

2008 Earnings Release



Orascom Development

Key financials

Income Statement	31 December 2008	31 December 2007	% Change
Total revenues	568,231,493	406,803,589	40%
Hotels	188,493,940	165,054,711	14%
Real estate and construction	220,001,496	143,567,323	53%
Land sales	6,703,498	5,702,515	18%
Town management	28,242,480	19,404,827	46%
Tours operations	88,352,555	48,733,500	81%
Other operations	36,437,524	24,340,713	50%
Gross profit	162,450,568	128,696,082	26%
Profit for the year	115,644,474	102,683,399	13%
Basic and diluted earnings per share (EPS)	4.33	4.02	8%

Balance Sheet	31 December 2008	31 December 2007	% Change
Total assets	1,659,748,919	1,160,216,672	43%
Total liabilities	712,744,196	486,454,145	47%
Total equity	947,004,723	673,762,527	41%
Net debt ¹	197,914,705	161,045,143	23%
Leverage ratio	0.75	0.72	-
Equity ratio	0.57	0.58	-

Notes:

¹ Net debt is calculated by deducting cash and bank balances from total borrowings.

Hotels KPIs (in CHF)

Segment		31 December 2008	31 December 2007	% Change
Hotels	Segment overview			
	Number of rooms	6,559	5,400	21%
	Occupancy rate	81%	78%	4%
	TRevPAR ²	81	79	3%
	ARR	56	52	8%
	Egypt			
	<i>El Gouna</i>			
	Number of rooms ¹	2,569	2,508	2%
	Occupancy rate	84%	83%	1%
	TRevPAR ²	105	104	1%
	ARR	72	66	9%
	<i>Taba Heights</i>			
	Number of rooms	1,980	1,832	8%
	Occupancy rate	79%	67%	18%
	TRevPAR ²	69	59	17%
	ARR	47	41	15%
	<i>Hotel investments</i>			
	<i>A- Hotels</i>			
	Number of rooms	1,333	698	91%
Occupancy rate	84%	90%	-7%	
TRevPAR ²	83	93	-11%	
ARR	51	48	6%	
<i>B- Floating hotels</i>				
Number of rooms	410	362	13%	
Occupancy rate	74%	76%	-3%	
TRevPAR ²	33	25	32%	
ARR	26	25	5%	
Jordan				
Number of rooms	267	-	-	
Occupancy rate	52%	-	-	
TRevPAR ²	15	-	-	
ARR	31	-	-	

Notes:

¹ As at 31 December 2008, El Gouna's 15 hotels offered a total capacity of 2,760 operating rooms, of which 14 hotels are controlled by the Group, offering a total capacity of 2,594 rooms. The table above excludes "El Khan", 25 rooms, one star hotel, which is 100% owned by the Group and is leased to third party.

² TRevPAR: Total Revenue Per Available Room is similar to RevPAR but also takes into account other room revenues e.g. food and beverage, entertainment, laundry and other services.

Real estate KPIs (in CHF)

Segment		31 December 2008	31 December 2007	% Change
	Segment overview			
Real estate and construction	Average selling price/m ²	1,843 ¹	2,844	-35%
	Total value of contracted units (millions)	373	126	196%
	Number of contracted units	3,020	253	1,094%
	Number of delivered units	2,939	397	640%
	A- Tourism real estate			
	<u>I- Egypt</u>			
	<i>El Gouna</i>			
	Average selling price/m ²	2,985	2,888	3%
	Total value of contracted units (millions)	76	117	-35%
	Number of contracted units	166	237	-30%
	Number of delivered units	517	284	82%
	<i>Riyad Resort</i>			
	Average selling price/m ²	1,388	-	-
	Total value of contracted units (millions)	0.85	-	-
	Number of contracted units	8	-	-
	<i>Byoum</i>			
	Average selling price/m ²	1,206	-	-
	Total value of contracted units (millions)	21	-	-
	Number of contracted units	79	-	-
	<i>Al Roboua</i>			
	Average selling price/m ²	731	-	-
	Total value of contracted units (millions)	0.36	-	-
	Number of contracted units	2	-	-
	<u>II- United Arab Emirates (The Cove)</u>			
	Average selling price/m ²	2,364	2,372	-0.3%
	Total value of contracted units (millions)	15	9	69%
	Number of contracted units	21	16	31%
	Number of delivered units	68	113	-40%
	<u>III- Oman</u>			
	Average selling price/m ²	2,732	-	-
	Total value of contracted units (millions)	223	-	-
	Number of contracted units	392	-	-
	B- Budget housing (Egypt)			
	<i>Haram City</i>			
	Average selling price/m ²	233	-	-
	Total value of contracted units (millions)	37	-	-
	Number of contracted (delivered) units	2,321	-	-
	<i>Al Roboua</i>			
	Average selling price/m ²	196	-	-
	Total value of contracted units (millions)	0.34	-	-
	Number of contracted (delivered) units	31	-	-

Notes:

¹ Segment's average selling price per square meter including budget housing products.

