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### Q3 Highlights

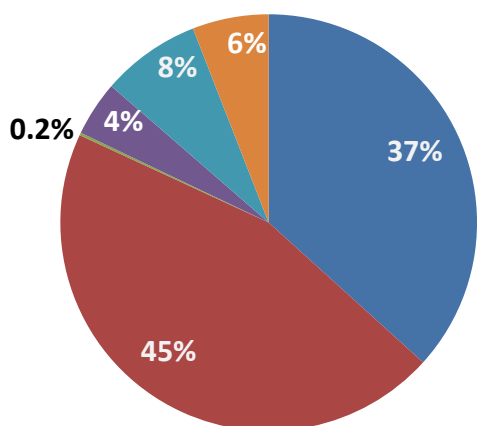
- Revaluation of investment property: During the period, the Group has voluntarily changed its accounting policy for investment properties from the cost model to the fair value model using independent valuations. The Group believes that the new policy will result in a more appropriate presentation of investment properties in its financial statements. The policy was applied retrospectively and comparative figures have been restated accordingly. The total impact of the restatement amounted to CHF 28.6 million allocated as follows CHF 9.4 million in periods prior to 2009 credited to retained earnings, CHF 6.2 million during 2009 credited to the income statement of 2009 as restated and CHF 13 million in the period ending 30 September 2010 that are shown in the income statement of the period.
- Deconsolidation of the Garranah subsidiaries: During Q2 2010, the Group recognized a gain on sale amounting to CHF 9 million in relation to settlement of the Garranah equity swap agreement, which involved the sale of a 6% stake in the Garranah subsidiaries owning the tours operations outfits and the six subsidiaries owning 9 floating hotels in June 2010, the Group's interest in the Garranah entities was reduced from 51% to 45%. Pursuant to this agreement, the Group ceased to control the Garranah entities on 30 June 2010, but retained significant influence over these entities, and accordingly, the Group deconsolidated these entities and recognized them as investment in associate using the equity method.
- In order to fund investments and development activities as part of normal operations, some of the Group's subsidiaries obtained new loans and credit facilities, increasing borrowings by CHF 120 million with the purpose of financing the Group's developments plans in Egypt, Oman and Switzerland.
- The Group's total consolidated revenues declined by 9% to CHF 380 million in comparison to CHF 416 million for the same period last year, mainly due the impact of currency fluctuations and the appreciation in the Swiss Francs exchange rates in particular, which reduced the Group's revenues by approximately 4%.
- Profit for the period (Profit before non-controlling interests) declined by 2% to CHF 100 million in comparison to CHF 102 million. Profit after non-controlling interests increased by 5% to CHF 76 million in comparison to CHF 72 million. Basic and diluted earnings per share increased by 5% to CHF 3.27 up from CHF 3.12.
- Total value of reserved units in the Andermatt project amounted to CHF 62 million (24 units), exceeding 60% of the first year's CHF 100 million target.

## Key financials

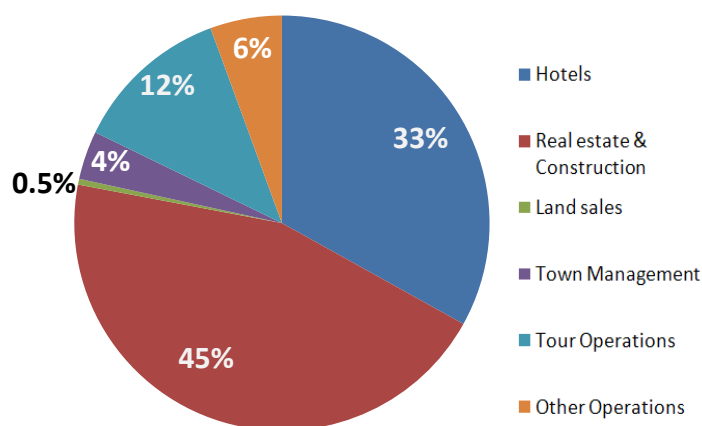
Income Statement Indicators	30 September 2010	30 September 2009	% Change
<b>Total revenues</b>	<b>380,080,453</b>	<b>416,447,250</b>	<b>(9%)</b>
Hotels	139,526,900	137,704,487	1%
Real estate and construction	171,737,542	186,996,806	(8%)
Land sales	781,994	1,871,856	(58%)
Town management	16,244,053	15,767,988	3%
Tours operations	29,246,280	50,828,091	(42%)
Other operations	22,543,684	23,278,022	(3%)
<b>Gross profit</b>	<b>118,447,630</b>	<b>124,947,844</b>	<b>(5%)</b>
<b>Gross profit margin</b>	<b>31%</b>	<b>30%</b>	<b>4%</b>
<b>Profit for the period (before non-controlling interest)</b>	<b>99,856,714</b>	<b>101,626,154</b>	<b>(2%)</b>
<b>Profit for the period (after non-controlling interest)</b>	<b>76,007,021</b>	<b>72,453,832</b>	<b>5%</b>
<b>Basic and diluted earnings per share (EPS)</b>	<b>3.27</b>	<b>3.12</b>	<b>5%</b>
<b>EBITDA</b>	<b>143,386,226</b>	<b>151,673,317</b>	<b>(6%)</b>
<b>EBITDA margin</b>	<b>38%</b>	<b>36%</b>	<b>4%</b>

## Revenue distribution by segment

### 9M 2010



### 9M 2009



Balance Sheet Indicators	30 September 2010	31 December 2009	% Change
Total assets	2,125,832,173	1,882,568,473	13%
Total liabilities	901,225,170	817,123,695	10%
Total equity	1,224,607,003	1,065,444,778	15%
Net debt <sup>1</sup>	269,733,334	310,271,283	(13%)
Leverage ratio	0.74	0.77	-
Equity ratio	0.58	0.57	-

Notes:

<sup>1</sup> Net debt is calculated by deducting cash and bank balances from total borrowings.

