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**LOAN NUMBER 7514 EGT  
(Amendment)**

# **Agreement Amending Loan Agreement**

**(Airports Development Project)**

**between**

**ARAB REPUBLIC OF EGYPT**

**and**

**INTERNATIONAL BANK FOR RECONSTRUCTION  
AND DEVELOPMENT**

**Dated July 27, 2008**

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**LOAN NUMBER 7514 EGT  
(Amendment)**

**AGREEMENT AMENDING LOAN AGREEMENT**

AGREEMENT, dated July 27, 2008 between ARAB REPUBLIC OF EGYPT (the Borrower) and INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT (the Bank).

WHEREAS (A) the Borrower and the Bank have entered into a Loan Agreement (Loan Number 7222 EGT) (Airports Development Project), dated March 31, 2004 (the Loan Agreement), for the purpose of providing support during the execution of the Airports Development Project, as described in the Preamble to the Loan Agreement (the Project);

(B) the Borrower has requested the Bank to provide further additional assistance in the support of the Project by increasing the amount made available under the Loan Agreement by an amount equal to forty million United States dollars (US\$40,000,000); and

WHEREAS (C) the Bank has agreed, on the basis, *inter alia*, of the foregoing, to provide such additional assistance to the Borrower upon the terms and conditions set forth in this Agreement.

NOW THEREFORE the parties hereto hereby agree as follows:

**ARTICLE I**

**Amendments to the Loan Agreement**

Section 1.01. Section 1.01 of the Loan Agreement is amended to read as follows:

“Section 1.01. (a) The “General Conditions Applicable to Loan and Guarantee Agreements for Fixed-Spread Loans” of the Bank dated September 1, 1999, with the modifications set forth in paragraph (b) of this Section (the General Conditions) constitute an integral part of this Agreement and are applicable to the Initial Loan.

(b) Paragraph 22 of Section 2.01 of the General Conditions shall be modified as follows:

“22. “Fixed Spread” means the Bank’s fixed spread of 0.5% in respect of the initial Loan Currency, provided, that upon a Currency Conversion of all or any portion of the unwithdrawn principal amount of the Initial Loan, such fixed

spread shall be adjusted on the Execution Date in the manner specified in the Conversion Guidelines.”

(c) The “International Bank for Reconstruction and Development General Conditions for Loans”, dated July 1, 2005 (as amended through February 12, 2008) (the “2008 General Conditions”) constitute an integral part of this Amending Agreement and are applicable to the Additional Loan.”

Section 1.02. Section 1.02 of the Loan Agreement is amended by deleting the “and” at the end of Subsection (p), substituting “; and” for “;” at the end of Subsection (q), substituting “.” at the end of subsection (q) for “; and” and adding a new Subsection (r) as follows:

“(r) “Amending Agreement” means the agreement amending the Loan Agreement between the Borrower and the Bank, dated March 31, 2004.”

Section 1.03. Section 2.01 of the Loan Agreement is amended to read as follows:

“Section 2.01. The Bank agrees to lend to the Borrower, on the terms and conditions set forth or referred to in this Agreement an amount of three hundred and seventy five million United States dollars (US\$375,000,000) as such amount may be converted from time to time through a Currency Conversion in accordance with the provisions of Section 2.09 of the Loan Agreement (the Loan); which includes: (a) an original amount equal to three hundred thirty five million Dollars (US\$335,000,000) (the Initial Loan); and (b) an additional amount equal to forty million Dollars (US\$40,000,000) (the Additional Loan).”

Section 1.04. Section 2.04 of the Loan Agreement is amended to read as follows:

“The Borrower shall pay to the Bank a front-end fee in an amount equal to one percent (1%) of the amount of the Initial Loan. Such fee shall be payable not later than sixty (60) days after the Effective Date. The Front-end Fee payable by the Borrower shall be equal to one quarter of one percent (0.25%) of the Additional Loan amount.”

