



## Press Release

### **Orascom Development achieves 17% growth in net profit in H1 2009 and expects further continued growth**

**Orascom Development Holding AG announces its consolidated results for the six months ending 30 June 2009. Total consolidated revenues increased by 17% reaching CHF 278 million in comparison to CHF 238 million for the same period last year. Net profit after minority increased to CHF 45 million up from CHF 42 million, marking a growth of 8%.**

Altdorf/Cairo, 13 August 2009 – Orascom Development Holding AG (Orascom Development) announces its consolidated results for the six months ending 30 June 2009. It was another eventful period for Orascom Development, delivering improved profitability from the Group's flagship towns El Gouna and Taba Heights, along contributions from The Cove (UAE), Jebel Sifah and Salalah Beach (Oman), and Haram City (Budget housing, Egypt).

Total consolidated revenues for H1 2009 increased to CHF 278 million as compared to CHF 237 million for the same period last year, marking a 17% growth year on year. Real estate and construction revenues increased by a remarkable 57% reaching CHF 127 million in comparison to CHF 81 million for the same period last year. Additionally, real estate and construction revenues continued to gain more weight in terms of percentage of total revenue, reaching 46% in comparison to 34% in H1 2008. By end of H1 2009, total value of pre-sold tourism real estate units amounted to approximately CHF 42 million in comparison to CHF 160 million for the same period last year. It should be noted that H1 2008 witnessed a high level of pre-sales in Jebel Sifah and Salalah Beach, following the projects' launch which took place late 2007. On the other hand, Budget housing's total value of contracted and delivered units reached CHF 27 million representing a total of 1,634 units, sold at an average selling price of CHF296/m<sup>2</sup>.

Hotels segment's contribution to total revenue remained almost flat with a total revenue of CHF 81 million against CHF 82 million in H1 2009, however its share from the total revenue declined to 29% from 35% in H1 2008.

Gross profit marked 17% growth reaching CHF 86 million as opposed to CHF 73 million for the same period last year. Profit for the period increased by 17% to CHF 60 million in comparison to CHF 51 million for the same period last year.

The Group's net debt increased by 32% reaching CHF 262 million in comparison to CHF 198 million by end of 2008, while maintaining the same leverage ratio of 0.76 times and an equity ratio of 0.57 times. The increase in debt was to part finance the increase in net fixed assets from CHF 856 million in 31 December 2008 to CHF 937 million by end of H1 2009.

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.

Orascom Development realized another milestone for the Andermatt project. The Swiss subsidiary Andermatt Alpine Destination Company (AADC) was awarded the required permits and approvals to commence the construction of the podium and the championship golf course. Furthermore, the application for the building permission for the Chedi Hotel in Andermatt has been submitted and its approval could be received in mid-September 2009.

## Key financials (in CHF)

Income Statement	30 June 2009	30 June 2008	% Change
<b>Total revenues</b>	<b>278,118,671</b>	<b>237,890,887</b>	<b>17%</b>
Hotels	81,059,461	82,143,472	-1%
Real estate and construction	127,007,078	80,689,011	57%
Land sales	1,904,894	3,045,657	-37%
Town management	12,848,330	16,695,983	-23%
Tours operations	34,588,581	37,521,740	-8%
Other operations	20,710,327	17,795,024	16%
<b>Gross profit</b>	<b>86,014,517</b>	<b>73,282,435</b>	<b>17%</b>
<b>Profit for the period</b>	<b>59,688,476</b>	<b>50,839,949</b>	<b>17%</b>
<b>Basic and diluted earnings per share (EPS)</b>	<b>1.94</b>	<b>1.92</b>	<b>1%</b>

Balance Sheet	30 June 2009	31 December 2008	% Change
Total assets	1,773,997,230	1,659,748,919	7%
Total liabilities	766,372,402	712,744,196	8%
Total equity	1,007,624,828	947,004,723	6%
Net debt <sup>1</sup>	262,218,983	197,914,705	32%
Leverage ratio	0.76	0.75	-
Equity ratio	0.57	0.57	-