## Performance overview

### Total revenues

CHF 380 million  
(9M 2009: CHF 416 million)

### Gross profit

CHF 118 million  
(9M 2009: CHF 125 million)

### Profit for the period (Profit before non-controlling interest)

CHF 100 million  
(9M 2009: CHF 102 million)

### EPS (basic and diluted)

CHF 3.27  
(9M 2009: 3.12)

During 9M 2010, hotels revenue slightly exceeded the previous year's figure rising by 1.3% indicating the segment's recovery from the economic crisis coupled with an improvement in the segment's results. Hotels revenue amounted to CHF 140 million in comparison to CHF 138 million for the same period last year. Moreover, the segment's results amounted to CHF 29 million increasing by 19%, in comparison to CHF 24 million for the same period last year. The segment continued to achieve growth on all fronts with an average occupancy rate of 74% (9M 2009: 67%), an Average Room Rate (ARR) of CHF 63 (9M 2009: CHF 61) and a TRevPAR of CHF 83 (9M 2009: CHF 75).

The following provide an overview of our hotels and their performance, grouped based on category (number of stars), for the period ending 30 September 2010 as follows:

Hotels	5 stars	4 stars	3 stars	2 stars	Total/ average
<b>Operating Hotels</b>					
# hotels	11	8	3	1	23
# rooms	3,777	2,020	143	68	6,008
ARR (CHF)	71	50	45	39	63
Average occupancy (%)	74%	75%	69%	54%	74%
RevPAR (CHF)	52	38	31	21	47
TRevPAR (CHF)	92	69	56	29	83
Total revenue (CHFm)	98.60	38.12	2.27	0.53	139.53
GOP total (CHFm) <sup>1</sup>	33.08	14.65	0.32	(0.03)	48.02 <sup>2</sup>
GOP per room (CHF)	8,759	7,250	2,244	(411)	7,993
GOP margin (%)	34%	38%	14%	(5%)	34%

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

<sup>2</sup> Total GOP is calculated as follows:

CHF million	30 September 2010
Gross operating income	84.04
General and administration expenses	(11.65)
Sales and marketing expenses	(4.19)
Utilities	(11.80)
Repair and maintenance fees	(6.92)
Basic fees	(1.46)
<b>Gross operating profit</b>	<b>48.02</b>

Real estate and construction recognized revenues witnessed a decline of 8% from CHF 187 million in 9M 2009 to CHF 172 million in 9M 2010. The segment's gross operating profit declined by 0.5% to CHF 78.9 million down from CHF 79.2 million. Nevertheless, gross operating profit margin reached 46% up from 42% due to the decrease in the cost of construction. Total value of contracted real estate units amounted to CHF 91 million in comparison to CHF 107 million in 9M 2009, with a 14% decline. A total of 1,301 units were contracted at an average selling price of CHF 845/m<sup>2</sup> (9M 2009: CHF 671/m<sup>2</sup>). Total value of deferred income declined by 32% reaching CHF 189 million compared to CHF 278 million in 9M 2009.

The following provide an overview of our residential real estate sales during 2009 up to the period ending 30 September 2010 as follows:

	12M 2009	9M 2010
<b>Real Estate Sales (excluding budget housing)</b>		
Off-plan sales during financial years (# units)	317	106
Off-plan sales during financial years (in CHFm)	162.9	65.2
Average price per m <sup>2</sup> (CHF)	3,183	3,057
<b>Real Estate Sales (budget housing)</b>		
Sales during financial years (# units)	3,139	1,195
Sales during financial years (in CHFm)	55.5	25.7
Average price per m <sup>2</sup> (CHF)	306	349
Total revenue (CHFm)	187	172
GOP total (CHFm) <sup>1</sup>	79.2	78.9 <sup>2</sup>
GOP margin (%)	42%	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	30 September 2010
Gross operating income	100.22
General and administration expenses	(16.39)
Sales and marketing expenses	(4.72)
Utilities	(0.01)
Repair and maintenance fees	(0.02)
Basic fees	(0.22)
<b>Gross operating profit</b>	<b>78.85</b>

Total consolidated revenues declined by 9% to CHF 380 million in comparison to CHF 416 million for the same period last year, mainly due the impact of currency fluctuations and the appreciation in the Swiss Francs exchange rates in particular, which reduced the Group's revenues by approximately 4%.

Gross profit marked a 5% drop reaching CHF 118 million as opposed to CHF 125 million for the same period last year. Nevertheless, gross profit margin increased to 31% up from 30%, achieving a 4% growth. EBITDA amounted to CHF 143 million in the nine month ending 30 September 2010 compared to CHF 152 million for the same period last year, dropping by 6%. Nevertheless, EBITDA margin increased by 4% to 38% up from 36%.