Performance overview

Total revenues CHF 568 Million (2007: CHF 407 Million)	Gross profit CHF 162 Million (2007: CHF 129 Million)
Profit for the year CHF 116 Million (2007: CHF 103 Million)	Basic and diluted earnings per share CHF 4.33 (2007: CHF 4.02)

Total consolidated revenues for 2008 increased to CHF 568 million as compared to CHF 407 million for the same period last year, marking a 40% growth year on year - despite the erosion that occurred in revenues due to the fluctuation of exchange rates. Real estate revenues witnessed a remarkable growth of 53% reaching approximately CHF 220 million in comparison to CHF 144 million in 2007. Moreover, hotel revenues reached CHF 188 million achieving 14% growth versus CHF 165 million for 2007.

Gross profit marked 26% growth reaching CHF 162 million as opposed to CHF 129 million realized for the same period last year. Profit for the period increased by 13% to CHF 116 million against CHF 103 million for the same period last year.

Today, negativity and pessimism is spreading as travelers and investors fear what is yet to come as a result of the non-diminishing global credit crunch. Although economies of the Middle East and the rest of the world faced significant challenges in 2008, the year on year performance of Orascom Development's existing towns did not suffer a decline. To the contrary, we managed to increase price levels and increase occupancy rates of our hotels at our two main operating towns, El Gouna and Taba Heights, whereby both reached record levels.

We believe that Orascom Development's operations are stable based on the existing pipeline of contracted real estate pre-sales of CHF 373 million as opposed to CHF 126 million by end of 2007, a net debt position of only CHF 198 million, and a low leverage ratio of 0.75x. Orascom Development's conservative financing strategy proved to be quite useful in the past and will continue to protect the Group further in the period ahead. Going forward, Orascom Development will continue to seek attractive opportunities that will enhance the Group's growth strategy.

Segmental review

Orascom Development currently operates in six geographical areas – Egypt, Jordan, United Arab Emirates, Sultanate of Oman, Switzerland and Morocco, whereby the last three are not yet generating third party revenues. The Group's revenue and information about its segment assets by geographical location are detailed below.

CHF	Revenue		Additions to non-current assets	
	2008	2007	2008	2007
Egypt	543,961,567	409,917,975	201,928,375	133,985,123
Oman	0	644,031	13,485,138	956,222
United Arab Emirates	41,662,846	51,991,150	17,393,000	170,223
Jordan	499,011	0	20,551,115	0
Switzerland	420,012	0	58,208,487	0
Morocco	0	0	198,490	0
Others	25,117,877	5,642,421	3,222	0
Total before eliminations	611,661,313	468,195,577	311,767,827	135,111,568
Eliminations	(43,429,820)	(61,391,988)		
Total after eliminations	568,231,493	406,803,589	311,767,827	135,111,568

The Group's segmental revenues are classified by type of product in the table below.

Segment	Product	Revenue from external customers	
		2008	2007
Hotels	Hotels managed by international chains	112,259,980	94,206,889
	Hotels managed by local chains	46,392,044	46,137,731
	Hotels managed by Orascom Development	25,865,792	18,732,615
	Floating hotels	3,976,124	5,977,476
	Rentals of villas, flats and land/beach ¹	0	0
	Sport (Golf) ¹	0	0
	Segment total		188,493,940
Real estate and construction	Tourism real estate	168,959,064	128,427,276
	Budget housing	39,564,063	4,086,910
	Construction work	11,478,369	11,053,137
	Construction advise and supervision ²	0	0
	Segment total		220,001,496
Land sales	Sales of land	6,703,498	5,702,515
Town management	Utilities (e.g. water, electricity)	28,242,480	19,404,827
Tours operations	Tours operations	82,883,128	46,165,013
	Tour transportation	5,469,427	2,568,487
	Segment total	88,352,555	48,733,500
Other operations	Rentals of villas, flats and land/beach ¹	12,300,573	5,277,571
	Sport (Golf) ¹	6,413,009	3,142,510
	Hospital services	5,574,730	3,953,941
	Mortgage finance	3,306,585	131,169
	Laundry services	1,272,324	919,279
	Educational services	1,541,618	1,859,009
	Limousine	1,448,325	1,339,709
	Marina	1,329,777	644,025
	Others	3,250,583	7,073,500
	Segment total	36,437,524	24,340,713
Total revenues		568,231,493	406,803,589

