



Press Release

Orascom Development achieves 8% growth in total revenues resulting in 10% increase in profit for the period in 9M 2009

Orascom Development Holding AG announces its consolidated results for the nine months ending 30 September 2009. Total consolidated revenues increased by 8% reaching CHF 416 million in comparison to CHF 387 million for the same period last year. Profit for the period (net profit before minorities) increased to CHF 94 million up from CHF 86 million, marking a growth of 10%.

Altdorf/Cairo, 12 November 2009 – Orascom Development Holding AG (Orascom Development) announces its consolidated results for the nine months ending 30 September 2009. It was another eventful period for Orascom Development, delivering improved profitability from the Group's flagship towns El Gouna and Taba Heights, a higher contribution from Jebel Sifah and Salalah Beach (Oman), The Cove (UAE), and Haram City (budget housing, Egypt). Total consolidated revenues for 9M 2009 increased to CHF 416 million as compared to CHF 387 million for the same period last year, marking an 8% growth year on year.

Real estate and construction revenues increased by 26% reaching CHF 187 million in 9M 2009 compared to CHF 148 million for the same period last year, resulting from an increase in the number of delivered units, reaching 2,631 unit in 9M 2009 compared to 1,694 units for the same period last year. Moreover, real estate and construction revenues continued to gain more weight in terms of percentage of total revenue, reaching 45% in comparison to 38% for the same period last year. In the first nine month of 2009, total value of pre-sold real estate units in El Gouna amounted to approximately CHF 50 million in comparison to CHF 57 million with a decline of 12%. In Oman, since the second phase of the projects in Jebel Sifah and Salalah Beach were not yet launched due to market conditions, total value of pre-sold real estate units declined to CHF 11 million in 9M 2009 as compared to CHF 209 million for the same period last year.

Hotels segment's contribution to total revenue marked a 12% growth in 9M 2009 reaching CHF 138 million versus CHF 123 million for the same period last year. The cost saving plan that was launched in 2009 is delivering results thus cushioning the impact of the drop in occupancy rates. Growth in hotels revenue is mainly attributed to the increase in number of operational rooms and average room rates. The hotels segment maintained almost the same weight in terms of percentage of total revenue, reaching 33% in comparison to 32% in 9M 2008.

Gross profit marked 9% growth reaching CHF 123 million as opposed to CHF 112 million for the same period last year. Profit for the period (Net profit before minorities) increased by 10% to CHF 94 million in comparison to CHF 86 million for the same period last year. Net profit after minorities amounted to CHF 72 million in comparison to CHF 69 million, marking a growth of 4%.

The Group's net debt increased by 49% reaching CHF 295 million in comparison to CHF 198 million by end of 2008, while maintaining a low leverage ratio of 0.70 times and an equity ratio of 0.59 times. This increase was mainly directed to the increase in net fixed assets to CHF 943 million in comparison to CHF 856 million for the same period last year, as Orascom continues to develop new hotels in existing towns and in projects under development.

Orascom Development is still accounting for a contingent liability resulting from a legal dispute on the ownership of one of its Group entities. Management believes that an amount of CHF 7 million represents an adequate and reasonable provision for this contingent liability.

Within the last two months, the Group has achieved key milestones expanding its footprint in Europe with two additional integrated developments, in Cornwall, United Kingdom and Tivat, Montenegro. These two new projects expanded the Group's portfolio to approximately 141 million square meters spreading over 8 countries. Moreover, the Group held a ground-breaking ceremony in Andermatt during September 2009 to celebrate commencing construction of the first phase in this integrated holiday resort.