Profit for the period (Profit before non-controlling interests) declined by 2% to CHF 100 million in comparison to CHF 102 million. Profit after non-controlling interests increased to CHF 76 million up from CHF 72 million, with a growth of 5%. Basic and diluted earnings per share increased by 5% to CHF 3.27 up from CHF 3.12.

During the period, the group has voluntarily changed its accounting policy for investment properties from the cost model to the fair value model using independent valuations. The group believes that the new policy will result in a more appropriate presentation of investment properties in its financial statements. The policy was applied retrospectively and comparative figures have been restated accordingly. The total impact of the restatement amounted to CHF 28.6 million allocated as follows CHF 9.4 million in periods prior to 2009 credited to retained earnings, CHF 6.2 million during 2009 credited to the income statement of 2009 as restated and CHF 13 million in the period ending 30 September 2010 that are shown in the income statement of the period.

During Q2 2010, the Group recognized a gain on sale amounting to CHF 9 million in relation to settlement of the Garranah equity swap agreement signed on 18 May 2010, which became effective on 30 June 2010 to sell the Garranah family 6% stake six subsidiaries owning 9 floating hotels, reducing the Group's

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interest in the Garranah entities from 51% to 45%. Pursuant to this agreement, the Group ceased to control the Garranah entities on 30 June 2010, but retained significant influence over these entities, and accordingly, the Group deconsolidated these entities and recognized them as investment in associate using the equity method.

On 18 September 2010, the Board of Directors approved to increase the share capital by CHF 119 million through the issuance of 4,9993,460 fully paid-in registered shares at the fair value of CHF 23.85 per share. These shares were offered through a discounted rights offering with the purpose of financing its current development projects. Orascom Development's 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 29 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 the shareholders at the annual general shareholders' meeting on 11 May 2010. The capital increase enables Orascom Development to accelerate its growth plans and to take advantage of currently attractive construction costs.

By the end of Q3 2010, total value of reserved units in the Andermatt project amounted to CHF 62 million (24 units), exceeding 60% of the first year's CHF 100 million target. These sales represent more than half of the first two apartment buildings "Hirsch" and "Steinadler" and one villa. As a result of that, Andermatt Swiss Alps, the Group's Swiss subsidiary decided to place two more apartment buildings on the market.

## 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, sports, rentals, and others. As at 30 September 2010, the Group divisions were as follows:

9M 2010 CHF	Hotels	Real estate and construction	Land sales	Town Management	Tours operations	Other operations	Total
Total segment revenue	142,598,778	234,454,963	1,316,739	33,779,278	30,149,412	32,052,183	<b>474,351,353</b>
Inter-segment revenue	(3,071,878)	(62,717,421)	(534,745)	(17,535,225)	(903,132)	(9,508,499)	<b>(94,270,900)</b>
<b>Revenue from external customers</b>	<b>139,526,900</b>	<b>171,737,542</b>	<b>781,994</b>	<b>16,244,053</b>	<b>29,246,280</b>	<b>22,543,684</b>	<b>380,080,453</b>
<b>Segment results</b>	<b>28,885,545</b>	<b>87,116,236</b>	<b>(1,158,241)</b>	<b>(1,699,921)</b>	<b>1,490,179</b>	<b>17,154,484</b>	<b>131,788,282</b>
Unallocated expenses							<b>(16,793,494)</b>
<b>EBT</b>							<b>114,994,788</b>
Income tax expense							<b>(15,138,074)</b>
<b>Net profit</b>							<b>99,856,714</b>

<b>Segment assets</b>	<b>581,013,489</b>	<b>603,747,441</b>	<b>117,774,802</b>	<b>95,982,595</b>	<b>506,814</b>	<b>131,330,971</b>	<b>1,530,356,112</b>
Unallocated assets							<b>595,476,061</b>
<b>Total segment assets</b>							<b>2,125,832,173</b>

9M 2009 CHF - Restated	Hotels	Real estate and construction	Land sales	Town Management	Tours operations	Other operations	Total
Total segment revenue	140,890,850	217,289,709	1,871,856	44,158,492	52,985,239	29,489,285	<b>486,685,431</b>
Inter-segment revenue	(3,186,363)	(30,292,903)	-	(28,390,504)	(2,157,148)	(6,211,263)	<b>(70,238,181)</b>
<b>Revenue from external customers</b>	<b>137,704,487</b>	<b>186,996,806</b>	<b>1,871,856</b>	<b>15,767,988</b>	<b>50,828,091</b>	<b>23,278,022</b>	<b>416,447,250</b>
<b>Segment results</b>	<b>24,248,238</b>	<b>91,200,370</b>	<b>(63,089)</b>	<b>1,474,958</b>	<b>909,849</b>	<b>15,389,805</b>	<b>133,160,131</b>
Unallocated expenses							<b>(23,227,268)</b>
<b>EBT</b>							<b>109,932,863</b>
Income tax expense							<b>(8,306,709)</b>
<b>Net profit</b>							<b>101,626,154</b>

<b>Segment assets</b>	<b>593,746,872</b>	<b>589,753,264</b>	<b>99,616,729</b>	<b>72,411,280</b>	<b>61,064,995</b>	<b>167,736,286</b>	<b>1,584,329,426</b>
Unallocated assets							<b>298,239,047</b>
<b>Total segment assets</b>							<b>1,882,568,473</b>

