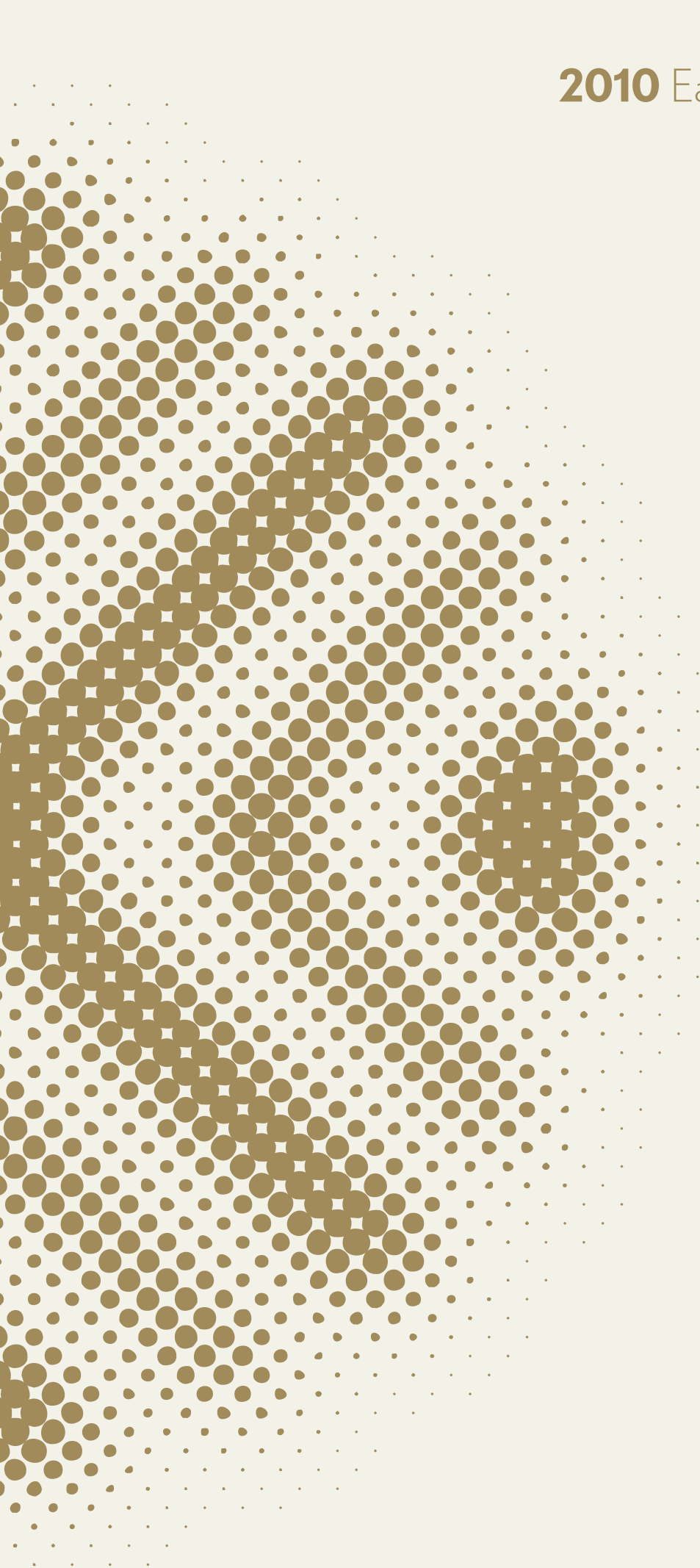


2010 Earnings Release

12M



ORASC  **M**
DEVELOPMENT

2010 Highlights

New in our Earnings Release reporting

- The Group's underlying operational figures in 2010 were nearly in line with last year's, stipulating further recovery from the world financial crises. On the other hand, unique one-off items have impacted our results this year. First, in June 2010, the Group strategically divested a 6% stake, of its 51% ownership in the Garranah Group of companies. Secondly, 2010 witnessed strengthening of the Swiss Franc over other functional currencies utilized by our subsidiaries, primarily the US dollars and Egyptian pounds. Therefore, we will present our consolidated actual end of year results (referred to as 'actual' or 'A'), as well as for the purpose of comparability, global and per business segment figures such as: Revenues, Gross profit, EBITDA and Profit for the year after neutralizing the effects of (1) the impact of deconsolidating Garranah from 2009 figures and (2) foreign exchange translation on 2010 figures (referred to as 'neutralized' or 'N').

Annual results

- Total 'actual' consolidated revenues amounted to CHF 516 million (2009: CHF 586 million) with a justified drop of 12%. Total 'neutralized' consolidated revenues amounted to CHF 513 million (2009: CHF 523 million). EBITDA 'actual' was CHF 178 million (2009: CHF 215 million), while EBITDA 'neutralized' amounted to CHF 175 million (2009: CHF 204 million).
- Profit for the year (profit before non-controlling interests) 'actual' amounted to CHF 122 million (2009: CHF 145 million), yielding an 'actual' basic and diluted earnings per share of CHF 3.88 (2009: CHF 4.59). Profit for the year (profit before non-controlling interests) 'neutralized' and before accounting for the exceptional provisions of CHF 15 million was in line with last year, reaching CHF 137 million (2009: CHF 139 million).
- By the end of 2010, the total value of contracted units in the Andermatt project amounted to approximately CHF 63 million for a total of 13 units, sold at the average selling price of CHF 16,373/m². Between April and December 2010, total reservations of CHF 102 million have been concluded for freehold apartments and villas.

Extraordinary transactions

- *Divestment of a 6% stake in the Garranah subsidiaries:* During Q2 2010, the Group achieved a gain of CHF 9 million (CHF 7.2 million net of tax) from the sale of a 6% stake in the Garranah subsidiaries owning tours operations and transportation outfits as well as other subsidiaries owning nine floating hotels. The Group's interest in the Garranah entities was reduced from 51% to 45%.
- *Revaluation of investment property:* During Q3 2010, the Group voluntarily changed its accounting policy for investment properties from the cost model to the fair value model in line with Swiss market practice. This new accounting policy resulted in a gain of CHF 14 million (CHF 11 million net of tax) in 2010. This policy was applied retroactively and comparative figures have been restated accordingly.

Capital structure

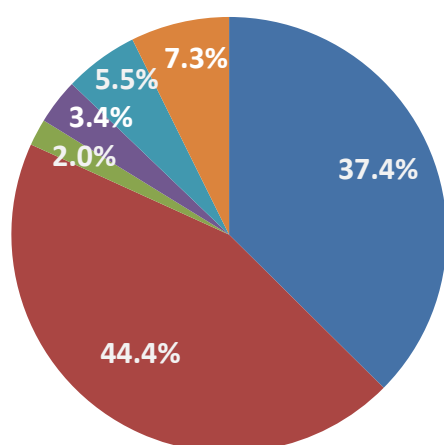
- During Q3 2010, the company successfully concluded a share capital increase with total gross proceeds of CHF 185 million through a discounted rights offering with the purpose of financing current development projects.
- To better finance developments plans in Egypt, Oman, and Switzerland, some of our subsidiaries obtained new loans and credit facilities, thus increasing borrowings by CHF 124 million over last year.