Notes:

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

## Key performance indicators (in CHF)

### Hotels

	No. of rooms		Occupancy rate		TRevPAR <sup>1</sup>		ARR	
	H1 2009	H1 2008	H1 2009	H1 2008	H1 2009	H1 2008	H1 2009	H1 2008
<b>I- Hotels</b>								
<i>Egypt</i>								
El Gouna	2,569 <sup>2</sup>	2,536 <sup>2</sup>	70%	84%	86	103	67	83
Taba Heights	1,980	1,832	55%	79%	47	62	41	74
Other hotels, Red Sea	1,333	709	72%	91%	63	96	39	96
<b>Egypt subtotal</b>	<b>5,882</b>	<b>5,077</b>	<b>66%</b>	<b>83%</b>	<b>68</b>	<b>87</b>	<b>53</b>	<b>84</b>
<b>The Cove, UAE</b>	<b>335</b>	<b>-</b>	<b>48%</b>	<b>-</b>	<b>142</b>	<b>-</b>	<b>147</b>	<b>-</b>
<b>Marina Town Plaza, Jordan</b>	<b>267</b>	<b>267</b>	<b>35%</b>	<b>14%</b>	<b>47</b>	<b>20</b>	<b>94</b>	<b>99</b>
<b>II- Floating hotels</b>								
Floating Hotels, Egypt	410	410	70%	84%	89	95	83	66
<b>Total hotels segment</b>	<b>6,894</b>	<b>5,754</b>	<b>64%</b>	<b>84%</b>	<b>71</b>	<b>86</b>	<b>58</b>	<b>55</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 June 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 & construction (in CHF)

	Average selling price/m <sup>2</sup>		Total value of contracted units <sup>1</sup> (millions)		Number of contracted units		Number of delivered units	
	H1 2009	H1 2008	H1 2009	H1 2008	H1 2009	H1 2008	H1 2009	H1 2008
<b>A- Tourism real estate</b>								
<b><i>I- Egypt</i></b>								
El Gouna	3,826	3,045	29.75	44.29	40	51	211	313
Riyad Resort	1,347	920	2.07	0.32	21	5	-	-
Byoum	698	-	1.61	-	7	-	-	-
<b>Egypt subtotal</b>	<b>2,276</b>	<b>3,087</b>	<b>33.43</b>	<b>44.61</b>	<b>68</b>	<b>56</b>	<b>211</b>	<b>313</b>
<b><i>II- UAE</i></b>								
<b>The Cove</b>	<b>3,087</b>	<b>3,029</b>	<b>1.59</b>	<b>10.02</b>	<b>3</b>	<b>19</b>	<b>6</b>	<b>20</b>
<b><i>III- Oman</i></b>								
Jebel Sifah	3,251	2,700	5.36	106.32	6	260	-	-
Salalah Beach	2,914	-	2.17	-	6	-	-	-
<b>Oman subtotal</b>	<b>3,083</b>	<b>2,700</b>	<b>7.53</b>	<b>106.32</b>	<b>12</b>	<b>260</b>	<b>-</b>	<b>-</b>
<b>Tourism real estate subtotal</b>	<b>2,474</b>	<b>2,817</b>	<b>42.55</b>	<b>160.95</b>	<b>83</b>	<b>335</b>	<b>217</b>	<b>333</b>
<b>B- Budget housing</b>								
Haram City, Egypt	296	-	27.12	-	1,634	-	1,634	-
El Gouna housing JV	2,899	-	6.58	-	27	-	-	-
<b>Total real estate</b>	<b>684<sup>2</sup></b>	<b>2,817</b>	<b>76.18</b>	<b>160.95</b>	<b>1,744</b>	<b>335</b>	<b>1,851</b>	<b>333</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 tourism real estate products. However, this does not apply to the budget housing products.

<sup>2</sup> Segment's average selling price per square meter including 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 seven 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, ODH operates in seven jurisdictions spread in three continents 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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