

To the shareholders of Orascom Development Holding Ltd

## Invitation to the 3rd Annual General Meeting

Monday, 23 May 2011, 2:00 p.m. CEST (doors open at 1:00 p.m. CEST)

Theater Uri, Schützengasse 11, 6460 Altdorf, Switzerland

### AGENDA

- 1 Approval of the annual report, the annual financial statements and the consolidated financial statements for 2010; notice of auditors' report
- 2 Appropriation of results
- 3 Discharge of the Board of Directors and the Executive Management
- 4 Re-elections and election of one new member of the Board of Directors
  - 4.1 Re-election of Samih O. Sawiris
  - 4.2 Re-election of Amr Sheta
  - 4.3 Re-election of Luciano Gabriel
  - 4.4 Re-election of Carolina Müller-Möhl
  - 4.5 Re-election of Adil Douiri
  - 4.6 Re-election of Franz Egle
  - 4.7 Re-election of Jean-Gabriel Pérès
  - 4.8 Election of Nicholas Cournoyer
- 5 Re-election of the auditors
- 6 Renewal and increase of authorized capital
- 7 Capital reduction by way of decrease of the par value of the shares

## AGENDA ITEMS AND PROPOSALS OF THE BOARD OF DIRECTORS

### 1 Approval of the annual report, the annual financial statements and the consolidated financial statements for 2010; notice of auditors' report

The Board of Directors proposes that the annual report, the annual financial statements and the consolidated financial statements for the financial year 2010 be approved.

### 2 Appropriation of results

#### *Proposal*

The Board of Directors proposes that the result for the financial year 2010 of Orascom Development Holding Ltd be appropriated as follows:

|  |     |               |
|--|-----|---------------|
| Balance sheet loss at 1 January 2010         | CHF | (398,402,089) |
| Profit for the financial year 2010           | CHF | 122,762,058   |
| Total balance sheet loss at 31 December 2010 | CHF | (275,640,031) |

#### **Appropriation**

|                                   |     |                |
|-----------------------------------|-----|----------------|
| Appropriation to general reserves | CHF | 0              |
| Balance carried forward           | CHF | (-275,640,031) |

#### *Explanation*

The statutory financial statements of Orascom Development Holding Ltd show a profit of CHF 122,762,058 for the financial year 2010. The profit is offset against the balance carried forward from the previous year, thereby reducing the balance loss carried forward to CHF 275,640,031.

In lieu of a dividend the Board of Directors proposes a tax optimised distribution in the form of a capital reduction by way of redemption of the reduction amount to shareholders (see item 7 of the agenda) in light of the solid financial situation of the group.

### **3 Discharge of the Board of Directors and the Executive Management**

The Board of Directors proposes that the members of the Board of Directors and the Executive Management be granted discharge for the business year 2010.

### **4 Re-elections and election of one new member of the Board of Directors**

#### **4.1 Re-election of Samih O. Sawiris**

The Board of Directors proposes that Samih O. Sawiris be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.2 Re-election of Amr Sheta**

The Board of Directors proposes that Amr Sheta be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.3 Re-election of Luciano Gabriel**

The Board of Directors proposes that Luciano Gabriel be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.4 Re-election of Carolina Müller-Möhl**

The Board of Directors proposes that Carolina Müller-Möhl be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.5 Re-election of Adil Douiri**

The Board of Directors proposes that Adil Douiri be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.6 Re-election of Franz Egle**

The Board of Directors proposes that Franz Egle be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.7 Re-election of Jean-Gabriel Pérès**

The Board of Directors proposes that Jean-Gabriel Pérès be re-elected for a one-year term of office until the annual general meeting 2012.

#### **4.8 Election of Nicholas Cournoyer**

The Board of Directors proposes that Nicholas Cournoyer be elected as a new member of the Board of Directors for a one-year term of office until the annual general meeting 2012.

The 53 year old British-American citizen is an acknowledged finance and capital markets specialist. Nicholas Cournoyer is Managing Partner of Montpelier Investment Management LLP, London. He founded Montpelier in 1992 to focus on investments in Emerging Market debt.

## 5 Re-election of the auditors

The Board of Directors proposes that Deloitte AG, Zurich, be re-elected as auditors for a one year term of office until the annual general meeting 2012.