Notes:

¹ Has been reclassified in 2007 as the responsibility for these products has changed in 2008 for comparative purposes.

² Only intercompany revenue and therefore no revenue from external customers.

The business segments identified by Orascom Development represent the organizational structure as reflected in its internal management reporting systems. The Group is organized into five group divisions and other operations. Other operations include mainly hospital services, educational services, rental services and others. As of December 31, 2008, the group divisions were as follows.

2008	Hotels	Real estate and construction	Land sales	Town management	Tours operations	Other operations	Total
CHF							
Total segment revenue	193,621,505	244,450,421	6,703,498	35,873,034	90,920,252	40,092,603	611,661,313
Inter-segment revenue	(5,127,565)	(24,448,925)	0	(7,630,554)	(2,567,697)	(3,655,079)	(43,429,820)
Revenue from external customers	188,493,940	220,001,496	6,703,498	28,242,480	88,352,555	36,437,524	568,231,493
Cost of revenue	(114,238,899)	(125,912,190)	(3,937,180)	(32,637,967)	(73,058,166)	(21,615,511)	(371,399,913)
Depreciation and amortization	(21,408,384)	(463,978)	(315,424)	(2,700,651)	(2,288,724)	(7,203,851)	(34,381,012)
Gross profit / (loss)	52,846,657	93,625,328	2,450,894	(7,096,138)	13,005,665	7,618,162	162,450,568
Gross margin (%)	28%	43%	37%	(25%)	15%	21%	29%
Segment result	44,401,292	70,725,237	1,012,746	(194,070)	8,307,368	6,106,988	130,359,561
Unallocated expense							(4,478,624)
EBT							125,880,937
Income tax expense							(10,236,463)
Net profit							115,644,474

2007 ¹	Hotels	Real estate and construction	Land sales	Town management	Tours operations	Other operations	Total
CHF							
Total segment revenue	166,657,001	173,811,600	5,702,515	31,873,707	65,810,041	24,340,713	468,195,577
Inter-segment revenue	(1,602,290)	(30,244,277)	0	(12,468,880)	(17,076,541)	0	(61,391,988)
Revenue from external customers	165,054,711	143,567,323	5,702,515	19,404,827	48,733,500	24,340,713	406,803,589
Cost of revenue	(96,996,386)	(79,786,957)	(1,861,440)	(19,082,209)	(36,745,584)	(23,058,221)	(257,530,797)
Depreciation and amortization	(12,620,147)	(484,087)	(330,055)	(4,640,431)	(1,784,857)	(717,133)	(20,576,710)
Gross profit / (loss)	55,438,178	63,296,279	3,511,020	(4,317,813)	10,203,059	565,359	128,696,082
Gross margin (%)	34%	44%	62%	(22)%	21%	2%	32%
Segment result	41,361,622	61,612,890	3,337,495	727,950	8,282,779	(387,485)	114,935,251
Unallocated expense							(2,123,043)
EBT							112,812,208
Income tax expense							(10,128,809)
Net profit							102,683,399

Notes:

¹ 2007 Segment income statement is after change in presentation. Cost of sales comprises costs related directly to the sales of goods or services. These costs include also general and administrative costs of revenue generating companies. Under general and administration expenses are costs allocated for corporate and head quarter functions as well as non revenue generating companies, e.g. corporate companies, holding companies, start up companies. For these financial statements the accounting policies have been changed as management believes that this presentation provides more relevant information.

1- Hotels

Total revenues CHF 188 Million (2007: CHF 165 Million)	Gross profit CHF 53 Million (2007: CHF 55 Million)
Segment result CHF 44 Million (2007: CHF 41 Million)	Operating hotel rooms 6,559 (2007: 5,400)

By 2008 year end, Orascom Development's operating hotels achieved an average occupancy rate of 81% (2007: 78%), with an average room rate (ARR) of CHF 56 (2007: CHF 52) and a TRevPAR of CHF 81 (2007: CHF 79). The Group's operating hotel rooms' count reached a total of 6,559 rooms (31 hotels) in Egypt and Jordan as compared to 5,400 rooms (28 hotels) at year end last year.