## 1- Hotels

### Total revenues

CHF 140 million  
(9M 2009: CHF 138 million)

### Operating hotel rooms

6,008 rooms  
(9M 2009: 6,894 rooms)

### Occupancy rate

74%  
(9M 2009: 67%)

### Segment results

CHF 29 million  
(9M 2009: CHF 24 million)

### TRevPAR

CHF 83  
(9M 2009: CHF 75)

The Group currently own 23 operating hotels (including one floating hotel) with a total of 6,008 rooms. Of these, 11 hotels (3,527 rooms) are operated for us by renowned third-party hotel operators under management contracts. We retain the management of 6 hotels (655 rooms), and 6 hotels (1,826 rooms) are operated for us by local hotel 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 33% of our total revenues in the nine month ended 30 September 2009, and 37% in the nine months ended 30 September 2010. In June 2010, we reduced our stake in the Garranah subsidiaries from 51% to 45%. As of 30 June, 2010, we no longer consolidate the operations in the Garranah subsidiaries. As a result, starting July 1, 2010, our consolidated financial statements will no longer show revenues generated by these 9 floating hotels as part of our hotels segment. Rather, the corresponding net income will be recognized as income from investments in associates.

As of 30 September 2010, the Group's operating hotels segment indicators were as follows:

	Number of Rooms		Occupancy Rate		TRevPAR <sup>1</sup>		ARR	
	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009
<b>I- Hotels</b>								
<b>Egypt</b>								
El Gouna	2571 <sup>2</sup>	2,569	73%	71%	85	85	66	66
Taba Heights	1,980	1,980	77%	61%	66	54	45	45
Other hotels, Red Sea	828	1,333	84%	77%	74	70	48	43
<b>Egypt subtotal</b>	<b>5,379</b>	<b>5,882</b>	<b>76%</b>	<b>69%</b>	<b>76</b>	<b>71</b>	<b>55</b>	<b>54</b>
<b>Other regions</b>								
The Cove, UAE	335	335	60%	51%	174	143	164	148
Marina Town Plaza, Jordan	267	267	47%	33%	55	44	79	93
<b>Other regions subtotal</b>	<b>602</b>	<b>602</b>	<b>54%</b>	<b>42%</b>	<b>121</b>	<b>96</b>	<b>131</b>	<b>128</b>
<b>Total hotels</b>	<b>5,981</b>	<b>6,484</b>	<b>74%</b>	<b>67%</b>	<b>81</b>	<b>73</b>	<b>61</b>	<b>58</b>
<b>II- Floating hotels</b>								
Floating hotels, Egypt	27	410	57%	64%	579	143	714	143
<b>Floating hotels subtotal</b>	<b>27</b>	<b>410</b>	<b>57%</b>	<b>64%</b>	<b>579</b>	<b>143</b>	<b>714</b>	<b>143</b>
<b>Total hotels segment</b>	<b>6,008</b>	<b>6,894</b>	<b>74%</b>	<b>67%</b>	<b>83</b>	<b>75</b>	<b>63</b>	<b>61</b>

Notes:

<sup>1</sup> 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.

<sup>2</sup> As at 30 September 2010, El Gouna's 15 hotels offered a total capacity of 2,737 operating rooms, of which 14 hotels are controlled by the Group, offering a total capacity of 2,571 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.

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## I- Hotels

### *Egypt*

#### **A) El Gouna**

El Gouna achieved an average occupancy rate of 73% (9M 2009: 71%) with an ARR of CHF 66 (9M 2009: CHF 66) and a TRevPAR of CHF 85 (9M 2009: CHF 85). The growth in room occupancies is mainly attributed to the increase in the number of guests from the Scandinavian market.

#### **B) Taba Heights**

Taba Heights achieved an average occupancy rate of 77% (9M 2009: 61%) with an ARR of CHF 45 (9M 2009: CHF 45), and a TRevPAR of CHF 66 (9M 2009: CHF 54). The growth in room occupancies is attributed to the increase in number of European guests mainly from the French market, which shown increase in number of pax and room nights.

#### **C) Other hotels, Red Sea**

The Red Sea hotels achieved an average occupancy rate of 84% (9M 2009: 77%) with an ARR of CHF 48 (9M 2009: CHF 43), and a TRevPAR of CHF 74 (9M 2009: CHF 70). It should be highlighted that 9M 2009 comparative figures included Hotel Citadel Azur (Falcon), which was excluded and not consolidated since H1 2010.

### *Other regions*

#### **A) United Arab Emirates**

The Cove Rotana Resort and Spa achieved an average occupancy rate of 60% (9M 2009: 51%) with an ARR of CHF 164 (9M 2009: CHF 148), and a TRevPAR of CHF 174 (9M 2009: 143).

#### **B) Jordan**

Marina Town Plaza achieved an average occupancy rate of 47% (9M 2009: 33%) with an ARR of CHF 79 (9M 2009: CHF 93), and a TRevPAR of CHF 55 (9M 2009: CHF 44).

## **II) Floating hotels**

The Group holds 45% stake in nine Nile cruisers (classified as floating hotels) and 51% stake in Zahraa Oberoi, that were part of the acquisition of Garranah, offering a total of 27 cabinets. Zahraa Oberoi achieved an average occupancy rate of 57% (9M 2009: 60%) with an ARR of CHF 713 (9M 2009: CHF 624), and a TRevPAR of CHF 579 (9M 2009: CHF 583). TRevPAR of Zahraa Oberoi declined as a result of being out of operations for a one month period due to maintenance and service.

