



Press Release

Orascom Development posts 34% net profit growth in Q1 2009

Orascom Development's business model proved its resilience despite the global economic downturn. Orascom Development achieved 34% growth in net profit after minority interest in Q1 2009 and expects continued growth throughout the year from its diversified portfolio of projects. Total consolidated revenues increased by 20% reaching CHF 126 million, a new record for top line.

Altdorf/Cairo, 14 May 2009 – Orascom Development Holding AG (Orascom Development) announces its consolidated results for the three months ending 31 March 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), and Haram City (Budget housing, Egypt), and for the first time from Oman.

Total consolidated revenues for Q1 2009 increased to CHF 126 million as compared to CHF 106 million for the same period last year, marking a 20% growth year on year - despite the erosion that occurred in revenues due to the fluctuation of exchange rates. Real estate and construction revenues almost doubled reaching CHF 53 million in comparison to CHF 26 million in Q1 2008. On the other hand, hotel revenues declined by 11% to CHF 36 million in comparison to CHF 41 million for Q1 2008 as a result of lower room occupancies. Real estate and construction revenue gained more weight in terms of percentage of total revenue, reaching 39% against 25% in Q1 2008. Hotels segment's contribution to total revenue mix declined to 29% in Q1 2009 compared to 39% during the same period last year.

Gross profit marked 33% growth reaching CHF 43 million as opposed to CHF 32 million realized for the same period last year. Profit for the period increased by 32% to CHF 28 million against CHF 21 million for the same period last year. Moreover, Orascom Development achieved 34% growth in net profit after minorities reaching CHF 22 million against CHF 16 million for the same period last year.

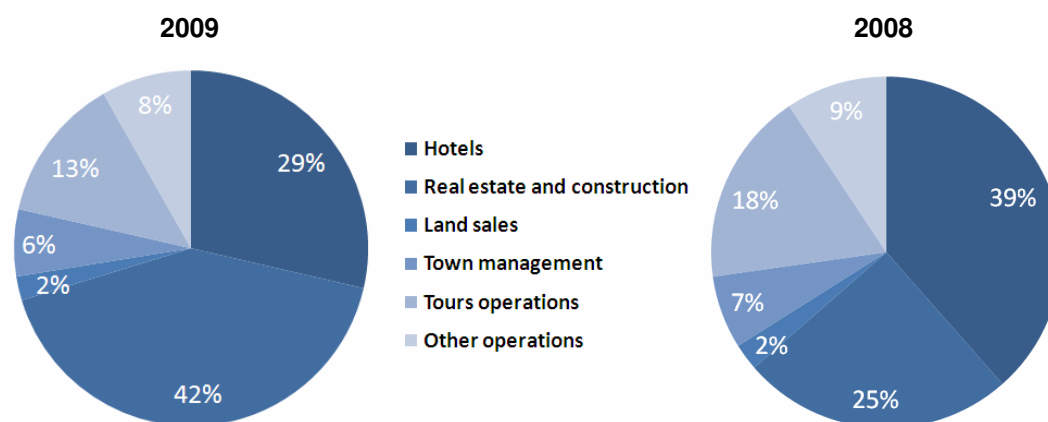
Q1 2009 performance reflects growth in revenues that was translated positively in terms of profit despite the global economic downturn. Moreover, a new country is now contributing to the Group's Profit and Loss Statement (P&L). By Q1 2009 end, Oman contributed a total of CHF 18 million of real estate and construction revenues, in addition to revenues generated from existing operations in Egypt, UAE and Jordan. Oman's contribution to the P&L represents 15% of total revenues, marking Oman as the second largest contributor after Egypt (78%).

Orascom Development has provided 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.

Key financials

Income Statement	31 March 2009	31 March 2008	% Change
Total revenues	126,275,558	105,644,641	20%
Hotels	36,244,514	40,697,233	-11%
Real estate and construction	52,775,183	26,509,601	99%
Land sales	2,740,731	2,601,151	5%
Town management	7,685,834	7,118,015	8%
Tours operations	16,704,134	18,899,725	-12%
Other operations	10,125,162	9,818,916	3%
Gross profit	42,722,906	32,193,018	33%
Profit for the period	27,856,188	21,116,558	32%
Basic and diluted earnings per share (EPS)	0.93	0.76	22%

Revenue distribution by segment



Balance Sheet	31 March 2009	31 December 2008	% Change
Total assets	1,764,491,776	1,659,748,919	6%
Total liabilities	742,433,176	712,744,196	4%
Total equity	1,022,058,600	947,004,723	8%
Net debt ¹	243,631,931	197,914,705	23%
Leverage ratio	0.73	0.75	-
Equity ratio	0.58	0.57	-

Notes:

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

Key performance indicators

1) Hotels

	Number of Rooms		Occupancy Rate		TRevPAR ¹		ARR	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
I- Hotels								
Egypt								
El Gouna	2,569 ²	2,536	71%	85%	86	88	66	58
Taba Heights	1,980	1,832	53%	77%	44	63	41	40
Other hotels, Red Sea	1,333	709	59%	86%	51	82	38	47
Egypt subtotal	5,882	5,077	62%	82%	64	88	52	58
The Cove, UAE	204	-	46%	-	137	-	142	-
Marina Town Plaza, Jordan	267	-	34%	-	85	-	43	-
Subtotal hotels	6,353	5,077	60%	82%	65	88	59	58
II- Floating hotels								
Floating Hotels, Egypt	410	372	76%	80%	49	28	41	21
Total hotels segment	6,763	5,449	62%	83%	69	88	59	57

2) Real estate and construction

	Average selling price/m ²		Total value of contracted units (millions)		Number of contracted units		Number of delivered units	
	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008	Q1 2009	Q1 2008
A- Residential real estate								
I- Egypt								
El Gouna	3,723	3,103	10.18	12.57	19	22	80	61
Riyad Resort	1,347	-	2.07	-	21	-	-	-
Byoum	1,269	-	0.51	-	2	-	-	-
Egypt subtotal	2,546	3,103	12.76	12.57	42	22	80	61
II- UAE								
The Cove	2,980	3,086	1.63	2.52	3	5	6	20
III- Oman								
Jebel Sifah	3,139	-	1.12	-	2	-	-	-
Salalah Beach	2,945	-	2.32	-	6	-	-	-
Oman subtotal	3,005	-	3.44	-	8	-	-	-
Residential real estate subtotal	2,551	2,541	17.83	15.09	53	27	86	81
B- Budget Housing								
Haram City, Egypt	283	-	7.92	-	447	-	447	-
El Gouna housing JV	2,182	-	4.35	-	17	-	-	-
Total real estate segment	1,417³	2,551	30.08	15.09	517	27	533	81

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 31 March 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.

³ Segment's average selling price per square meter including budget housing products.

About the Group

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

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