I- El Gouna

El Gouna achieved an average occupancy rate of 84% (2007: 83%) with an ARR of CHF 72 (2007: CHF 66) and a TRevPAR of CHF 105 (2007: CHF 104). The following table illustrates the performance of existing hotels in El Gouna during the twelve months ending 31 December 2008.

El Gouna hotels' KPIs

Hotel	Number of rooms	Occupancy rate	ARR	TRevPAR
Five Star				
Mövenpick Resort	420	90%	99	145
Sheraton Miramar	338	78%	102	127
Steigenberger Golf	268	68%	86	98
Mövenpick Spa	134	79%	108	131
Four Star				
TTC Rihana	434	91%	36	68
ClubMed	239	89%	84	160
TTC Ocean View	234	91%	67	100
Arena Inn	177	89%	30	49
Sultan Bey	115	87%	51	74
Three Star				
Dawar El Omda	66	93%	43	73
Captain's Inn	48	80%	45	69
Turtle's Inn	28	68%	41	39
Two Star				
Ali Pasha	68	62%	43	38
Total Hotels¹	2,569	84%	72	105

Notes:

¹ El Gouna offers 15 hotels with 2,760 operating rooms, of which 14 hotels are controlled by the Group, offering a total capacity of 2,594 rooms. The table above excludes "El Khan", 25 rooms, one star hotel, which is 100 % owned by the Group and is leased to third party.

II- Taba Heights

Taba Heights achieved a remarkable improvement with room occupancies reaching 79% up from 67% same period last year. Moreover, ARR reached CHF 47, along a healthy growth in TRevPAR of 17% reaching CHF 69 up from CHF 59. The following table provides an overview of the performance of existing hotels in Taba Heights during the twelve months ending 31 December 2008.

Taba Heights hotels' KPIs

Hotel	Number of rooms	Occupancy rate	ARR	TRevPAR
Five Star				
InterContinental	503	75%	51	64
Hyatt Regency	426	74%	54	73
Sofitel	442	86%	53	84
Marriott	394	75%	46	69
Four Star				
TTC El Wekala	215	91%	23	49
Total Hotels	1,980	79%	47	69

III- Hotel investments

This section illustrates key performance indicators of hotel investments consolidated by the Group. As part of the acquisition of Garranah, the Group has acquired interest in two operating hotels Royal Azur and Club Azur, located in Makadi Bay, south of Hurghada, Egypt. The Group owns 51% of Royal Azur, Club Azur, and Nile cruisers (classified as floating hotels). Moreover, the Group fully owns Citadel Azur, a five star hotel in Sahl Hashish, 20 km south of Hurghada, Egypt. Citadel Azur hotel commenced operations during the fourth quarter of 2008.

In Jordan, the Group fully owns Marina Town Plaza, a four star hotel located in the country's first integrated resort project, Tala Bay. Marina Town Plaza hotel commenced operations during the second quarter of 2008. The following table provides an overview of the performance of hotel investments during the twelve months ending 31 December 2008.

Hotel investments' KPIs

Hotel	Number of rooms	Occupancy rate	ARR	TRevPAR
Egypt				
<i>I- Hotels</i>				
Citadel Azur	514	56%	57	55
Royal Azur	480	91%	51	99
Club Azur	339	91%	48	80
Total	1,333	84%	51	83
<i>II- Floating hotels</i>				
Da vinici	69	69%	23	24
Tarot	66	69%	23	24
Nile Azur	60	94%	26	32
Star of Luxor	54	69%	23	24
Fleurette	48	76%	16	24
Sun Azur	38	72%	17	34
Oberoi Zahra	27	72%	82	109
Champollion II	48	69%	23	24
Total	410	74%	26	33
Jordan				
Marina Town Plaza	267	52%	31	15

2- Real estate and construction

Total revenues CHF 220 Million (2007: CHF 144 Million)	Gross profit CHF 94 Million (2007: CHF 63 Million)
Segment result CHF 71 Million (2007: CHF 62 Million)	Total value of contracted units CHF 373 Million (CHF 126 Million)
Contracted units 3,020 units (2007: 253 units)	Delivered units 2,939 units (2007: 397 units)