## 2- Real estate and construction

### Total revenues

CHF 172 million  
(9M 2009: CHF 187 million)

### Segment results

CHF 87 million  
(9M 2009: CHF 91 million)

### Total value of contracted units<sup>1</sup>

CHF 91 million  
(9M 2009: CHF 107 million)

### Total number of contracted units (incl. basic affordable)

1,301 units  
(9M 2009: 2,452 units)

### Total value of deferred income

CHF 189 million  
(9M 2009: CHF 278 million)

<sup>1</sup>Reflects total value of pre-sold residential and basic affordable units.

We typically acquire land banks in undeveloped areas at nominal cost and add substantial value by building residential real estate and all other facilities in stages. The primary focus of our real estate and construction business is to develop integrated towns. Each town hosts a wide range of properties, ranging from one-bedroom apartments to private villas on man-made islands. To ensure the quality of offerings within our towns, we generally retain ownership of the commercial properties, generating a steady stream of annual cash flows. 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. From desalination plants and paved roads to the highest specification luxury property, construction projects cover all facets of our business. From our own brick factory at Taba Heights, to the construction of employee housing in El Gouna, our construction team is dynamic and finely tuned to match the quality of our services and amenities. In our tourist developments in Egypt, the U.A.E. and Oman, we have relied on, and continue to rely on, our own construction capacity to deliver high quality developments up to international standards. Elsewhere, for European projects in Switzerland, the United Kingdom, Montenegro and Romania, we prefer to supervise third party contractors conducting the work on our behalf.

Real estate and construction segment accounted for 45% of our total revenues in the nine month ended 30 September 2009, and also in the nine months ended 30 September 2010, with the following indicators:

	Average selling price/m <sup>2</sup>		Total value of contracted units <sup>1</sup> (CHF millions)		Number of contracted units	
	9M 2010	9M 2009	9M 2010	9M 2009	9M 2010	9M 2009
<b>I- Egypt</b>						
El Gouna	3,649	3,485	46.99	50.48	63	96
Riyad Resort	-	1,218	-	2.23	-	25
Fayoum	1,073	1,252	3.53	2.25	29	9
Haram City	351	305	25.55	39.25	1,186	2,305
<b>Egypt subtotal</b>	<b>741</b>	<b>609</b>	<b>76.08</b>	<b>94.22</b>	<b>1,278</b>	<b>2,435</b>
<b>II- U.A.E.</b>						
The Cove	2,504	3,085	1.94	1.59	3	3
<b>UAE subtotal</b>	<b>2,504</b>	<b>3,085</b>	<b>1.94</b>	<b>1.59</b>	<b>3</b>	<b>3</b>
<b>III-Oman</b>						
Jebel Sifah	3,165	3,251	5.93	7.01	6	7
Salalah Beach	2,872	3,135	6.88	3.70	14	7
<b>Oman subtotal</b>	<b>2,991</b>	<b>3,208</b>	<b>12.81</b>	<b>10.71</b>	<b>20</b>	<b>14</b>
<b>Total real estate</b>	<b>845</b>	<b>671</b>	<b>90.83</b>	<b>106.52</b>	<b>1,301</b>	<b>2,452</b>

Notes: <sup>1</sup> 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.

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## **I- Egypt**

### **El Gouna**

During 9M 2010, total value of contracted units amounted to CHF 47 million (9M 2009: CHF 50 million) for 63 pre-sold units (9M 2009: 96 pre-sold) units, with a growth of 5% in the average selling price per square meter, reaching an average of CHF 3,649/m<sup>2</sup> (9M 2009: CHF 3,485/m<sup>2</sup>). The Group delivered a total of 145 units in comparison to 259 units during the same period last year.

### **Riyad Resort**

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. The Group witnessed no pre-sales in this project during 9M 2010.

### **Fayoum**

By the end of 9M 2010, total value of contracted units amounted to CHF 3.5 million (9M 2009: CHF 2.3 million), with 29 pre-sold units (9M 2009: 9 pre-sold units) at an average selling price of CHF 1,073/m<sup>2</sup> (9M 2009: CHF 1,252/m<sup>2</sup>). Sales efforts were directed towards apartments rather than villas, resulting in a decline in average selling price per square meter. The Group delivered 9 units during the nine month ending 30 September 2010.

### **Haram City**

By the end of 9M 2010, total value of contracted and delivered units amounted to CHF 26 million (9M 2009: CHF 39 million) with a total of 1,186 units (9M 2009: 2,305 units) sold at an average selling price of CHF 351/m<sup>2</sup> compared to CHF 305/m<sup>2</sup> during the same period last year.

## **II- United Arab Emirates**

By the end of 9M 2010, total value of contracted units amounted to CHF 1.9 million (9M 2009: CHF 1.6 million) with an average selling price of CHF 2,504/m<sup>2</sup> (9M 2009: 3,085/m<sup>2</sup>), with the remaining 3 units pre-sold (9M 2009: 3 units). The Group delivered a total of 3 units in comparison to 6 units during the same period last year.

## **III- Oman**

By the end of 9M 2010, the total value of contracted units amounted to CHF 13 million (9M 2009: 11 million) for a total of 20 units (9M 2009: 14 units) at an average selling price of approximately CHF 2,991/m<sup>2</sup> (9M 2009: CHF 3,208). The Group delivered a total of 88 units in comparison to 61 units during the same period last year.