Section 1.05. Section 2.05 of the Loan Agreement is amended to read as follows:

“The Borrower shall pay to the Bank a commitment charge on the principal amount of the Initial Loan not withdrawn from time to time, at a rate equal to: (i) eighty five one-hundredths of one percent (0.85%) per annum from the date on which such charge commences to accrue in accordance with the provisions of Section 3.02 of the General Conditions to but not including the fourth anniversary of such date; and (ii) seventy five one-hundredths of one percent (0.75%) per annum thereafter.”

Section 1.06. Section 2.06 of the Loan Agreement is amended to read as follows:

“Section 2.06. For the purpose of: (A) the Initial Loan, the Borrower shall pay interest on the principal amount of the Initial Loan withdrawn and outstanding from time to time, in respect of each Interest Period at the Variable Rate as defined in paragraph 47 of Section 2.01 of the General Conditions; provided, that upon a Conversion of all or any portion of the principal amount of the Initial Loan, the Borrower shall, during the Conversion Period, pay interest on such amount in accordance with the relevant provisions of Article IV of the General Conditions; and (B) the Additional Loan, the interest payable by the Borrower on the principal amount of the Additional Loan withdrawn and outstanding from time to time for each Interest Period shall be at a rate equal to LIBOR for the Additional Loan Currency plus the Fixed Spread; provided, that upon a Conversion of all or any portion of the principal amount of the Additional Loan, the interest payable by the Borrower during the Conversion Period on such amount shall be determined in accordance with the relevant provisions of Article IV of the 2008 General Conditions. For purposes of paragraph 43 of the 2008 General Conditions, the “Fixed Spread” for the initial Additional Loan currency in effect at 12:01 a.m. Washington, D.C time, one calendar day prior to the date of the Amending Agreement is 0.05%.”

Section 1.07. Paragraph 1 and the Table in Schedule 1 to the Loan Agreement is hereby revised as indicated in the Annex 1 to this Amending Agreement.

Section 1.08. Schedule 3 to the Loan Agreement is hereby revised as indicated in the Annex 2 to this Amending Agreement.

Section 1.09. All other provisions of the Loan Agreement, including Schedules 2 and 4 shall remain in full force and effect.

## **ARTICLE II**

### **Effective Date; Termination**

Section 2.01. This Amending Agreement shall not become effective until evidence satisfactory to the Bank shall have been furnished to the Bank that: (a) the execution and delivery of this Amending Agreement on behalf of the Borrower have been duly authorized or ratified by all necessary governmental actions; and (b) an amended Subsidiary Loan Agreement, covering the Additional Loan amount of US\$40,000,000, has been executed and delivered on behalf of the Borrower and EHCAAN.

Section 2.02. As part of the evidence to be furnished pursuant to Section 2.01 of this Amending Agreement, there shall be furnished to the Bank an opinion or opinions

satisfactory to the Bank in accordance with Section 9.02 of the General Conditions showing, on behalf of the Borrower, that: (a) this Amending Agreement has been duly authorized or ratified by, and executed and delivered on behalf of, the Borrower and is legally binding upon the Borrower in accordance with its terms; and (b) the Agreement Amending Subsidiary Loan Agreement has been signed, executed and delivered by the Borrower and EHCAAN.

Section 2.03. This Amending Agreement shall come into force and effect on the date upon which the Bank shall dispatch to the Borrower notice of its acceptance of the evidence required by Section 2.01 of this Amending Agreement.

Section 2.04. If this Amending Agreement shall not have come into force and effect by a date one hundred eighty (180) days after the date of this Amending Agreement, this Amending Agreement and all obligations of the parties hereunder shall terminate, unless the Bank establishes a later date for the purposes of this Section. If this Amending Agreement shall terminate under the provisions of this Section, the Loan Agreement shall continue in full force and effect, as if this Amending Agreement had not been executed.

IN WITNESS WHEREOF, the parties hereto, acting through their duly authorized representatives, have caused this Amending Agreement to be signed in their respective names in Cairo, Arab Republic of Egypt, as of the day and year first above written.