Total real estate and construction revenues achieved a remarkable growth level of approximately 53% amounting to CHF 220 million against CHF 144 million for 2007. The operating cycle of real estate construction starts when the Group enters into agreements to sell the real estate off-plan and the buyer has the right to adjust the interior architecture. Revenues are recognized when units are delivered to buyers either as fully completed units or as constructed but unfinished. By end of 2008, the average selling price for tourism real estate products amounted to CHF 2,553/m² against CHF 2,844/m² for the same period last year, as a result of introducing new products to cater for middle income class, versus high end products offered in El Gouna. By end of 2008, the Group's total contracted area reached 202,535 m² as opposed to 44,139 m² in the twelve month ending 2007.

The following tables give an overview of the Group's contracted presales for tourism real estate products in existing towns, projects under development, and also budget housing products as at 31 December 2008.

Contracted real estate presales¹

Projects	Total value of contracted units		Number of contracted units		Average Selling Price per square meter	
	2008	2007	2008	2007	2008	2007
<u>Tourism real estate</u>						
<i>Egypt</i>						
A) Existing towns						
El Gouna	75,527,532	116,643,289	166	237	2,985	2,888
B) Projects under development						
Riyad Resort	851,175	-	8	-	1,388	-
Byoum	21,465,365	-	79	-	1,206	-
Al Roboua	365,451	-	2	-	731	-
<i>United Arab Emirates</i>						
The Cove	14,992,049	8,898,002	21	16	2,364	2,372
<i>Oman</i>						
Jebel Sifah	131,548,885	-	213	-	2,724	-
Salalah Beach	91,266,977	-	179	-	2,744	-
<u>Budget housing</u>						
6 th October	36,990,695	-	2,321	-	233	-
Al Roboua	340,203	-	31	-	196	-

Notes:

¹ Total value of contracted units reflects balances secured from the pre-sales of residential units off the master plan, which only applies to tourism real estate products. However, this does not apply to the Budget Housing products.

Tourism real estate

I- Egypt

A) Existing towns

El Gouna

Property values maintained its healthy upward trend over the last twelve month, whereby average selling price reached CHF 2,985/m² compared to CHF 2,888/m² for the same period last year, a growth of 3%.

By the end of 2008, total value of contracted units amounted to CHF 76 million, 166 pre-sold units representing a total area of 25,303 m² in comparison to CHF 117 million, 237 pre-sold units representing a total area of 40,388 m².

The Group delivered a total of 517 units during 2008 against 284 units during the same period last year.

B) Projects under development

1- Riyad Resort

During the second quarter of 2008, the Group launched a private compound comprising 256 apartments, covering a total area of 129,815 m² in Makadi Bay south of Hurghada, Egypt. This project is attached to Club Azur and Royal Azur hotels, where homeowners can enjoy full access to all the amenities and facilities offered by the two hotels. By end of 2008, the total value of contracted units amounted to CHF 0.85 million for a total of 8 pre-sold units at an average selling price of approximately CHF 1,388/m².

2- Byoum

During the third quarter of 2008, Byoum, a new residential real estate project, was launched, covering a total area of approximately 400,000 m² out of the total awarded land in El Fayoum Oasis. In the first phase of Byoum, it is planned to offer 158 villas with full access to an attached marina and a four star hotel with an expected capacity of 48 guest rooms. By end of 2008, the total value of contracted units amounted to CHF 21 million (79 pre-sold units), with an average selling price of CHF 1,206/m².

3- Al Roboua

Al Roboua project offers 36 standalone villas in traditional Nubian style with all supporting amenities. By end of 2008, the total value of the remaining contracted units amounted to CHF 0.36 million (2 contracted units), with an average selling price of CHF 731/m².

II- United Arab Emirates

By the end of 2008, a total of 181 units were delivered. Total value of contracted units amounted to CHF 15 million with an average selling price of CHF 2,364/m² compared to CHF 9 million with an average selling price of CHF 2,372/m² for the same period last year. Total contracted area reached 6,342 m² in comparison to a total area of 3,751 m² for 2007.

The Group delivered a total of 68 units during 2008 in comparison to 113 units for the same period last year.