Key financials

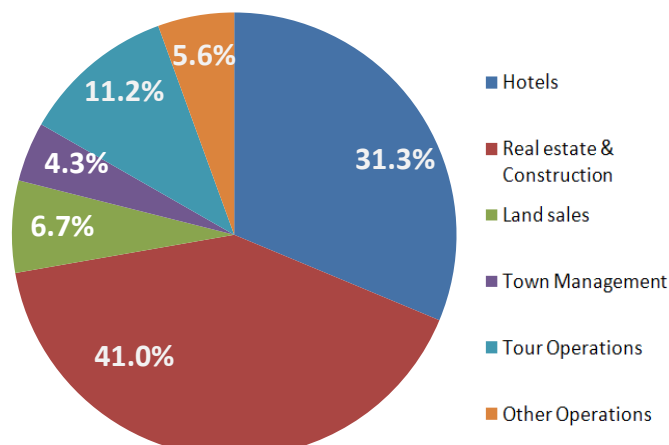
Income Statement Indicators	2010 A	2010 N (2)	2009 A	2009 N (1)	% Change (2-1)/1
Total revenues	516,091,893	513,519,197	586,089,302	523,169,111	(2%)
Hotels	193,128,332	202,281,588	183,360,180	176,412,105	15%
Real estate and construction	228,990,911	241,473,609	240,041,362	240,041,362	1%
Land sales	10,241,985	10,505,978	39,251,409	39,251,409	(73%)
Town management	17,497,444	18,288,111	25,404,434	25,404,434	(28%)
Tours operations	28,463,930	1,160,813	65,450,888	9,478,772	(88%)
Other operations	37,769,291	39,809,098	32,581,029	32,581,029	22%
Gross profit	175,389,651	179,358,290	196,297,087	199,366,642	(10%)
Gross profit margin	34%	35%	34%	38%	(8%)
Profit for the year (before non-controlling interest)	122,251,917	121,723,600	144,899,400	138,671,980	(12%)
Profit for the year (after non-controlling interest)	94,920,828	93,627,288	106,490,887	100,263,467	(7%)
Basic and diluted earnings per share (EPS)	3.88	3.82	4.59	4.32	(12%)
EBITDA	178,080,358	174,957,134	214,642,036	204,382,216	(14%)
EBITDA margin	35%	34%	37%	39%	(13%)

Revenue distribution by segment

12M 2010



12M 2009



Balance Sheet Indicators	2010 A	2009 A	% Change
Total assets	2,093,438,187	1,885,589,062	11%
Total liabilities	900,294,364	820,144,284	10%
Total equity	1,193,143,823	1,065,444,778	12%
Net debt¹	235,315,984	310,271,283	(24%)
Net debt / EBITDA	1.32	1.45	(9%)
Net debt / Market Cap	0.15	0.19	(21%)
Leverage ratio	0.74	0.77	-
Equity ratio	0.57	0.57	-

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

Year in review

Total revenues

2010A: CHF 516 million (2009A: CHF 586 million)
2010N: CHF 513 million (2009N: CHF 523 million)

Gross profit

2010A: CHF 175 million (2009A: CHF 196 million)
2010N: CHF 179 million (2009N: CHF 199 million)

EBITDA

2010A: CHF 178 million (2009A: CHF 215 million)
2010N: CHF 175 million (2009N: CHF 204 million)

Profit for the year (Profit before non-controlling interest)

2010A: CHF 122 million (2009A: CHF 145 million)
2010N: CHF 122 million (2009N: CHF 139 million)

Total 'actual' consolidated revenues amounted to CHF 516 million (2009: CHF 586 million) with a justified drop of 12%. The top line drop is attributable to a number of reasons: (1) the strengthening of the Swiss Franc visa-vie other functional currencies utilized by Group subsidiaries accounted for half the drop. Also, (2) the impact of the deconsolidation of the tour operations segment and its related transportation arm, following the strategic sale of 6% of the Garranah Group of companies. Finally (3) unlike 2009 during which a plot of land was sold to a third party developer, 2010 had no such transactions. Meanwhile, total 'neutralized' consolidated revenues amounted to CHF 513 million (2009: CHF 523 million), marking a decrease of 2%.

Gross profit 'actual' amounted to CHF 175 million (2009: CHF 196 million). Gross profit 'neutralized' amounted to CHF 179 million (2009: CHF 199 million). EBITDA 'actual' was CHF 178 million (2009: CHF 215 million). EBITDA 'neutralized' amounted to CHF 175 million (2009: CHF 204 million).

Profit for the year (profit before non-controlling interests) 'actual' decreased by 16% to CHF 122 million (2009: CHF 145 million), yielding an 'actual' basic and diluted earnings per share of CHF 3.88 (2009: CHF 4.59). Profit for the year (profit before non-controlling interests) 'neutralized' and before accounting for exceptional provisions of CHF 15 million, following the latest events and circumstances in Egypt, was in line with last year, amounting to CHF 137 million (2009: CHF 139 million) aligning with management guidance.

During Q2 2010, the Group recognized a gain of CHF 9 million (CHF 7.2 million net of tax) in relation to the strategic sale agreement of a 6% stake in the Garranah Group of companies. This was signed on 18 May 2010 and went into effect on 30 June 2010. The sale of a 6% stake in the subsidiaries owning the tours operations and transportation outfits as well as others owning nine floating hotels reduced the Group's interest in the Garranah entities from 51% to 45%. Pursuant to this agreement, the Group ceased to control the Garranah entities. Accordingly, the Group deconsolidated these entities and recognized them as investments in associates using the equity method. This sale is not accounted for as discontinued operations in accordance with IFRS 5, as management is of the opinion that the disposed subsidiaries did not represent a separate major line of business or a geographical area of operations and were not acquired exclusively with a view to resale. Furthermore, management has the intention to acquire significant shareholdings of companies providing services in the above mentioned activities if they match the Group's strategy.

During Q3 2010, the Group voluntarily changed its accounting policy for investment properties from the cost model to the fair value model using independent valuations. The Group believes this new policy will result in a better presentation of investment properties in its financial statements. The policy was applied retroactively and comparative figures have been restated accordingly. The total impact resulted in a CHF 29.6 million appreciation allocated as follows: CHF 9.4 million in periods prior to 2009 credited to retained

earnings; CHF 6.2 million during 2009 credited to that year's income statement as restated and CHF 14 million in the period ending 31 December 2010.

On 18 September 2010, the Board of Directors approved a plan to increase the share capital by CHF 119 million through the issuance of 4,993,460 fully paid-in registered shares at the nominal value of CHF 23.85 per share. These shares were offered through a discounted-to-market rights offering with the purpose of financing current development projects. Shareholders were offered 20 new registered shares for every 93 registered shares held at an offer price of CHF 37.00 per share with gross proceeds of CHF 185 million. On 30 September 2010, these new shares were issued following the exercise of 99.43% of the allocated subscription rights, pursuant to the authorized capital, which was approved by shareholders at the annual general meeting on 11 May 2010. The capital increase enabled Orascom Development to accelerate its growth plans and take advantage of currently attractive construction costs.