**ARAB REPUBLIC OF EGYPT**

By /s/ Fayza Aboulnaga

Authorized Representative

**INTERNATIONAL BANK FOR  
RECONSTRUCTION AND DEVELOPMENT**

By /s/ Emmanuel Mbi

Authorized Representative

**SCHEDULE 1**

**Withdrawal of the Proceeds of the Initial Loan and Additional Loan**

1. The table below sets forth the Categories of items to be financed out of the proceeds of the Initial Loan and Additional Loan, the allocation of the amounts of the Initial Loan and Additional Loan to each Category, and the percentages of expenditures for items so to be financed in each Category:

| <b><u>Category</u></b>                                | <b><u>Revised<br/>Initial Loan<br/>Allocation<br/>(Expressed in<br/>Dollars)</u></b> | <b><u>Allocation of<br/>Additional Loan<br/>(Expressed in<br/>Dollars)</u></b> | <b><u>% of Expenditures<br/>to be Financed</u></b>  |
|---|--|--|---|
| (1) Works under:                                      |  |  | 100% of foreign expenditures  |
| (a) Part A of the Project                             | 287,879,000  | 40,000,000   |   |
| (b) Part B of the Project                             | 42,671,000   | 0  |   |
| (2) Goods under Part C of the Project                 | 2,477,000  | 0  | 100% of foreign expenditures; 100% of local expenditures (ex-factory cost); and 85% of other items procured locally |
| (3) Consultants' services under Part C of the Project | 1,973,000  | 0  | 85%   |

| <u>Category</u>   | <u>Revised Initial Loan Allocation (Expressed in Dollars)</u> | <u>Allocation of Additional Loan (Expressed in Dollars)</u> | <u>% of Expenditures to be Financed</u>                |
|---|---|---|--|
| (4) Premia for Interest Rate Caps and Interest Rate Collars | 0   | 0   | Amount due under Section 2.09(c) of the Loan Agreement |
| (5) Unallocated   | 0   | 0   |  |
| TOTAL   | <u>335,000,000</u>  | <u>40,000,000</u>   |  |

2. For the purposes of this Schedule:

(a) the term “foreign expenditures” means expenditures in the currency of any country other than that of the Borrower for goods, works or services supplied from the territory of any country other than that of the Borrower; and

(b) the term “local expenditures” means expenditures in the currency of the Borrower or for goods, works or services supplied from the territory of the Borrower.

3. Notwithstanding the provisions of paragraph 1 above, no withdrawals shall be made in respect of: (a) payments made for expenditures prior to the date of this Agreement; and (b) any expenditures under any Category in the table in paragraph 1 above, unless the Bank has received payment in full of the front-end fee referred to in Section 1.04 of this Agreement.

4. The Bank may require withdrawals from the Loan Account to be made on the basis of statements of expenditure for expenditures for: (i) works under contracts costing less than US\$100,000 equivalent each; (ii) goods under contracts costing less than US\$100,000 equivalent each; (iii) services of consulting firms under contracts costing less than US\$100,000 equivalent each; and (iv) services of individual consultants under contracts costing less than US\$50,000 equivalent each, all under such terms and conditions as the Bank shall specify by notice to the Borrower.



**SCHEDULE 3**

**A. Amortization Schedule for the Initial Loan**

1. The following table sets forth the Principal Payment Dates of the Initial Loan and the percentage of the total principal amount of the Initial Loan payable on each Principal Payment Date (Installment Share). If the proceeds of the Initial Loan shall have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Initial Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) the total principal amount of the Initial Loan withdrawn and outstanding as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayment amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

| <b>Payment Date</b>   | <b>Installment Share<br/>(Expressed as a Percentage)</b> |
|---|--|
| On each February 1 and August 1<br>Beginning August 1, 2009<br>through August 1, 2020 | 4.17%  |
| On February 1, 2021   | 4.09%  |

2. If the proceeds of the Initial Loan shall not have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Initial Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Initial Loan shall have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the amount withdrawn and outstanding as of such date in accordance with paragraph 1 of this Schedule.