### **1- Jebel Sifah**

During 9M 2010, total value of contracted units amounted to CHF 6 million (9M 2009: CHF 7 million) for a total of 6 pre-sold units (9M 2009: 7 units) at an average selling price of approximately CHF 3,165/m<sup>2</sup>. The Group delivered a total of 43 units in comparison to 24 units during the same period last year.

### **2- Salalah Beach**

During 9M 2010, total value of contracted units amounted to CHF 7 million (9M 2009: CHF 4 million) for a total of 14 pre-sold units (9M 2009: 7 units) at an average selling price of approximately CHF 2,872/m<sup>2</sup>. The Group delivered a total of 45 units in comparison to 37 units during the same period last year.

### 3- Land sales

#### Total revenues

CHF 0.8 million  
(9M 2009: CHF 1.9 million)

#### Segment results

CHF 1.1 million losses  
(9M 2009: CHF 0.06 million losses)

Occasionally, the Group sells land to third party developers on which we have to develop, or have developed, the infrastructure, and where we have no additional development commitments. 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 7% of our total revenues in the financial year 2009 (including internal revenues of CHF 411 million resulting from the intergroup sale of 3.6 million m<sup>2</sup> of land between Group subsidiaries in Egypt), and less than 1% in the nine months ending 30 September 2010. 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

CHF 16 million  
(9M 2009: CHF 16 million)

#### Segment results

CHF 1.7 million losses  
(9M 2009: CHF 1.5 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, as well as the town's security and other services. As a rule, where possible, 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 4% of our total revenues in the nine months ended 30 September 2009 and also in the nine months ended 30 September 2010.

Town management refers to all revenues generated from municipal facilities mainly from utilities. It includes revenues from utilities (such as electricity, irrigation, and telephone lines), 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 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).

Type of service (CHF Millions)	9M 2010	9M 2009	% Change
Utilities	20.32	15.45	32%
Commercial services	7.75	3.98	95%
Urban services	1.69	1.28	32%
Infrastructure and maintenance	2.43	1.57	55%
Community services	0.68	0.61	11%
Other	0.91	21.26	(96%)
<b>Total segment revenues</b>	<b>33.78</b>	<b>44.15</b>	<b>(24%)</b>
Intersegment revenues (eliminations)	(17.54)	(28.39)	(38%)
<b>Town management revenues (from external customers)</b>	<b>16.24</b>	<b>15.76</b>	<b>3%</b>

## 5- Tours operations

### Total revenues

CHF 29 million  
(9M 2009: CHF 51 million)

### Segment results

CHF 1.5 million  
(9M 2009: CHF 1 million)

Until June 30, 2010, we 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 will 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 will be recognized as income from investments.

Our tours operations segment accounted for 12% of our total revenues in the nine month ended 30 September 2009, and 8% in the nine months ended 30 September 2010.

## 6- Other operations

### Total revenues

CHF 22 million  
(9M 2009: CHF 23 million)

### Segment results

CHF 17 million  
(9M 2009: CHF 15 million)

Other operations combine those businesses that are not classified under any of the other five segments, i.e., mortgages, sports, rentals, hospital services and educational services, marina, limousine rentals and laundry services, and other services. We generally retain ownership of the commercial properties, generating a steady yet growing stream of annual cash flows. Other operations accounted for 6% of our total revenues in the nine month ended 30 September 2009, and also in the nine months ended 30 September 2010.

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

CHF million	9M 2010	9M 2009	% Change
Mortgage (real estate financing)	2.77	1.88	47%
Sport (golf)	3.24	3.63	(11%)
Rentals	11.84	7.63	55%
Hospital services	3.38	3.44	(2%)
Educational services	1.42	1.24	15%
Marina	1.63	1.23	33%
Limousine	1.22	1.11	10%
Laundry services	2.06	1.87	10%
Leasing	1.99	-	-
Others	2.50	7.45	(66%)
<b>Total segment revenues</b>	<b>32.05</b>	<b>29.48</b>	<b>9%</b>
Intersegment revenues (eliminations)	(9.51)	(6.21)	53%
<b>Total revenue from external customers</b>	<b>22.54</b>	<b>23.27</b>	<b>(3%)</b>