To better finance developments plans in Egypt, Oman, and Switzerland, some of our subsidiaries obtained new loans and credit facilities, increasing borrowings by CHF 124 million over last year. As at 31 December 2010, the Group's capital structure remains solid with a net debt of CHF 235 million (2009: CHF 310 million), a leverage ratio of 0.74x (2009: 0.77x), an average borrowing maturity of 7.7 years, and a weighted average cost of debt of 6.97%. Current borrowings have been drawn in various currencies: 46% in US dollars followed by Egyptian pounds (32%), Euros (16%), with Swiss Francs and UAE Dirhams accounting for the balance. Moreover, Net debt / EBITDA is at a healthy level of 1.3 years (2009: 1.4 years), while Net debt / Market Cap reached 0.15x (2009: 0.19x).

Business segment review

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 mortgage finance, rentals, and others. The following section provides an overview of business segments' performance during 2010 and compares neutralized results for financial years 2009 and 2010. For more details on the business segment review as well as the impact of the deconsolidation of the Garranah group of companies and the translation effect resulting from the appreciating Swiss Franc, please refer to pages 17-19.

1- Hotels

Total revenues

2010A: CHF 193 million (2009A: CHF 183 million)
2010N: CHF 202 million (2009N: CHF 176 million)

Gross profit

2010A: CHF 47 million (2009A: CHF 40 million)
2010N: CHF 49 million (2009N: CHF 45 million)

Operating hotel rooms

2010A: 6,516 rooms
2009A: 6,479 rooms

TRevPAR

2010A: CHF 87
2009A: CHF 79

Occupancy rate

2010A: 76%
2009A: 69%

The Group currently own 26 operating hotels (including one floating hotel) with a total 6,516 rooms. Of these, twelve hotels (3,912 rooms) are operated by renowned third-party hotel operators under management contracts. We retain the management of eight hotels (778 rooms), and six hotels (1,826 rooms) are operated by local operators. Third party hotel managers include reputable and well established operators such as Accor's Sofitel, ClubMed, Four Seasons, Hyatt Regency, InterContinental, Marriott, Mövenpick, Radisson Blu, Rotana, Starwood's Sheraton and Steigenberger.

Hotels segment accounted for 37% of our total revenues in the financial year 2010 (2009: 31%). In June 2010, we reduced our stake in the Garranah subsidiaries from 51% to 45%. As a result, starting July 1, 2010, our consolidated financial statements no longer showed revenues generated by nine floating hotels as part of our hotels segment and the corresponding net income was recognized as income from investments in associates. Hotels revenue 'actual' achieved a growth of 5% reaching CHF 193 million (2009: CHF 183 million), indicating the segment's recovery from the world financial crises that impacted the tourism sector in 2008. Moreover, after factoring in the latter and the Swiss Franc's impact on the Group's consolidated results, hotels revenue 'neutralized' amounted to CHF 202 million (2009: CHF 176 million), with a 'neutralized' gross profit of CHF 49 million (2009: CHF 45 million).

The segment results 'actual' amounted to CHF 44 million (2009: CHF 40 million) marking a growth of approximately 10%. The segment continued to achieve improvements on all fronts with an average occupancy rate of 76% (2009: 69%), an Average Room Rate (ARR) of CHF 65 (2009: CHF 63) and a TRevPAR of CHF 87 (2009: CHF 79).

The following table provides an overview of our hotels and their performance 'actual', grouped by star rating, for the period ending 31 December 2010.

Hotels	5 stars	4 stars	3 stars	2 stars	Total/ average
Operating Hotels					
# hotels	11	11	3	1	26
# rooms	3,777	2,528	143	68	6,516
ARR (CHF)	74	52	48	41	65
Average occupancy (%)	76%	77%	73%	56%	76%
RevPAR (CHF)	56	40	35	23	50
TRevPAR (CHF)	98	72	62	31	87
Total revenue (CHFm)	135.4	53.6	3.3	0.8	193.1
GOP total (CHFm) ¹	42.9	20.6	1.3	0.2	64.9 ²
GOP per room (CHF)	11,345	8,131	8,777	3,173	9,957
GOP margin (%)	32%	38%	38%	28%	34%

¹ GOP is a non-IFRS measure and should be read in conjunction with "Presentation of non-IFRS measures".

² Total GOP is calculated as follows:

CHF	2010A	2009A
Gross operating income	90,545,158	73,774,002
General and administration expenses	(16,724,441)	(14,464,297)
Sales and marketing expenses	(5,604,629)	(5,169,427)
Utilities	(15,355,994)	(13,325,613)
Repair and maintenance fees	(9,170,252)	(8,650,423)
Basic fees	(2,116,140)	(1,994,947)
Eliminations and adjustments	23,303,158	28,345,042
Gross operating profit	64,876,860	58,514,337

As of 31 December 2010, the Group's operating hotels segment indicators were as follows.

	Number of Rooms		Occupancy Rate		TRevPAR ¹		ARR	
	2010A	2009A	2010A	2009A	2010A	2009A	2010A	2009A
I- Hotels								
Egypt								
El Gouna	2,694 ²	2,569	76%	73%	91	91	69	70
Taba Heights	2,365	1,980	78%	64%	69	55	46	45
Other hotels, Red Sea	828	819	84%	86%	74	76	48	42
Egypt subtotal	5,887	5,368	78%	72%	80	75	57	57
Other regions								
The Cove, UAE	335	335	63%	56%	188	163	169	160
Marina Plaza, Jordan	267	267	50%	39%	59	54	78	91
Other regions subtotal	602	602	57%	48%	130	112	134	134
Total hotels	6,489	5,970	76%	69%	85	79	63	62
II- Floating hotels								
Floating hotels, Egypt ³	27	509	64%	68%	691	75	756	71
Floating hotels subtotal	27	509	64%	68%	691	75	756	71
Total hotels segment	6,516	6,479	76%	69%	87	79	65	63

¹ 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.

² As at 31 December 2010, El Gouna's 17 hotels offered a total capacity of 2,885 operating rooms, of which 16 hotels are controlled by the Group, offering a total capacity of 2,719 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.

³ 2009 Key performance indicators for floating hotels included 9 floating hotels that are no longer presented, following the execution of the Garranah transaction.

I- Hotels

Egypt

A) El Gouna

El Gouna achieved an average occupancy rate of 76% (2009: 73%) with an ARR of CHF 69 (2009: CHF 70) and a TRevPAR of CHF 91 (2009: CHF 91). The growth in room occupancies is mainly attributed to the increase in the number of guests from Germany, the Scandinavian market, and inbound tourism. During Q4 2010, two boutique hotels, Fanadir and Mosaïque, commenced operations with 54 and 69 rooms respectively.

B) Taba Heights

Taba Heights achieved an average occupancy rate of 78% (2009: 64%) with an ARR of CHF 46 (2009: CHF 45), and a TRevPAR of CHF 69 (2009: CHF 55). An improvement in room occupancy was the result of an increase in the number of guests and room nights of European visitors originating from the Benelux, France, and United Kingdom. During Q4 2010, ClubMed Sinai Bay, a 385-rooms 5 star hotel commenced operations.