## 6 Renewal and increase of authorized capital

### *Proposal*

The Board of Directors proposes to renew and to increase the authorized capital according to art. 4a para. 1 of the articles of incorporation from 6'540 registered shares by 4'993'460 registered shares to 5'000'000 registered shares, in order to enable the Board of Directors to increase the Company's share capital within the parameters of the articles of incorporation until May 23, 2013. The remainder of art. 4a remains unchanged.

### **Current wording:**

Art. 4a Authorized Capital

The board of directors is authorized to increase the share capital of the Company by a maximum of CHF 155'979.00 by issuing of up to 6'540 fully paid-up registered shares with a par value of CHF 23.85 each until May 11, 2012. A partial increase is permitted.

### **Proposed new wording:**

Art. 4a Authorized Capital

The board of directors is authorized to increase the share capital of the Company by a maximum of CHF 119'250'000.00 by issuing of up to 5'000'000 fully paid-up registered shares with a par value of CHF 23.85 each until May 23, 2013. A partial increase is permitted.

### *Explanation*

The authorization of the Board of Directors to increase the Company's share capital expires on May 11, 2012. Authorized share capital enables the Company to raise capital or to exploit acquisition opportunities swiftly and maximizes the Company's strategic flexibility. Hence, the Board of Directors proposes to renew the Company's authorized share capital for a term of two years and to increase it to an amount of CHF 119'250'000.

Of the 5'000'000 shares that may be issued out of the authorized capital, 330'029 shares are intended to be used to discharge the obligations of the company vis-à-vis Mr Samih O. Sawiris under the share lending agreement entered into in connection with the buy-out of Egyptian minority shareholders of the company's subsidiary Orascom Hotels & Development S.A.E. ("OHD"; cf. press release of the company of 24 January 2011). If the motion of the Board of

Directors is approved by the shareholders, the Company intends to redeliver the shares borrowed by issuing 330'029 new shares to Samih O. Sawiris out of the company's authorized capital. The pre-emptive rights relating to these shares are intended to be excluded based on art. 4a para. 3 of the articles of incorporation for the purpose of the refinancing of the acquisition of shares in OHD.

## **7 Capital reduction by way of decrease of the par value of the shares**

The Board of Directors proposes that the share capital be reduced for the purpose of remitting the amount of the reduction to the shareholders. The Board of Directors proposes:

- a) that the share capital according to art. 4 of the articles of incorporation of CHF 672'882'864.30 be reduced by CHF 18'338'526.70 to a new total of CHF 654'544'337.60 by decreasing the par value of registered shares from CHF 23.85 each by CHF 0.65 to CHF 23.20 each and that the amount of the reduction be remitted to the shareholders;
- b) that any and all share capital created in accordance with arts. 4a and 4b of the articles of incorporation until completion of the capital reduction be reduced by CHF 0.65 for each registered share and that the amount of the reduction be remitted to the shareholders;
- c) that it be acknowledged that, pursuant to the report according to art. 732 para. 2 of the Swiss Code of Obligations (CO) of Deloitte AG, Zurich, the claims of the creditors are fully covered in spite of the share capital reduction;
- d) that as of the date of the entry of the share capital reduction in the Commercial Register, art. 4 of the articles of incorporation be changed as follows:

*The Company's share capital is CHF 654'544'337.60 (Swiss francs six hundred fifty four million five hundred forty four thousand three hundred thirty seven and sixty centimes). It is divided into 28'213'118 registered shares of CHF 23.20 par value each. The share capital is fully paid up.*

- e) that as of the date of the entry of the share capital reduction in the Commercial Register, art. 4a para. 1 of the articles of incorporation be changed as follows:

*The board of directors is authorized to increase the share capital of the Company by a maximum of CHF 116'000'000 by issuing of up to 5'000'000 fully paid-up registered shares with a par value of CHF 23.20 each until May 23, 2013. A partial increase is permitted.*

- f) that as of the date of the entry of the share capital reduction in the Commercial Register, art. 4b para. 1 of the articles of incorporation be changed as follows:

*The share capital may be increased by a maximum amount of CHF 130'489'699.20 through the issuance of up to 5'624'556 fully paid registered shares with a nominal value of CHF 23.20 each,*

*a) up to the amount of CHF 14'489'699.20 corresponding to 624'556 fully paid registered shares through the exercise of option rights granted to the members of the board and the management, further employees and/or advisors of the company or its subsidiaries,*

*b) up to the amount of CHF 116'000'000 corresponding to 5'000'000 fully paid registered shares through the exercise of conversion rights and/or warrants granted in connection with the issuance of newly or already issued bonds or other financial instruments by the Company or one of its group companies.*

- g) to be authorized to execute the resolutions made according to this agenda item 7, particularly to make announcement to the creditors by publishing the resolutions three times in the Swiss Commercial Gazette (*Schweizerisches Handelsamtsblatt*) according to art. 733 CO, and to make the application for entry in the Commercial Register after the share capital reduction has been implemented.

## Documents

The annual report, the annual financial statements, the consolidated financial statements and the auditors' report for 2010 are available to the shareholders for review at the Company headquarters or can be downloaded from [www.orascomdh.com](http://www.orascomdh.com) (following the link to "Investor Relations"). Upon request such documentation will be sent to the shareholders.

## Admission cards

Shareholders wishing to participate in or be represented at the Annual General Meeting are requested to fill out the registration form accordingly and to send it by mail until May 18, 2011 (date of receipt) at the latest in the stamped and addressed envelope as enclosed to SIX SAG AG, Orascom Development Holding AG, Baslerstrasse 90, Postfach, CH-4601 Olten, Fax: +41 58 499 61 95, Tel: +41 58 399 61 78, e-mail: [timo.schori@sag.ch](mailto:timo.schori@sag.ch).

## Representation

Shareholders unable to attend the Annual General Meeting in person can be represented as follows:

- a) By another person who does not need to be a shareholder. To this end, the registration form is to be filled out accordingly by the shareholder and sent by mail in the stamped and addressed envelope as enclosed to SIX SAG AG, Olten (for contact details see "Admission cards" above) until May 18, 2011 (date of receipt) at the latest. The shareholder will be provided with an admission card and a proxy form on which the representative is to be indicated. The admission card and the signed proxy form are to be handed over to the representative in order for him to be admitted and to exercise the voting rights.
- b) By the corporate proxy of Orascom Development Holding Ltd. To this end, the registration form is to be filled out accordingly by the shareholder and sent by mail in the stamped and addressed envelope as enclosed to SIX SAG AG, Olten (for contact details see "Admission cards" above) until May 18, 2011 (date of receipt) at the latest. Registration forms with voting instructions that deviate from the proposals by the Board of Directors will be forwarded to the independent proxy.
- c) By the independent proxy Mr Hansheiri Inderkum, attorney-at-law, Altdorf. To this end, the registration form is to be filled out accordingly by the shareholder and sent by mail in the stamped and addressed envelope as enclosed to SIX SAG AG, Olten (for contact details see "Admission cards" above) with or without voting instructions until May 18, 2011 (date of receipt) at the latest. In the absence of voting instructions, the independent proxy will vote pursuant to the proposals of the Board of Directors.
- d) By the custodian bank representatives as defined in art. 689d of the Swiss Code of Obligations, by contacting such institution directly.

Custodian bank representatives as defined by art. 689d of the Swiss Code of Obligations, are requested to inform SIX SAG AG, Olten (for contact details see "Admission cards" above) until May 23, 2011, 1:45 p.m. CEST at the latest, at the desk of the Annual General Meeting, of the number and nominal value of the shares they represent. Custodian bank representatives are

considered to be institutions subject to the Swiss Federal Law on Banks and Saving Banks dated November 8, 1934, as amended, as well as professional asset managers.

### **Voting entitlement**

Those shareholders entered in the share register on May 11, 2011, 17:00 p.m. CEST are entitled to vote. Shareholders who sell their shares thereafter are not entitled to attend the Annual General Meeting. The share register will be blocked until the end of the Annual General Meeting.

Altdorf, 28 April 2011

Orascom Development Holding Ltd

On behalf of the Board of Directors

Samih O. Sawiris, Chairman

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