## Condensed consolidated statement of comprehensive income

For the period ended 30 September 2010

CHF	30 September 2010	30 September 2009 Restated
<b>Continuing operations</b>		
Revenue	380,080,453	416,447,250
Cost of sales	(261,632,823)	(291,499,406)
<b>Gross profit</b>	<b>118,447,630</b>	<b>124,947,844</b>
Investment revenue	9,469,931	5,291,250
Other gains and losses	32,001,745	19,505,617
Provisions formed	(6,850,024)	(8,235,514)
Share of profit/loss of associates	29,862	(429,288)
Administrative expenses	(27,407,641)	(17,328,479)
Finance costs	(10,696,715)	(13,818,567)
<b>Profit before tax</b>	<b>114,994,788</b>	<b>109,932,863</b>
Income tax expense	(15,138,074)	(8,306,709)
Profit for the period from continuing operations	99,856,714	101,626,154
<b>Profit for the period</b>	<b>99,856,714</b>	<b>101,626,154</b>
<b>Other comprehensive income</b>		
Exchange differences arising on translation of foreign operations	(87,753,338)	(30,957,001)
Available for sale financial assets	(1,598,988)	3,158,383
Cash flow hedges	(170,458)	237,318
Total other comprehensive income for the period (net of tax)	(89,522,784)	(27,561,300)
<b>Total comprehensive income for the period</b>	<b>10,333,930</b>	<b>74,064,854</b>
<b>Profit for the period attributable to:</b>		
Owners of the parent	76,007,021	72,453,832
Non-controlling interests	23,849,693	29,172,322
	<b>99,856,714</b>	<b>101,626,154</b>
<b>Total comprehensive income attributable to:</b>		
Owners of the parent	1,977,255	48,088,677
Non-controlling interests	8,356,675	25,976,177
	<b>10,333,930</b>	<b>74,064,854</b>
<b>Earnings per share</b>		
<b>Basic</b>	<b>3.27</b>	<b>3.12</b>
<b>Diluted</b>	<b>3.27</b>	<b>3.12</b>

## Condensed consolidated statement of financial position

As at 30 September 2010

CHF	30 September 2010	31 December 2009 Restated	1 January 2009 Restated
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	885,660,810	957,457,508	801,748,497
Goodwill	8,757,218	30,432,009	33,368,405
Investments in associates	34,934,223	8,129,189	36,898,629
Non-current receivables	95,071,864	101,427,266	45,746,621
Finance lease receivables	14,226,823	6,110,881	-
Other financial assets	80,268,697	95,927,598	45,482,274
Investment property	83,133,808	71,786,344	65,834,078
<b>Total non-current assets</b>	<b>1,202,053,443</b>	<b>1,271,270,795</b>	<b>1,029,078,504</b>
<b>Current assets</b>			
Inventories	261,008,912	202,618,963	174,904,697
Trade and other receivables	158,723,063	164,804,834	136,036,375
Finance lease receivables	2,024,951	2,101,401	-
Due from related parties	25,444,761	31,049,887	15,019,414
Other financial assets	8,271,663	701,500	1,338,713
Other current assets	231,299,784	132,121,875	137,316,347
Cash and cash equivalents	237,005,596	77,899,218	177,145,039
<b>Total current assets</b>	<b>923,778,730</b>	<b>611,297,678</b>	<b>641,760,585</b>
<b>Total assets</b>	<b>2,125,832,173</b>	<b>1,882,568,473</b>	<b>1,670,839,089</b>
<b>Equity and liabilities</b>			
<b>Capital and reserves</b>			
Issued and paid-up capital	672,882,864	568,881,621	580,491,450
Share premium	249,414,063	183,348,356	183,348,356
Reserves	(263,896,394)	(185,888,053)	(155,463,552)
Treasury shares	-	-	(28,426)
Equity swap settlement	(10,220,295)	-	-
Retained earnings	377,966,571	301,959,550	195,468,663
<b>Equity attributable to equity holders of the parent</b>	<b>1,026,146,809</b>	<b>868,301,474</b>	<b>803,816,491</b>
Non-controlling interests	198,460,194	197,143,304	152,614,877
<b>Total equity</b>	<b>1,224,607,003</b>	<b>1,065,444,778</b>	<b>956,431,368</b>
<b>Non-current liabilities</b>			
Borrowings	271,735,206	161,378,525	152,987,442
Trade payables	36,671,936	71,476,141	30,059,744
Retirement benefit obligation	166,161	166,161	101,274
Notes payable	9,418,856	13,426,089	8,510,669
Deferred tax liabilities	13,792,074	11,426,101	10,902,247
Other financial liabilities	17,499,262	18,652,924	16,751,721
<b>Total non-current liabilities</b>	<b>349,283,495</b>	<b>276,525,941</b>	<b>219,313,097</b>
<b>Current liabilities</b>			
Trade and other payables	50,398,506	102,219,680	64,059,838
Borrowings	235,003,724	226,791,976	222,072,302
Due to related parties	63,790	122,850	33,350,469
Current tax liabilities	9,593,786	10,873,384	8,368,915
Provisions	50,289,556	46,159,372	7,555,868
Other current liabilities	206,592,313	154,430,492	159,687,232
<b>Total current liabilities</b>	<b>551,941,675</b>	<b>540,597,754</b>	<b>495,094,624</b>
<b>Total liabilities</b>	<b>901,225,170</b>	<b>817,123,695</b>	<b>714,407,721</b>
<b>Total equity and liabilities</b>	<b>2,125,832,173</b>	<b>1,882,568,473</b>	<b>1,670,839,089</b>