C) Other hotels, Red Sea

Our Red Sea hotels achieved an average occupancy rate of 84% (2009: 86%) with an ARR of CHF 48 (2009: CHF 42), and a lower TRevPAR of CHF 74 (2009: CHF 76) due to the cancellation of catering service in Club Azur hotel.

Other regions

A) United Arab Emirates

The Cove Rotana Resort & Spa achieved an average occupancy rate of 63% (2009: 56%) with an ARR of CHF 169 (2009: CHF 160), and a TRevPAR of CHF 188 (2009: 163). This property accounted for approximately 9% of the hotels segment results for 2010.

B) Jordan

Marina Plaza achieved a TRevPAR of CHF 59 (2009: CHF 54) and an average occupancy rate of 50% (2009: 39%) with a lower ARR of CHF 78 (2009: CHF 91) due to competition from three new hotel openings in Tala Bay.

II) Floating hotels

Since 1 July 2010, the Group holds only a 45% stake in nine Nile cruisers (classified as floating hotels) and 51% stake in Zahra Oberoi, which were part of the acquisition of Garranah, offering a total of 27 cabins. The Oberoi Zahra is the only boat on the Nile with a full-service spa and was ranked the best Nile cruiser on the river Nile by the Egyptian Ministry of Tourism during 2009. Zahra Oberoi achieved an average occupancy rate of 64% (2009: 68%) with an ARR of CHF 756 (2009: CHF 699), and a TRevPAR of CHF 691 (2009: CHF 654).

2- Real estate and construction

Total revenues

2010A: CHF 229 million (2009A: CHF 240 million)
2010N: CHF 241 million (2009N: CHF 240 million)

Gross profit

2010A: CHF 107 million (2009A: CHF 111 million)
2010N: CHF 115 million (2009N: CHF 111 million)

Total value of contracted units¹

2010A: CHF 273 million
2009A: CHF 218 million

Total number of contracted units (incl. basic affordable)

2010A: 3,557 units
2009A: 3,456 units

Total value of deferred income

2010A: CHF 228 million
2009A: CHF 273 million

The real estate and construction segment accounted for 44% of our total revenues during 2010 (2009: 41%). Real estate and construction revenues 'actual' witnessed a decline of 5% to CHF 229 (2009: CHF 240 million), while revenues 'neutralized' marginally increased over last year, amounting to CHF 241 million (2009: CHF 240 million).

The total value of contracted real estate units amounted to CHF 273 million (2009: CHF 218 million), achieving a growth of 25%. A total of 3,557 units (2009: 3,456 units) were contracted at the average selling price of CHF 1,071/m² (2009: CHF 888/m²). Total value of deferred income declined by 16% reaching CHF 228 million (2009: CHF 273 million). The following table provides an overview of residential real estate sales during 2009 up to the period ending 31 December 2010.

	2010A	2009A
Real Estate Sales (excluding budget housing)		
Off-plan sales during financial years (# units)	297	317
Off-plan sales during financial years (in CHFm)	177.4	162.9
Average price per m ² (CHF)	4,432	3,183
Real Estate Sales (budget housing)		
Sales during financial years (# units)	3,260	3,139
Sales during financial years (in CHFm)	95.4	55.5
Average price per m ² (CHF)	476	306
Real Estate segment performance		
Total revenue (CHFm)	229	240
GOP total (CHFm) ¹	111 ²	111 ²
GOP margin (%)	48%	46%

¹ GOP is a non-IFRS measure and should be read in conjunction with "Presentation of non-IFRS measures".

² Total GOP is calculated as follows:

CHF	2010A	2009A
Gross operating income	124,199,010	128,005,625
General and administration expenses	(25,345,829)	(22,336,489)
Sales and marketing expenses	(4,897,457)	(12,149,134)
Utilities	(20,405)	(326,152)
Repair and maintenance fees	(2,714,192)	(680,360)
Eliminations and adjustments	19,464,970	18,621,982
Gross operating profit	110,686,097	111,135,472

Our residential real estate key performance indicators as at 31 December 2010 were as follows.

	Average selling price/m ²		Total value of contracted units ¹ (CHF millions)		Number of contracted units	
	2010A	2009A	2010A	2009A	2010A	2009A
I- Egypt						
El Gouna	3,428	4,026	83.5	97.9	211	156
Riyad Resort	-	1,223	-	2.6	-	30
Fayoum	1,070	765	4.3	4.7	34	39
Haram City	348	306	31.6	55.5	1,499	3,139
Makadi	584	-	63.7	-	1,752	-
Egypt subtotal	746	752	183.1	160.7	3,496	3,364
II- U.A.E.						
The Cove	2,518	3,022	2.9	1.6	5	3
UAE subtotal	2,518	3,022	2.9	1.6	5	3
III-Oman						
Jebel Sifah	2,928	3,087	12.9	22.9	17	31
Salalah Beach	2,545	2,960	11.2	33.2	26	58
Oman subtotal	2,724	3,009	24.1	56.1	43	89
IV- Switzerland						
Andermatt Swiss Alps	16,373	-	62.7	-	13	-
Total real estate	1,071	888	272.8	218.4	3,557	3,456

¹ Total value of contracted units reflects balances secured from the pre-sales of residential units off the master plan, which only applies to residential real estate products. However, this does not apply to the basic affordable products, which are typically contracted and delivered at the same step.

I- Egypt

El Gouna

During 2010, the total value of contracted units amounted to CHF 83.5 million (2009: CHF 97.9 million) for 211 pre-sold units (2009: 156 pre-sold units). This was accompanied by a drop of 15% in the average selling price per square meter, to CHF 3,428/m² (2009: CHF 4,026/m²), due to the change in product mix as 178 apartments were sold (2009: 95 apartments).

Fayoum

By the end of 2010, the total value of contracted units amounted to CHF 4.3 million (2009: CHF 4.7 million), with 34 pre-sold units (2009: 39 pre-sold units) at the average selling price of CHF 1,070/m² (2009: CHF 765/m²).

Haram City

By the end of 2010, the total value of contracted and delivered units amounted to CHF 31.6 million (2009: CHF 55.5 million) with a total of 1,499 units (2009: 3,139 units) sold at the average selling price of CHF 348/m² (2009: CHF 306/m²). It should be noted that 2009 contracted units included 1,530 units sold to the Cairo Governorate.

Makadi

The Makadi project by Orascom Development & Management's (ODM), a wholly owned subsidiary of Orascom Development, is this company's first comprehensive residential and tourism project. The project is planned to offer a total capacity of approximately 4,000 hotel rooms and 5,500 residential units along with a number of amenities and facilities such as medical complex, school and commercial area. ODM acts as the project manager in charge of the development, sales, marketing and community management. By end of 2010, total value of contracted units amounted to CHF 63.7 million representing 1,752 units contracted at an average selling price of CHF 584/m².

II- United Arab Emirates

By year end, the total value of contracted units amounted to CHF 2.9 million (2009: CHF 1.6 million), sold at the average selling price of CHF 2,518/m² (2009: 3,022/m²), for 5 pre-sold units (2009: 3 units).