Key financials (in CHF)

Income Statement	30 September 2009	30 September 2008	% Change
Total revenues	416,447,250	387,005,841	8%
Hotels	137,704,487	123,476,492	12%
Real estate and construction	186,996,806	148,240,146	26%
Land sales	1,871,856	4,724,566	-60%
Town management	15,767,988	23,494,542	-33%
Tours operations	50,828,091	61,759,422	-18%
Other operations	23,278,022	25,310,673	-8%
Gross profit	122,740,609	112,344,650	9%
Profit for the period	93,893,943	85,682,804	10%
Basic and diluted earnings per share (EPS)	3.08	3.12	-1%

Balance Sheet	30 September 2009	31 December 2008	% Change
Total assets	1,718,774,251	1,659,748,919	4%
Total liabilities	708,825,197	712,744,196	-1%
Total equity	1,009,949,054	947,004,723	7%
Net debt ¹	294,744,953	197,914,705	49%
Leverage ratio	0.70	0.75	-
Equity ratio	0.59	0.57	-

Notes:

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

Key performance indicators (in CHF)

Hotels

	Number of Rooms		Occupancy Rate		TRevPAR ¹		ARR	
	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008
I- Hotels								
<i>Egypt</i>								
El Gouna	2,569 ²	2,536	71%	84%	85	101	66	66
Taba Heights	1,980	1,915	61%	79%	54	65	45	42
Other hotels, Red Sea	1,333	734	77%	93%	70	92	43	49
Egypt subtotal	5,882	5,185	69%	84%	71	87	54	55
<i>Other regions</i>								
The Cove, UAE	335	-	51%	-	143	-	148	-
Marina Town Plaza, Jordan	267	267	33%	19%	44	145	93	101
Other regions subtotal	602	267	42%	19%	96	145	128	101
Total hotels	6,484	5,452	67%	84%	73	84	58	54
II- Floating hotels								
Floating hotels, Egypt	410	410	64%	78%	143	159	143	114
Floating hotels subtotal	410	410	64%	78%	143	159	143	114
Total hotels segment	6,894	5,862	67%	83%	75	89	61	57

Notes:

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 30 September 2009, 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.

Real estate and construction (in CHF)

	Average selling price/m ²		Total value of contracted units ¹ (millions)		Number of contracted units		Number of delivered units	
	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008	9M 2009	9M 2008
A- Destination indicators								
I- Egypt								
El Gouna								
Star	5,527	3,569	3.42	2.21	2	2	-	-
Smart	4,295	3,507	32.30	34.72	56	43	96	236
Economic	3,171	2,378	14.76	20.40	38	67	163	219
El Gouna subtotal	3,946	3,001	50.48	57.33	96	112	259	455
Riyad Resort								
Economic	1,218	920	2.23	0.55	25	7	-	-
Riyad Resort subtotal	1,218	920	2.23	0.55	25	7	-	-
Fayoum								
Economic	1,252	1,142	2.25	2.06	9	8	-	-
Fayoum subtotal	1,252	1,142	2.25	2.06	9	8	-	-
Haram City								
Basic affordable	305	241	39.25	23.75	2,305	1,572	2,305	1,200
Haram City subtotal	305	241	39.25	23.75	2,305	1,572	2,305	1,200
Egypt subtotal	649	697	94.21	83.69	2,435	1,699	2,564	1,655
II- UAE								
The Cove								
Smart	3,085	2,318	1.59	14.82	3	21	6	39
The Cove subtotal	3,085	2,318	1.59	14.82	3	21	6	39
UAE subtotal	3,085	2,318	1.59	14.82	3	21	6	39
III-Oman								
Jebel Sifah								
Star	3,790	2,844	5.20	66.94	4	39	11	-
Smart	3,333	2,636	1.81	59.43	3	142	13	-
Jebel Sifah subtotal	3,661	2,742	7.01	126.37	7	181	24	-
Salalah Beach								
Smart	3,292	2,637	3.70	82.70	7	190	37	-
Salalah Beach subtotal	3,292	2,637	3.70	82.70	7	190	37	-
Oman subtotal	3,524	2,700	10.71	209.07	14	371	61	-
B-Product class indicators								
Star subtotal	4,330	2,862	8.62	69.15	6	41	11	-
Smart subtotal	4,061	2,730	39.40	191.67	69	396	152	275
Economic subtotal	2,322	2,095	19.25	23.01	72	82	163	219
Basic affordable subtotal	305	241	39.25	23.75	2,305	1,572	2,305	1,200
Total real estate	717¹	1,509	106.52	307.58	2,452	2,091	2,631	1,694

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.

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 eight 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 (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.

Today, Orascom Development operates in eight jurisdictions (Switzerland, United Kingdom, Egypt, Oman, Morocco, UAE, Montenegro, Jordan) 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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