



## Press Release

### **Orascom Development achieves 75% growth in deferred income reaching CHF 242 million, CHF 283 million of total revenues and CHF 57 million of profit in H1 2010**

**Orascom Development Holding AG announces its consolidated results for the six months ending 30 June 2010. Total consolidated revenues increased by 2% reaching CHF 283 million in comparison to CHF 278 million for the same period last. Total deferred income increased by 75% to reach CHF 242 million in comparison to CHF 138 million in H1 2009. Hotel revenues increased by 17% and amounted to CHF 95 million.**

Altdorf/Cairo, 17 August 2010 – Orascom Development Holding AG (Orascom Development) announces its consolidated results for the six months ending 30 June 2010. Hotels revenue continued to achieve a healthy growth rising by 17% indicating the segment's recovery from the economic crisis with higher margins and segment results. Hotels revenue amounted to CHF 95 million in comparison to CHF 81 million for the same period last year. Moreover, the segment's gross operating profit increased by 48% to CHF 49 million (H1 2009: CHF 33 million), along a 28% increase in GOP margin to 52% (H1 2009: 40%), leading to a growth of 99% in the segment's results reaching CHF 25 million (H1 2009: CHF 12 million). The segment achieved an improvement on all fronts with an average occupancy rate of 72% (H1 2009: 64%), an Average Room Rate (ARR) of CHF 62 (H1 2009: CHF 58) and a TRevPAR of CHF 81 (H1 2009: CHF 71).

Real estate and construction recognized revenues witnessed a minor movement from CHF 127 million to CHF 124 million in H1 2010. Total value of contracted real estate units amounted to CHF 70 million in comparison to CHF 76 million in H1 2009, with an 8% decline. A total of 989 units were contracted at an average selling price of CHF 996/m<sup>2</sup> (H1 2009: CHF 684/m<sup>2</sup>). Total value of deferred income increased by 75% reaching CHF 242 million compared to CHF 138 million in H1 2009. The Andermatt project remains on track to reach total sales/reservations in 2010 of CHF 100 million. Since the start of sales in late April until the end of June 2010 sales/reservations of CHF 27 million has been recorded. Furthermore, Radisson Blu will be the second hotel in Andermatt after the partnership with The Chedi. The Radisson Blu Resort operated by The Rezidor Hotel Group will offer 240 rooms and is scheduled to open its doors in 2013.

Total consolidated revenue increased by 2% to CHF 283 million in comparison to CHF 278 million for the same period last year, mainly due to growth in hotels revenue, as well as supporting segments, being other operations. Gross profit marked a 6% growth reaching CHF 91 million as opposed to CHF 86 million for the same period last year. Profit for the period (Profit before non-controlling interest) decreased by 4% to CHF 57 million in comparison to CHF 60 million, while Profit after non-controlling interest amounted to CHF 41 million down from CHF 45 million, with a decline of 9%. Basic and diluted earnings per share declined by 9% to CHF 1.77 down from CHF 1.94.

It should be highlighted that on 30 June 2010, the Group sold its stake in Joud Fund 4 and its subsidiary El Aqaba Oasis for a total value of US\$35.5 million, where the settlement will be made in-kind through the acquisition of several assets located in Egypt, Jordan and Montenegro, in exchange for the assets of Joud Fund 4.

## Key financials

Income Statement	30 June 2010	30 June 2009	% Change
<b>Total revenues</b>	<b>282,604,348</b>	<b>278,118,671</b>	2%
Hotels	94,659,078	81,059,461	17%
Real estate and construction	124,051,422	127,007,078	(2%)
Land sales	138,510	1,904,894	(93%)
Town management	10,322,723	12,848,330	(20%)
Tours operations	30,022,459	34,588,581	(13%)
Other operations	23,410,156	20,710,327	13%
<b>Gross profit</b>	<b>91,436,000</b>	<b>86,014,517</b>	6%
<b>Profit for the period (before non-controlling interest)</b>	<b>57,163,439</b>	<b>59,688,476</b>	(4%)
<b>Profit for the period (after non-controlling interest)</b>	<b>41,103,603</b>	<b>44,962,848</b>	(9%)
<b>Basic and diluted earnings per share (EPS)</b>	<b>1.77</b>	<b>1.94</b>	(9%)

Balance Sheet	30 June 2010	31 December 2009	% Change
Total assets	1,975,879,783	1,864,099,803	6%
Total liabilities	852,670,994	814,353,394	5%
Total equity	1,123,208,789	1,049,746,409	7%
Net debt <sup>1</sup>	346,783,578	310,271,283	12%
Leverage ratio	0.76	0.78	-
Equity ratio	0.57	0.56	-

Notes:

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

## Key performance indicators

### Hotels

	Number of Rooms		Occupancy Rate		TRevPAR <sup>1</sup>		ARR	
	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009
<b>I- Hotels</b>								
<b>Egypt</b>								
El Gouna	2,571 <sup>2</sup>	2,569	73%	70%	87	86	68	67
Taba Heights	1,980	1,980	73%	55%	61	47	43	41
Other hotels, Red Sea	828	1,333	81%	72%	72	63	47	39
<b>Egypt subtotal</b>	<b>5,379</b>	<b>5,882</b>	<b>74%</b>	<b>66%</b>	<b>75</b>	<b>68</b>	<b>56</b>	<b>53</b>
<b>Other regions</b>								
The Cove, UAE	335	335	63%	48%	193	142	171	147
Marina Town Plaza, Jordan	267	267	47%	35%	57	47	81	94
<b>Other regions subtotal</b>	<b>602</b>	<b>602</b>	<b>56%</b>	<b>42%</b>	<b>132</b>	<b>96</b>	<b>137</b>	<b>125</b>
<b>Total hotels</b>	<b>5,981</b>	<b>6,848</b>	<b>72%</b>	<b>63%</b>	<b>81</b>	<b>70</b>	<b>62</b>	<b>57</b>
<b>II- Floating hotels</b>								
Floating hotels, Egypt	509	410	68%	70%	78	89	69	83
<b>Floating hotels subtotal</b>	<b>509</b>	<b>410</b>	<b>68%</b>	<b>70%</b>	<b>78</b>	<b>89</b>	<b>69</b>	<b>83</b>
<b>Total hotels segment</b>	<b>6,490</b>	<b>6,894</b>	<b>72%</b>	<b>64%</b>	<b>81</b>	<b>71</b>	<b>62</b>	<b>58</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 2010, El Gouna's 15 hotels offered a total capacity of 2,762 operating rooms, of which 14 hotels are controlled by the Group, offering a total capacity of 2,596 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

	Average selling price/m <sup>2</sup>		Total value of contracted units <sup>1</sup> (CHF millions)		Number of contracted units	
	H1 2010	H1 2009	H1 2010	H1 2009	H1 2010	H1 2009
<b>A- Destination indicators</b>						
<b>I- Egypt</b>						
<b>El Gouna</b>						
Star	6,658	5,579	12.15	3.45	4	2
Smart	4,773	3,562	15.86	26.72	27	48
Economic	4,266	3,197	5.49	6.16	11	17
<b>El Gouna subtotal</b>	<b>4,260</b>	<b>3,617</b>	<b>33.50</b>	<b>36.33</b>	<b>42</b>	<b>67</b>
<b>Riyad Resort</b>						
Economic	-	1,347	-	2.07	-	21
<b>Riyad Resort subtotal</b>	<b>-</b>	<b>1,347</b>	<b>-</b>	<b>2.07</b>	<b>-</b>	<b>21</b>
<b>Fayoum</b>						
Economic	1,342	698	3.96	1.61	18	7
Basic affordable	164	-	0.07	-	7	-
<b>Fayoum subtotal</b>	<b>1,189</b>	<b>698</b>	<b>4.03</b>	<b>1.61</b>	<b>25</b>	<b>7</b>
<b>Haram City</b>						
Basic affordable	357	296	19.97	27.12	904	1,634
<b>Haram City subtotal</b>	<b>357</b>	<b>296</b>	<b>19.97</b>	<b>27.12</b>	<b>904</b>	<b>1,634</b>
<b>Egypt subtotal</b>	<b>856</b>	<b>636</b>	<b>57.50</b>	<b>67.13</b>	<b>971</b>	<b>1,729</b>
<b>II- U.A.E.</b>						
<b>The Cove</b>						
Smart	2,545	3,087	1.98	1.59	3	3
<b>The Cove subtotal</b>	<b>2,545</b>	<b>3,087</b>	<b>1.98</b>	<b>1.59</b>	<b>3</b>	<b>3</b>
<b>U.A.E. subtotal</b>	<b>2,545</b>	<b>3,087</b>	<b>1.98</b>	<b>1.59</b>	<b>3</b>	<b>3</b>
<b>III-Oman</b>						
<b>Jebel Sifah</b>						
Star	6,147	3,360	3.07	3.55	1	3
Smart	3,733	3,056	2.08	1.81	4	3
<b>Jebel Sifah subtotal</b>	<b>4,876</b>	<b>3,251</b>	<b>5.15</b>	<b>5.36</b>	<b>5</b>	<b>6</b>
<b>Salalah Beach</b>						
Star	4,882	3,600	2.93	1.07	2	1
Smart	2,684	2,460	2.90	1.10	9	5
<b>Salalah Beach subtotal</b>	<b>3,469</b>	<b>2,914</b>	<b>5.82</b>	<b>2.17</b>	<b>11</b>	<b>6</b>
<b>Oman subtotal</b>	<b>4,012</b>	<b>3,083</b>	<b>10.97</b>	<b>7.53</b>	<b>15</b>	<b>12</b>
<b>B-Product class indicators</b>						
<b>Star subtotal</b>	<b>6,207</b>	<b>3,993</b>	<b>18.15</b>	<b>8.07</b>	<b>7</b>	<b>6</b>
<b>Smart subtotal</b>	<b>3,977</b>	<b>3,448</b>	<b>22.81</b>	<b>31.22</b>	<b>42</b>	<b>59</b>
<b>Economic subtotal</b>	<b>2,230</b>	<b>1,705</b>	<b>9.45</b>	<b>9.84</b>	<b>29</b>	<b>45</b>
<b>Basic affordable subtotal</b>	<b>355</b>	<b>296</b>	<b>20.04</b>	<b>27.12</b>	<b>911</b>	<b>1,634</b>
<b>Total real estate</b>	<b>996</b>	<b>684</b>	<b>70.45</b>	<b>76.18</b>	<b>989</b>	<b>1,744</b>

## 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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