III- Oman

By the end of 2010, the total value of contracted units amounted to CHF 24.1 million (2009: 56.1 million) for 43 units (2009: 89 units) at the average selling price of approximately CHF 2,724/m² (2009: CHF 3,009). In Jebel Sifah, the total value of contracted units amounted to CHF 12.9 million (2009: CHF 22.9 million) for 17 pre-sold units (2009: 31 units) at the average selling price of approximately CHF 2,928/m². In Salalah Beach, the total value of contracted units amounted to CHF 11.2 million (2009: CHF 33.2 million) for 26 pre-sold units (2009: 58 units) at the average selling price of approximately CHF 2,545/m².

IV- Switzerland

By the end of 2010, the total value of contracted units amounted to CHF 62.7 million for a total of 13 units sold at an average selling price of approximately CHF 16,373/m². Between April and December 2010, total reservations amounted to CHF 102 million (including contracted units).

3- Land sales

Total revenues

2010A: CHF 10.2 million (2009A: CHF 39 million)

2010N: CHF 10.5 million (2009N: CHF 39 million)

Gross profit

2010A: CHF 2.2 million (2009A: CHF 25 million)

2010N: CHF 2.2 million (2009N: CHF 25 million)

Occasionally, the Group sells land where we have no additional development commitments or on which we have completed development of infrastructure to third party developers, this establishes a reference point for the market price of our land bank. Revenues from such sales are included in our land sales segment .

Land sales segment accounted for only 2% from our total revenues during 2010 (2009: 7% including internal revenues of CHF 411 million resulting from the intergroup sale of 3.6 million m² of land between Group subsidiaries in Egypt). During 2009, a plot of land was sold to a third party developer in Oman. Revenues from sale of land, sale of land rights and the associated cost are recognized when land is delivered and the significant risk of ownership and control has been transferred to the buyer.

4- Town management

Total revenues

2010A: CHF 17 million (2009A: CHF 25 million)
2010N: CHF 18 million (2009N: CHF 25 million)

Gross profit

2010A: CHF 5 million (2009A: CHF 7 million)
2010N: CHF 2 million (2009N: CHF 7 million)

The Group's involvement in a project continues after construction has been completed. Throughout our destinations, we are responsible not only for providing and maintaining top-quality hotels and residences, but for the day-to-day maintenance and upkeep of the town's power grid, desalination plants and sewage plants. We are also responsible for the town's security and other services. As a rule the town facilities and infrastructure such as hospitals and water desalination facilities, are owned and operated by one of our majority-owned subsidiaries. Town management segment accounted for 3% of our total revenues in the financial year 2010 (2009: 4%).

Town management refers to all revenues generated from municipal facilities. It primarily includes revenues from utilities (such as electricity, irrigation, and telephone lines), as well as community services (such as: airport, museum, sporting club, and bakeries), urban services (such as: garbage collection, security, and fire brigade), and commercial services (such as: fish and fowl farm). Town management revenues are generated in operating towns, namely El Gouna (Egypt), Taba Heights (Egypt), The Cove (U.A.E.) and Haram City (Egypt). During 2010, general services revenues increased as clients who received their residential units during 2009 and 2010 began to pay related periodic bills. This occurs only after apartment blocks are fully finished. It should be noted that other revenues for 2009 included an extraordinary transaction as Taba Heights charged CHF 9.4 million as fees in relation to pre-opening costs of the Taba Heights golf course.

Type of service (CHF Millions)	2010A	2009A	% Change
Utilities	24.83	23.47	6%
Commercial services	9.84	6.38	54%
Urban services	2.29	2.13	8%
Infrastructure and maintenance	2.89	2.69	7%
Community services	0.86	0.92	(7%)
Other	1.85	11.00	(83%)
Total segment revenues	42.57	46.60	(9%)
Intersegment revenues (eliminations)	(25.07)	(21.19)	18%
Town management revenues (from external customers)	17.50	25.41	(31%)

5- Tours operations

Total revenues

2010A: CHF 28 million (2009A: CHF 65 million)
2010N: CHF 1 million (2009N: CHF 9 million)

Gross profit

2010A: CHF 3 million (2009A: CHF 2 million)
2010N: CHF 0.9 million losses (2009N: CHF 0.4 million)

Until June 30, 2010, the Group held a controlling stake in the Garranah tours operations companies. Following the sale of a 6% stake in the Garranah tours operations companies in June 2010, we no longer hold a controlling stake in these entities. As a result, starting July 1, 2010, our consolidated financial statements no longer show revenues generated by the tours operations business of the Garranah tours operations companies as part of our tours operations segment. Rather, the corresponding net income is recognized as income from investment in associates. Our tours operations segment accounted for 6% of our total revenues in the financial year 2010 (2009: 11%).

6- Other operations

Total revenues

2010A: CHF 38 million (2009A: CHF 33 million)

2010N: CHF 40 million (2009N: CHF 33 million)

Gross profit

2010A: CHF 12 million (2009A: CHF 11 million)

2010N: CHF 13 million (2009N: CHF 11 million)

Other operations combine those businesses that are not classified under any of the five primary business segments. This includes mortgages, rentals of villas and apartments, hospital services and educational services, marina, limousine rentals, laundry services, and other services. We generally retain ownership of the commercial properties, generating a steady and growing stream of annual cash flows. Other operations accounted for 7% of our total revenues in the financial year 2010 (2009: 6%).

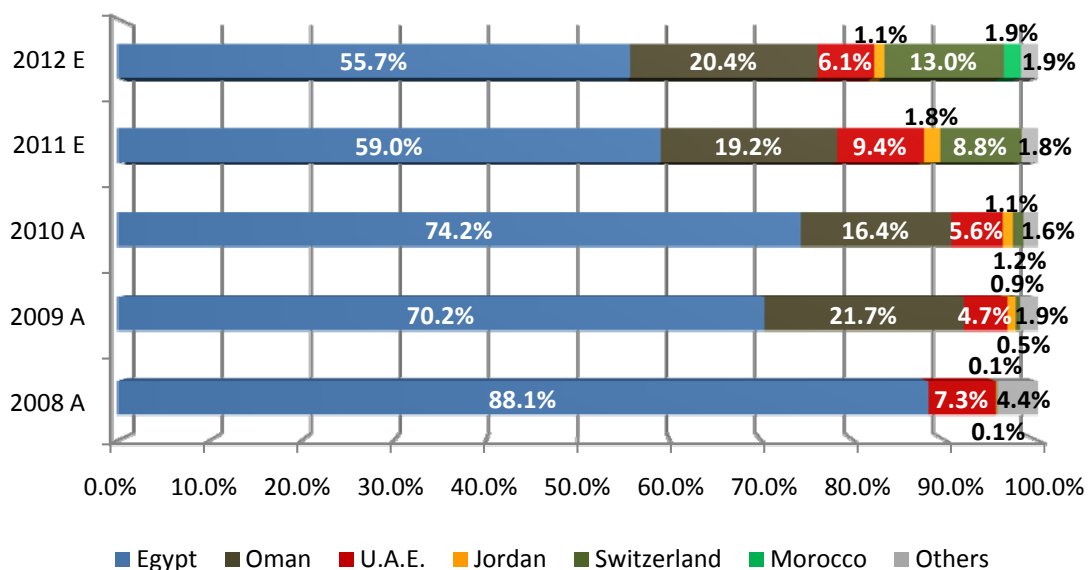
The following table provides an overview of the revenues generated by our other operations.