## Condensed consolidated statement of changes in equity

For the period ended 30 September 2010

CHF	Issued and paid-up Capital	Share premium	Treasury shares	Hedging reserves	Equity transaction costs	Investments revaluation reserve	Foreign currencies translation reserve	Reserve from common control transactions	Equity swap settlement	Retained earnings	Attributable to the equity holders of parent	Non-controlling interests	Total
<b>Balance at 1 January 2009</b>	<b>580,491,450</b>	<b>183,348,356</b>	<b>(28,426)</b>	<b>(3,049,255)</b>	-	-	<b>(43,899,293)</b>	<b>(108,515,004)</b>	-	<b>194,315,195</b>	<b>802,663,023</b>	<b>144,341,700</b>	<b>947,004,723</b>
Impact of change in accounting policies	-	-	-	-	-	-	-	-	-	1,153,468	1,153,468	8,273,177	9,426,645
<b>Restated balance at 1 January 2009</b>	<b>580,491,450</b>	<b>183,348,356</b>	<b>(28,426)</b>	<b>(3,049,255)</b>	-	-	<b>(43,899,293)</b>	<b>(108,515,004)</b>	-	<b>195,468,663</b>	<b>803,816,491</b>	<b>152,614,877</b>	<b>956,431,368</b>
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(27,760,856)	-	-	-	(27,760,856)	(3,196,145)	(30,957,001)
Cash flow hedges	-	-	-	237,318	-	-	-	-	-	-	237,318	-	237,318
Unrealized gain on revaluation of AFS investments	-	-	-	-	-	3,158,383	-	-	-	-	3,158,383	-	3,158,383
Profit for the period	-	-	-	-	-	-	-	-	-	72,453,832	72,453,832	29,172,322	101,626,154
<b>Total comprehensive income for the period</b>	-	-	-	<b>237,318</b>	-	<b>3,158,383</b>	<b>(27,760,856)</b>	-	-	<b>72,453,832</b>	<b>48,088,677</b>	<b>25,976,177</b>	<b>74,064,854</b>
Treasury shares	-	-	28,426	-	-	-	-	-	-	-	28,426	-	28,426
Reserve from common control transactions	-	-	-	-	-	-	-	617,767	-	-	617,767	-	617,767
Share capital reduction	(11,609,829)	-	-	-	-	-	-	-	-	-	(11,609,829)	-	(11,609,829)
Transaction costs of share capital reduction	-	-	-	-	(43,552)	-	-	-	-	-	(43,552)	-	(43,552)
Non-controlling interest share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	7,618,876	7,618,876
<b>Balance at 30 September 2009</b>	<b>568,881,621</b>	<b>183,348,356</b>	-	<b>(2,811,937)</b>	<b>(43,552)</b>	<b>3,158,383</b>	<b>(71,660,149)</b>	<b>(107,897,237)</b>	-	<b>267,922,495</b>	<b>840,897,980</b>	<b>186,209,930</b>	<b>1,027,107,910</b>
<b>Balance at 1 January 2010</b>	<b>568,881,621</b>	<b>183,348,356</b>	-	<b>(2,324,214)</b>	<b>(78,498)</b>	<b>(85,800)</b>	<b>(75,348,038)</b>	<b>(108,051,503)</b>	-	<b>299,997,254</b>	<b>866,339,178</b>	<b>183,407,231</b>	<b>1,049,746,409</b>
Impact of change in accounting policies	-	-	-	-	-	-	-	-	-	1,962,296	1,962,296	13,736,073	15,698,369
<b>Restated balance at 1 January 2010</b>	<b>568,881,621</b>	<b>183,348,356</b>	-	<b>(2,324,214)</b>	<b>(78,498)</b>	<b>(85,800)</b>	<b>(75,348,038)</b>	<b>(108,051,503)</b>	-	<b>301,959,550</b>	<b>868,301,474</b>	<b>197,143,304</b>	<b>1,065,444,778</b>
Exchange differences arising on translation of foreign operations	-	-	-	-	-	-	(72,260,320)	-	-	-	(72,260,320)	(15,493,018)	(87,753,338)
Cash flow hedges	-	-	-	(170,458)	-	-	-	-	-	-	(170,458)	-	(170,458)
Unrealized loss on revaluation of AFS investment	-	-	-	-	-	(1,598,988)	-	-	-	-	(1,598,988)	-	(1,598,988)
Profit for the period	-	-	-	-	-	-	-	-	-	76,007,021	76,007,021	23,849,693	99,856,714
<b>Total comprehensive income for the period</b>	-	-	-	<b>(170,458)</b>	-	<b>(1,598,988)</b>	<b>(72,260,320)</b>	-	-	<b>76,007,021</b>	<b>1,977,255</b>	<b>8,356,675</b>	<b>10,333,930</b>
Reserve from common control transaction	-	-	-	-	-	-	-	1,462,235	-	-	1,462,235	-	1,462,235
Reduction in par value of share capital	(15,092,778)	-	-	-	-	-	-	-	-	-	(15,092,778)	-	(15,092,778)
Increase in share capital through issue of ordinary shares	119,094,021	66,065,707	-	-	-	-	-	-	-	-	185,159,728	-	185,159,728
Transaction cost on issue of ordinary shares	-	-	-	-	(5,440,810)	-	-	-	-	-	(5,440,810)	-	(5,440,810)
Contracts over own equity's shares	-	-	-	-	-	-	-	-	(10,220,295)	-	(10,220,295)	-	(10,220,295)
Non-controlling interest share in equity of consolidated subsidiaries	-	-	-	-	-	-	-	-	-	-	-	(7,039,785)	(7,039,785)
<b>Balance at 30 September 2010</b>	<b>672,882,864</b>	<b>249,414,063</b>	-	<b>(2,494,672)</b>	<b>(5,519,308)</b>	<b>(1,684,788)</b>	<b>(147,608,358)</b>	<b>(106,589,268)</b>	<b>(10,220,295)</b>	<b>377,966,571</b>	<b>1,026,146,809</b>	<b>198,460,194</b>	<b>1,224,607,003</b>

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## 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.

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