(b) Any withdrawal made after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which shall be the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (the Original

Installment Share) and the denominator of which shall be the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such repayment amounts to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Withdrawals made within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph 3, if at any time the Bank shall adopt a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the withdrawn principal amount of the Initial Loan to an Approved Currency, the amount so converted in said Approved Currency that shall be repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to said Conversion by either: (i) the exchange rate that reflects the amounts of principal in said Approved Currency payable by the Bank under the Currency Hedge Transaction relating to said Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the principal amount of the Initial Loan withdrawn and outstanding from time to time shall be denominated in more than one Initial Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Initial Loan Currency, so as to produce a separate amortization schedule for each such amount.

**B. Amortization Schedule for the Additional Loan**

1. The following table sets forth the Principal Payment Dates of the Additional Loan and the percentage of the total principal amount of the Additional Loan payable on each Principal Payment Date (“Installment Share”). If the proceeds of the Additional Loan have been fully withdrawn as of the first Principal Payment Date, the principal amount of the Additional Loan repayable by the Borrower on each Principal Payment Date shall be determined by the Bank by multiplying: (a) Withdrawn Additional Loan Balance as of the first Principal Payment Date; by (b) the Installment Share for each Principal Payment Date, such repayable amount to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

| <b>Principal Payment Date</b>   | <b>Installment Share<br/>(Expressed as a Percentage)</b> |
|---|--|
| On each February 1 and August 1<br>Beginning August 1, 2013<br>through February 1, 2038 | 2.00%  |

2. If the proceeds of the Additional Loan have not been fully withdrawn as of the first Principal Payment Date, the principal amount of the Additional Loan repayable by the Borrower on each Principal Payment Date shall be determined as follows:

(a) To the extent that any proceeds of the Additional Loan have been withdrawn as of the first Principal Payment Date, the Borrower shall repay the Withdrawn Additional Loan Balance as of such date in accordance with paragraph 1 of this Schedule.

(b) Any amount withdrawn after the first Principal Payment Date shall be repaid on each Principal Payment Date falling after the date of such withdrawal in amounts determined by the Bank by multiplying the amount of each such withdrawal by a fraction, the numerator of which is the original Installment Share specified in the table in paragraph 1 of this Schedule for said Principal Payment Date (“Original Installment Share”) and the denominator of which is the sum of all remaining Original Installment Shares for Principal Payment Dates falling on or after such date, such amounts repayable to be adjusted, as necessary, to deduct any amounts referred to in paragraph 4 of this Schedule, to which a Currency Conversion applies.

3. (a) Amounts of the Additional Loan withdrawn within two calendar months prior to any Principal Payment Date shall, for the purposes solely of calculating the principal amounts payable on any Principal Payment Date, be treated as withdrawn and outstanding on the second Principal Payment Date following the date of withdrawal and

shall be repayable on each Principal Payment Date commencing with the second Principal Payment Date following the date of withdrawal.

(b) Notwithstanding the provisions of sub-paragraph (a) of this paragraph, if at any time the Bank adopts a due date billing system under which invoices are issued on or after the respective Principal Payment Date, the provisions of such sub-paragraph shall no longer apply to any withdrawals made after the adoption of such billing system.

4. Notwithstanding the provisions of paragraphs 1 and 2 of this Schedule, upon a Currency Conversion of all or any portion of the Withdrawn Additional Loan Balance to an Approved Currency, the amount so converted in the Approved Currency that is repayable on any Principal Payment Date occurring during the Conversion Period, shall be determined by the Bank by multiplying such amount in its currency of denomination immediately prior to the Conversion by either: (i) the exchange rate that reflects the amounts of principal in the Approved Currency payable by the Bank under the Currency Hedge Transaction relating to the Conversion; or (ii) if the Bank so determines in accordance with the Conversion Guidelines, the exchange rate component of the Screen Rate.

5. If the Withdrawn Additional Loan Balance is denominated in more than one Additional Loan Currency, the provisions of this Schedule shall apply separately to the amount denominated in each Additional Loan Currency, so as to produce a separate amortization schedule for each such amount.