CHF million	2010A	2009A	% Change
Rentals	17.07	15.45	11%
Mortgage (real estate financing)	6.66	4.59	45%
Sport (golf)	6.63	5.56	19%
Hospital services	4.79	4.44	8%
Educational services	2.26	2.07	9%
Marina	2.23	1.72	30%
Limousine	1.62	1.45	12%
Laundry services	2.73	2.55	7%
Leasing	3.82	1.12	241%
Others	36.69	10.77	241%
Total segment revenues	84.50	49.71	70%
Intersegment revenues (eliminations)	(46.73)	(17.13)	173%
Total revenue from external customers	37.77	32.58	16%

2011 Outlook

Some substantial events took place in Egypt that generally impacted its economic sectors. This may lead to a decline in economic activities in the future. This may have an impact on our operations in upcoming financial periods. For the purpose of disclosure, based on the current circumstances, we estimate that our hotel business will experience a drop of approximately 30% in the financial year 2011.

On a positive note, our real estate contracted sales during Q1 2011, are in line with the same period last year. This is primarily due to the strategic direction that the company has adopted, since its listing on the SIX, in diversifying revenues across different geographical areas. The below chart tracks the Group's revenue by country, since 2007 and forecasts the breakdown into 2012. This clearly shows the conversion pace from being fully dependent on one country (Egypt) to being more of a diversified multinational.



The Board of Directors proposes, subject to the AGM approval, a cash distribution of CHF 0.65 per share. This payment will again be made as a nominal value reduction.

Orascom Development launched a Tender Offer on 22 December 2010 to the remaining minority shareholders of its Egyptian subsidiary Orascom Hotels & Development that ended on 18 January 2011. The price offered in the Tender Offer was determined prior to launch based on valuation reports presented by two independent fairness opinion providers, where the cash alternative amounted to EGP 42.85 for each OHD Share and a conversion ratio of three Egyptian Depository Receipts 'EDRs' of Orascom Development for each OHD Share. This transaction will increase the company's ownership in OHD to 99.66%, with a remaining non-controlling interest of 0.34% represented by 758,777 OHD shares of which 300,849 Shares are held in treasury by OHD and were not part of the Tender Offer. These shares are held for the purpose of OHD's Employee Stock Option Plan (ESOP) and are also intended to be swapped into EDRs.

Condensed consolidated statement of comprehensive income

For the period ended 31 December 2010

CHF	31 December 2010	31 December 2009 Restated
Continuing operations		
Revenue	516,091,893	586,089,302
Cost of sales	(340,702,242)	(389,792,215)
Gross profit	175,389,651	196,297,087
Investment income	12,352,935	13,217,393
Other gains and losses	19,163,024	16,697,120
Administrative expenses	(57,524,090)	(40,459,762)
Finance costs	(7,045,098)	(18,949,656)
Share of profit (loss) of associates	(1,552,599)	187,701
Profit before tax	140,783,823	166,989,883
Income tax expense	(18,531,906)	(22,090,482)
Profit for the year from continuing operations	122,251,917	144,899,400
Other comprehensive income, net of income tax		
Exchange differences arising on translation of foreign operations	(146,580,674)	(34,750,611)
Net gain on cash flow hedges	611,265	725,041
Net loss on arising on revaluation of available-for-sale financial assets	(939,718)	(85,800)
Total other comprehensive income for the year, net of income tax	(146,909,127)	(34,111,370)
Total comprehensive income for the year	(24,657,210)	110,788,030
Profit for the year attributable to:		
Owners of the company	94,920,828	106,490,887
Non-controlling interests	27,331,089	38,408,513
	122,251,917	144,899,400
Total comprehensive income attributable to:		
Owners of the company	(25,862,768)	75,681,383
Non-controlling interests	1,205,558	35,106,647
	(24,657,210)	110,788,030
Earnings per share from continuing operations		
Basic	3.88	4.59
Diluted	3.88	4.59

Condensed consolidated statement of financial position

As at 31 December 2010

CHF	31 December 2010	31 December 2009 Restated	1 January 2009 Restated
Assets			
Non-current assets			
Property, plant and equipment	926,077,841	957,457,508	801,748,497
Investment properties	78,355,235	71,786,344	65,834,078
Goodwill	8,208,807	30,432,009	33,368,405
Investment in associates	35,397,484	8,129,189	36,898,629
Non-current receivables	94,719,641	101,427,266	45,746,621
Deferred tax assets	17,319,445	3,020,589	1,795,751
Finance lease receivables	13,740,381	6,110,881	-
Other financial assets	70,597,147	95,927,598	45,482,274
Total non-current assets	1,244,415,981	1,274,291,384	1,030,874,255
Current assets			
Inventories	260,175,662	202,618,963	174,904,697
Trade and other receivables	156,042,384	164,804,834	136,036,375
Finance lease receivables	2,478,257	2,101,401	-
Due from related parties	23,838,453	31,049,887	15,019,414
Other financial assets	10,808,861	701,500	1,338,713
Other current assets	119,225,619	132,121,875	137,316,347
Cash and bank balances	276,452,970	77,899,218	177,145,039
Total current assets	849,022,206	611,297,678	641,760,585
Total assets	2,093,438,187	1,885,589,062	1,672,634,840
Equity and liabilities			
Capital and reserves			
Issued capital	672,882,864	568,881,621	580,491,450
Reserves	(74,209,307)	(2,539,697)	27,856,378
Retained earnings	396,880,378	301,959,550	195,468,663
Equity attributable to owners of the company	995,553,935	868,301,474	803,816,491
Non-controlling interests	197,589,888	197,143,304	152,614,877
Total equity	1,193,143,823	1,065,444,778	956,431,368
Non-current liabilities			
Borrowings	270,832,587	161,378,525	152,987,442
Trade payables	35,921,963	71,476,141	30,059,744
Retirement benefit obligation	199,646	166,161	101,274
Notes payable	10,193,018	13,426,089	8,510,669
Deferred tax liabilities	27,993,241	14,446,690	12,697,998
Other financial liabilities	15,448,607	18,652,924	16,751,721
Total non-current liabilities	360,589,062	279,546,530	221,108,848
Current liabilities			
Trade and other payables	57,120,751	102,219,680	64,059,838
Borrowings	240,936,367	226,791,976	222,072,302
Due to related parties	2,614,098	122,850	33,350,469
Current tax liabilities	15,975,901	10,873,384	8,368,915
Provisions	56,779,789	46,159,372	7,555,868
Other current liabilities	166,278,396	154,430,492	159,687,232
Total current liabilities	539,705,302	540,597,754	495,094,624
Total liabilities	900,294,364	820,144,284	716,203,472
Total equity and liabilities	2,093,438,187	1,885,589,062	1,672,634,840

