet, the Group will dispose a number of non-core assets and will use the proceeds to reduce its debt balance by c. EGP 1.0 billion.

Accordingly, ODE has signed two final offers for the sale of 100% of its equity stake in Tamweel Group and the sale of its stake in Makadi Gardens, Royal Azur and Club Azur and a land plot in Makadi destination. All due diligence and related paperwork for both deals have been finalized and their conclusion is now only pending on the general assembly meeting and other regulatory entity approvals.

The first offer was signed with a consortium of international and local investors for the sale of Tamweel Group at a valuation of up to EGP 300.0 million, 10.0% of which is variable based on the Tamweel Group's 2018 performance. This sale will enable us to deconsolidate its related debt of EGP 1.1 billion as of 30.9.2017.

The second offer was signed with Meeting Point International Egypt, the Egyptian subsidiary of FTI Group for the sale of our stake in the three hotels (Makadi Gardens, Royal Azur and Club Azur) and a land plot in Makadi destination for an Enterprise value of EGP 939.3 million.

The proceeds of the above-mentioned sales together with excess accumulated operational cash is geared towards reducing the debt by c. EGP 1.0 billion. This will result in an average interest savings of c. EGP 100.0 million annually till 2024 and will allow us to reach more favorable debt ratios. In parallel, we are in negotiations with the banks to further optimize our repayment schedule.

About Orascom Development Egypt (ODE):

Orascom Development Egypt (ODE) is the largest subsidiary of Orascom Development Holding (ODH). ODE is an integrated developer of resort towns in Egypt, with a vertically-integrated business model 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. ODE currently owns a land bank of 49.1 million square meter and 27 hotels with a total of 6,076 rooms within four operating destinations. El Gouna, on the Egyptian Red Sea Coast in Hurghada, Taba Heights, on the Sinai Peninsula, Makadi in Hurghada and Byoum in Fayoum. ODE also holds an 87% stake in Tamweel, a financial services company providing mortgage, leasing, and insurance, among other services.

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