III- Oman

During Q4 2007, the Group held the simultaneous launch for two of its projects in Oman, namely Jebel Sifah and Salalah Beach. By the end of 2008, the total value of contracted units amounted to CHF 223 million for a total of 392 units (81,553 m²) at an average selling price of approximately CHF 2,732/m².

1- Jebel Sifah

By end of 2008, total value of contracted units amounted to CHF 132 million for a total of 213 pre-sold units at an average selling price of approximately CHF 2,724/m². Total contracted area reached 48,289 m².

2- Salalah Beach

By end of 2008, total value of contracted units amounted to CHF 91 million for a total of 179 pre-sold units at an average selling price of approximately CHF 2,744/m². Total contracted area reached 33,264 m².

Budget housing

1- Haram City

During May 2007, Orascom Housing Communities (OHC) commenced actual construction of the first phase of Haram City, an integrated Budget Housing project in the 6th of October governorate, Egypt. The site comprises a total area of 8.4 million m² of land adjacent to the Egyptian Media Production City. The first wave of residents moved into their homes during the fourth quarter of 2008. By end of 2008, the total value of contracted and delivered units amounted to CHF 37 million representing a total of 2,321 units, sold at an average selling price of CHF 15,937 per unit (CHF 233/m²).

2- Al Roboua

Moreover, 31 units were sold in Al Roboua by year end. Total value of contracted units amounted to CHF 0.34 million with an average selling price of CHF 196/m².

3- Land sales

Total revenues CHF 7 Million (2007: CHF 6 Million)	Gross profit CHF 2 Million (2007: CHF 3.5 Million)
Segment result CHF 1 Million (2007: CHF 3 Million)	

Revenues from sale of land and associated cost are recognised when land is delivered and the significant risk of ownership and control has been transferred to the buyer.

It is worth mentioning that land sales and town management do not meet the quantitative thresholds to be shown as reportable segments according to IFRS 8. However, management believes that information about these two segments is useful to readers of the report and therefore they are presented.

4- Town management

Total revenues CHF 28 Million (2007: CHF 19 Million)	Gross profit CHF 7 Million losses (2007: CHF 4 Million losses)
Segment result CHF 0.19 Million losses (2007: CHF 0.72 Million)	

Town management refers to all revenues generated from municipal facilities mainly from utilities. It includes revenues from electricity, maintenance, sewage, gas stations and so forth. Town management revenues are generated in existing fully-integrated towns, namely El Gouna and Taba Heights in Egypt. The following table provides an overview of the performance of town management, categorized according to the type of service, during the twelve months ending 31 December 2008.

Town management KPIs

Type of service (CHF Millions)	2008	2007
Utilities	23	22
Commercial services	7	5
Urban services	3	3
Infrastructure and maintenance	2	2
Community services	1	0
Total segment revenues	36	32
Inter-segment revenues (eliminations)	(8)	(12)
Town management revenues (from external customers)	28	19

5- Tours operations

Total revenues
CHF 88 Million
(2007: CHF 49 Million)

Gross profit
CHF 13 Million
(2007: CHF 10 Million)

Segment result
CHF 8 Million
(2007: CHF 8 Million)

Tours operations reflect revenues generated mainly from tour packages offered for tourist groups as well as revenues generated from tour transportations. The following table provides an overview of the performance of tours operations, categorized according to the type of service (tours and transportation), during the twelve months ending 31 December 2008.

Tours operations KPIs

Type of service	2008	2007	% Change
Tours operations			
Number of guests	144,905	98,805	47%
Average revenue per guest (CHF)	456	370	23%
Tour transportation			
Number of vehicles	135	47	187%
Average daily revenue per vehicle (CHF)	163	150	9%

6- Other operations

Total revenues
CHF 36 Million
(2007: CHF 24 Million)

Gross profit
CHF 8 Million
(2007: CHF 0.56 Million)

Segment result
CHF 6 Million
(2007: CHF 0.39 Million losses)

Other operations revenues cover all revenue items that are not classified under any of the other five segments. Other operations revenues include rentals of villas and apartments, shops, marina berths, and staff housing. Also, income is generated from hospital services, mortgage financing, educational services, limousine rentals, laundry, and some other facilities, which continued to represent more weight in terms of percentage and value from total consolidated revenues growing by 50% reaching CHF 36 million from CHF 24 million for 2007, evidencing the benefit from owning mature towns.