Condensed consolidated statement of changes in equity

For the period ended 31 December 2010

CHF	Issued capital	Share premium	Treasury shares	Hedging reserves	Investments revaluation reserve	Foreign currencies translation reserve	Reserve from common control transactions	Equity swap settlement	Retained earnings	Attributable to owners of the company	Non-controlling interests	Total
Balance at 1 January 2009	580,491,450	183,348,356	(28,426)	(3,049,255)	-	(43,899,293)	(108,515,004)	-	194,315,195	802,663,023	144,341,700	947,004,723
Impact of changes in accounting policies	-	-	-	-	-	-	-	-	1,153,468	1,153,468	8,273,177	9,426,645
Restated balance at 1 January 2009	580,491,450	183,348,356	(28,426)	(3,049,255)	-	(43,899,293)	(108,515,004)	-	195,468,663	803,816,491	152,614,877	956,431,368
Restated profit for the year	-	-	-	-	-	-	-	-	106,490,887	106,490,887	38,408,513	144,899,400
Other comprehensive income for the year, net of income tax	-	-	-	725,041	(85,800)	(31,448,745)	-	-	-	(30,809,504)	(3,301,866)	(34,111,370)
Total comprehensive income for the year	-	-	-	725,041	(85,800)	(31,448,745)	-	-	106,490,887	75,681,383	35,106,647	110,788,030
Reissuance of treasury shares	-	-	28,426	-	-	-	-	-	-	28,426	-	28,426
Reserve from common control transactions	-	-	-	-	-	-	463,501	-	-	463,501	-	463,501
Share capital reduction (repayment of nominal value)	(11,609,829)	-	-	-	-	-	-	-	-	(11,609,829)	-	(11,609,829)
Share capital reduction cost	-	(78,498)	-	-	-	-	-	-	-	(78,498)	-	(78,498)
Non-controlling interest share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	9,421,780	9,421,780
Restated balance at 31 December 2009	568,881,621	183,269,858	-	(2,324,214)	(85,800)	(75,348,038)	(108,051,503)	-	301,959,550	868,301,474	197,143,304	1,065,444,778
Balance at 1 January 2010	568,881,621	183,269,858	-	(2,324,214)	(85,800)	(75,348,038)	(108,051,503)	-	301,959,550	868,301,474	197,143,304	1,065,444,778
Profit for the year	-	-	-	-	-	-	-	-	94,920,828	94,920,828	27,331,089	122,251,917
Other comprehensive income for the year, net of income tax	-	-	-	611,265	(939,718)	(120,455,143)	-	-	-	(120,783,596)	(26,125,531)	(146,909,127)
Total comprehensive income for the year	-	-	-	611,265	(939,718)	(120,455,143)	-	-	94,920,828	(25,862,768)	1,205,558	(24,657,210)
Reserve from common control transaction	-	-	-	-	-	-	1,795,586	-	-	1,795,586	-	1,795,586
Share capital reduction (repayment of nominal value)	(15,092,778)	-	-	-	-	-	-	-	-	(15,092,778)	-	(15,092,778)
Share capital reduction cost	-	(49,205)	-	-	-	-	-	-	-	(49,205)	-	(49,205)
Share capital increase (issuance of ordinary shares)	119,094,021	66,065,708	-	-	-	-	-	-	-	185,159,729	-	185,159,729
Share capital increase cost	-	(7,013,540)	-	-	-	-	-	-	-	(7,013,540)	-	(7,013,540)
Contracts over own shares	-	-	-	-	-	-	-	(10,220,295)	-	(10,220,295)	-	(10,220,295)
Consideration received in treasury shares	-	-	(1,464,267)	-	-	-	-	-	-	(1,464,267)	-	(1,464,267)
Non-controlling interest share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	1,719,314	1,719,314
Reduction non-controlling interest due to payment of dividend (OHD – Orascom Hotels & Development S.A.E)	-	-	-	-	-	-	-	-	-	-	(2,478,288)	(2,478,288)
Balance at 31 December 2010	672,882,864	242,272,821	(1,464,267)	(1,712,949)	(1,025,518)	(195,803,181)	(106,255,917)	(10,220,295)	396,880,378	995,553,935	197,589,888	1,193,143,823

Business segments

Overview

As at 31 December 2010, the Group divisions were as follows:

2010 CHF (Actual)	Hotels	Real estate and construction	Land sales	Town Management	Tours operations	Other operations	Total
Total segment revenue	196,089,202	323,806,022	29,644,233	42,566,558	29,739,975	84,495,783	706,341,773
Inter-segment revenue	(2,960,870)	(94,815,111)	(19,402,247)	(25,069,114)	(1,276,045)	(46,726,492)	(190,249,880)
Revenue from external customers	193,128,332	228,990,911	10,241,985	17,497,444	28,463,930	37,769,291	516,091,893
Cost of revenue	(128,251,471)	(118,304,812)	(7,220,600)	(8,737,082)	(25,385,935)	(22,550,904)	(310,450,804)
Depreciation	(18,201,763)	(4,012,333)	(843,740)	(4,008,867)	(219,588)	(2,965,147)	(30,251,437)
Gross profit/(loss)	46,675,098	106,673,766	2,177,645	4,751,494	2,858,407	12,253,240	175,389,652
Segment results	44,475,503	112,359,556	2,177,645	2,548,377	3,006,324	23,391,548	187,958,955
Share of profits of associates							(1,552,599)
Other gains and losses							13,602,669
Investment income							2,149,643
Central administration and directors' salaries							(57,524,090)
Finance costs							(3,850,755)
Profit before tax (continuing operations)							140,783,823
Income tax expense							(18,531,906)
Profit for the year (continuing operations)							122,251,917

2009 Restated CHF (Actual)	Hotels	Real estate and construction	Land sales	Town Management	Tours operations	Other operations	Total
Total segment revenue	187,596,736	292,809,942	450,820,821	46,596,356	68,293,164	49,710,547	1,095,827,566
Inter-segment revenue	(4,236,556)	(52,768,580)	(411,569,412)	(21,191,922)	(2,842,276)	(17,129,518)	(509,738,264)
Revenue from external customers	183,360,180	240,041,362	39,251,409	25,404,434	65,450,888	32,581,029	586,089,302
Cost of revenue	(124,845,844)	(128,905,890)	(13,708,585)	(14,239,646)	(60,955,981)	(18,433,773)	(361,089,718)
Depreciation	(18,012,131)	(606,373)	(724,974)	(3,809,216)	(2,365,889)	(3,183,914)	(28,702,497)
Gross profit/(loss)	40,502,205	110,529,099	24,817,850	7,355,572	2,129,018	10,963,342	196,297,087
Segment results	40,389,635	120,708,448	23,738,436	2,010,990	(2,917,528)	15,239,150	199,169,131
Share of profits of associates							187,701
Other gains and losses							10,832,434
Investment income							6,360,521
Central administration and directors' salaries							(40,459,762)
Finance costs							(9,100,142)
Profit before tax (continuing operations)							166,989,883
Income tax expense							(22,090,482)
Profit for the year (continuing operations)							144,899,401

Impact of Forex and deconsolidated of Garranah group of companies on the condensed consolidated statement of comprehensive income

Revenues - CHF	2010A	Impact	2010N	2009N	Variance
Hotels	192,391,441	(9,890,147)	202,281,588	176,412,105	25,869,483
Floating hotels (Garranah)	736,891	(39,975)	-	-	-
Real estate and construction	228,990,911	(12,482,699)	241,473,609	240,041,362	1,432,247
Land sales	10,241,985	(263,992)	10,505,978	39,251,409	(28,745,431)
Town management	17,497,444	(790,668)	18,288,111	25,404,434	(7,116,323)
Tours operations	1,067,612	(93,201)	1,160,813	9,478,772	(8,317,959)
Tour operation (Garranah)	27,396,318	(1,486,189)	-	-	-
Other operations	37,769,291	(2,039,806)	39,809,098	32,581,029	7,228,069
Total	516,091,893	(27,086,676)	513,519,197	523,169,111	(9,649,914)

Cost of revenues - CHF	2010A	Impact	2010N	2009N	Variance
Hotels	(127,578,951)	7,176,127	(134,755,079)	(113,991,706)	(20,763,373)
Floating hotels (Garranah)	(672,520)	36,483	-	-	-
Real estate and construction	(118,304,812)	3,947,627	(122,252,439)	(128,905,890)	6,653,451
Land sales	(7,220,600)	228,658	(7,449,257)	(13,708,585)	6,259,328
Town management	(8,737,082)	3,499,867	(12,236,949)	(14,239,646)	2,002,696
Tours operations	(2,004,722)	105,436	(2,110,158)	(8,745,997)	6,635,839
Tour operation (Garranah)	(23,381,213)	1,268,378	-	-	-
Other operations	(22,550,904)	1,453,775	(24,004,680)	(18,433,773)	(5,570,907)
Total	(310,450,804)	17,716,351	(302,808,562)	(298,025,596)	(4,782,965)

Depreciation - CHF	2010A	Impact	2010N	2009N	Variance
Hotels	(17,775,705)	985,636	(18,761,340)	(17,160,016)	(1,601,324)
Floating hotels (Garranah)	(426,058)	23,113	-	-	-
Real estate and construction	(4,012,333)	204,564	(4,216,897)	(606,373)	(3,610,524)
Land sales	(843,740)	57,452	(901,193)	(724,974)	(176,219)
Town management	(4,008,867)	280,759	(4,289,626)	(3,809,216)	(480,410)
Tours operations	(7,533)	23	(7,556)	(292,380)	284,824
Tour operation (Garranah)	(212,055)	424	-	-	-
Other operations	(2,965,147)	210,587	(3,175,733)	(3,183,914)	8,181
Total	(30,251,437)	1,762,557	(31,352,345)	(25,776,873)	(5,575,472)

Gross Profit - CHF	2010A	Impact	2010N	2009N	Variance
Hotels	47,036,785	(1,728,383)	48,765,169	45,260,383	3,504,785
Floating hotels (Garranah)	(361,687)	19,621	-	-	-
Real estate and construction	106,673,766	(8,330,508)	115,004,274	110,529,099	4,475,175
Land sales	2,177,645	22,117	2,155,528	24,817,850	(22,662,322)
Town management	4,751,494	2,989,959	1,761,536	7,355,572	(5,594,037)
Tours operations	(944,643)	12,258	(956,900)	440,395	(1,397,296)
Tour operation (Garranah)	3,803,051	(217,386)	-	-	-
Other operations	12,253,240	(375,444)	12,628,685	10,963,342	1,665,343
Total	175,389,652	(7,607,767)	179,358,290	199,366,642	(20,008,351)

Other P&L items - CHF	2010A	Impact	2010N	2009N	Variance
Investment income	12,352,935	(613,992)	12,966,927	13,217,393	(250,466)
Other gains and losses	(4,214,044)	184,160	(4,398,204)	6,293,369	(10,691,573)
Administrative expenses	(41,713,930)	975,588	(42,689,518)	(40,459,762)	(2,229,756)
Contingent liabilities provision	(15,810,160)	-	-	-	-
Gain on revaluation of investment properties	14,120,934	(809,968)	-	-	-
Gain on Garranah / Albion transactions	9,256,133	(530,926)	-	-	-
Finance costs	(7,045,098)	1,193,282	(8,238,380)	(18,949,656)	10,711,276
Share of profit of associates	(1,552,599)	80,108	(1,632,707)	187,701	(1,820,408)
Profit before tax	140,783,824	(7,129,515)	135,366,409	159,655,687	(24,289,278)
Income tax expense	(13,567,369)	75,440	(13,642,809)	(20,983,707)	7,340,898
Taxes on investment property revaluation and Garranah	(4,964,537)	284,763	-	-	-
Profit for the year from continuing operations	122,251,918	(6,769,312)	121,723,600	138,671,980	(16,948,380)
Profit attributable to:					
Owners of the company	94,920,829	(6,004,091)	93,627,288	100,263,467	(6,636,179)
Non-controlling interests	27,331,089	(765,223)	28,096,312	38,408,513	(10,312,201)
	122,251,918	(6,769,314)	121,723,600	138,671,980	(16,948,380)
EBITDA	178,080,359	(10,085,354)	174,957,134	204,382,216	(29,425,082)
EBITDA %	34.51%		34.07%	39.07%	

About the Group

Orascom Development Holding AG (Orascom Development) is a leading developer of fully integrated towns that include hotels, private villas and apartments, leisure facilities such as golf courses, marinas and supporting infrastructure. Orascom Development's diversified portfolio of projects is spread over nine jurisdictions, with primary focus on touristic towns and recently affordable housing.

Orascom Touristic Establishments (OTE) was established in 1989 setting the first step in building the Group's track record in the development of integrated towns. After some name changes and reorganization, the main business was held under Orascom Hotels & Development (OHD). Since the settlement of the public exchange offer by Orascom Development for OHD, Orascom Development became the new parent of OHD. Orascom Development has a dual listing, with a primary listing on the main board of the SIX Swiss Exchange (ISIN: CH0038285679) and a secondary listing on the EGX Egyptian Exchange (ISIN: EGG676K1D011). In December 2009, the Group modified its secondary listing on the EGX. While the Group's shares had previously been trading on both the SIX and the EGX in Swiss Francs, Orascom Development at that time procured the issuance and listing of Egyptian Depositary Receipts (EDRs; each EDR representing 1/20 of the Group's share) which are currently trading on the EGX in Egyptian pounds. The objective of this modification is to improve trading and liquidity on the EGX.

Today, Orascom Development operates in nine jurisdictions (Egypt, Jordan, UAE, Oman, Switzerland, Morocco, United Kingdom, Montenegro and Romania) and is continuously seeking development opportunities in untapped yet attractive locations all over the world. The Group has four existing projects: El Gouna, the flagship project, a fully-fledged town on the Red Sea coast (Egypt). Taba Heights, on the Sinai Peninsula (Egypt), is the Group's second tourism destination following El Gouna's business model. The Cove (Ras Al Khaimah, UAE) is the Group's first development experience outside Egypt. Haram City, an integrated town dedicated to affordable housing in Egypt, catering for the mass population.

For further information, please contact:

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