Consolidated income statement

CHF	31 December 2008	31 December 2007
Revenue	568,231,493	406,803,589
Cost of sales	(405,780,925)	(278,107,507)
Gross profit	162,450,568	128,696,082
Investment revenue	6,218,991	3,850,134
Gains in investments in associates	2,042,562	0
Other gains and losses	750,507	7,263,166
Increases of provisions and bad debt allowance	(754,213)	(5,406,555)
General and administration expenses	(30,112,567)	(10,088,015)
Finance costs	(14,714,911)	(11,502,604)
Profit before tax	125,880,937	112,812,208
Income tax expense	(10,236,463)	(10,128,809)
Profit for the year	115,644,474	102,683,399
Attributable to:		
Equity holders of the company	96,287,373	84,249,635
Minority interest	19,357,101	18,433,764
	115,644,474	102,683,399
Basic earnings per share	4.33	4.02
Diluted earnings per share	4.33	4.02

Consolidated balance sheet

CHF	31 December 2008	31 December 2007
Assets		
Non-current assets		
Property, plant and equipment	856,492,405	675,557,818
Goodwill	33,368,405	32,760,966
Investment in associates	36,898,629	0
Non-current receivables	45,746,621	18,786,033
Other financial assets	45,482,274	40,055,616
Total non-current assets	1,017,988,334	767,160,433
Current assets		
Inventories	174,904,697	86,512,576
Trade and other receivables	136,036,375	76,425,735
Due from related parties	15,019,414	21,820,984
Other financial assets	1,338,713	3,847,437
Other current assets	137,316,347	117,108,294
Cash and bank balances	177,145,039	87,341,213
Total current assets	641,760,585	393,056,239
Total assets	1,659,748,919	1,160,216,672
Equity and liabilities		
Capital and reserves		
Share capital	580,491,450	532,523,450
Share premium	183,348,356	0
Treasury shares	(28,426)	0
Reserves	(155,463,552)	(119,587,946)
Retained earnings	194,315,195	102,826,928
Equity attributable to equity holders of the company	802,663,023	515,762,432
Minority interest	144,341,700	158,000,095
Total equity	947,004,723	673,762,527
Non-current liabilities		
Borrowings	152,987,442	130,010,090
Trade payables (and payables)	30,059,744	26,774,943
Retirement benefit obligation	101,274	0
Notes payable (and payables)	8,510,669	8,939,931
Deferred tax liabilities	9,238,722	6,045,116
Other financial liabilities	12,940,155	13,497,865
Total non-current liabilities	213,838,006	185,267,945
Current liabilities		
Trade and other payables	64,059,838	33,720,651
Borrowings	222,072,302	118,376,266
Due to related parties	33,350,469	1,258,794
Current tax liabilities	8,368,915	6,338,165
Provisions	7,555,868	8,298,216
Other liabilities	163,498,798	133,194,108
Total current liabilities	498,906,190	301,186,200
Total liabilities	712,744,196	486,454,145
Total equity and liabilities	1,659,748,919	1,160,216,672

About the Group

Established in 1989, Orascom Hotels and Development S.A.E. ("OHD") today is a leading integrated town developer in Egypt and the Middle East with almost 20 years of experience. OHD is a developer of fully integrated towns that include hotels, private villas and apartments, leisure facilities such as golf courses and marinas as well the supporting infrastructure. It has secured or is in the course of securing large land banks in untapped yet attractive locations with development potential in Egypt, Morocco, Oman, the United Arab Emirates and Switzerland. The high quality portfolio combined with a proven business model is expected to result in long-term growth opportunities. Currently, OHD operates two successful flagship towns, El Gouna and Taba Heights (both in Egypt), has secured, subject to certain conditions, or is about to secure, land banks of approximately 127 million square meters and has a workforce of approximately 18,000 staff. Since the settlement of the exchange and tender offer by Orascom Development for OHD, Orascom Development is the new parent of OHD. Orascom Development has a dual listing, with a primary listing on the main board of the SIX Swiss Exchange (Switzerland) and a secondary listing on the EGX (Egypt Stock Exchange). The company's shares are fully fungible (with the same ISIN code) and can be traded on both stock exchanges in Swiss Francs.

For further information, please contact:

Orascom Development
Mamdouh Abdel Wahab
Director Investor Relations
Tel: +41 79 846 55 60
+20 12 315 32 00
Email: ir@orascomdh.com

Swiss Media Office
Philippe Blangey
Tel: +41 41 874 17 11
Email: media@orascomdh.com