



Press Release

Orascom Development posts 13% net profit growth in 2008 full year results and expects continued growth in 2009

Orascom Development Holding AG announces its consolidated results for the twelve months ending 31 December 2008. Total consolidated revenues increased by 40% reaching CHF 568 million, a new record for top line in comparison to CHF 407 million for the same period last year. Net profit increased to CHF 116 million up from CHF 103 million, a growth of 13%.

Altdorf/Cairo, 25 March 2009 – Orascom Development Holding AG (Orascom Development) announces its consolidated results for the twelve months ending 31 December 2008. 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), while at the same time increasing the Group's foothold outside of Egypt.

Total consolidated revenues for 2008 amounted to CHF 568 million compared to CHF 407 million for the same period last year, making a 40% growth year-on-year. Real estate revenues witnessed a an increase of 53% reaching CHF 220 million in comparison to CHF 144 million in 2007. Moreover, hotel revenues reached CHF 188 million achieving 14% growth versus CHF 165 million for 2007.

Gross profit increased by 26% reaching CHF 162 million as opposed to CHF 129 million realized for the same period last year. Profit for the period increased by 13% to CHF 116 million against CHF 103 million for the same period last year.

Today, negativity and pessimism is spreading as travelers and investors fear what is yet to come as a result of the non-diminishing global credit crunch. Although economies of the Middle East and the rest of the world faced significant challenges in 2008, the year on year performance of Orascom Development's existing towns did not suffer. To the contrary, we managed to increase price levels and increase occupancy rates of our hotels at our two main operating towns, El Gouna and Taba Heights, whereby both reached record levels.

We believe that Orascom Development's operations are stable based on the existing pipeline of contracted real estate pre-sales of CHF 373 million as opposed to CHF 126 million by end of 2007, a net debt position of CHF 198 million, and a low leverage ratio of 0.75x. Orascom Development's conservative

financing strategy proved to be quite useful in the past and will continue to protect the Group further in the period ahead. Going forward, Orascom Development will continue to seek attractive opportunities that will enhance the Group's growth strategy.

The development of the Andermatt project is steadily progressing on track and we continue to see broad-based support from the public and strong interest from potential real estate buyers. Currently, we are preparing the applications for building permits for the first objects and we look forward to receiving the first building permits in the coming months based on the development zoning plan that has been approved end of last year.

Key financial indicators (in CHF)

Income Statement	31 December 2008	31 December 2007	% Change
Total revenues	568,231,493	406,803,589	40%
Hotels	188,493,940	165,054,711	14%
Real estate and construction	220,001,496	143,567,323	53%
Land sales	6,703,498	5,702,515	18%
Town management	28,242,480	19,404,827	46%
Tours operations	88,352,555	48,733,500	81%
Other operations	36,437,524	24,340,713	50%
Gross profit	162,450,568	128,696,082	26%
Profit for the year	115,644,474	102,683,399	13%
Basic and diluted earnings per share (EPS)	4.33	4.02	8%

Balance Sheet	31 December 2008	31 December 2007	% Change
Total assets	1,659,748,919	1,160,216,672	43%
Total liabilities	712,744,196	486,454,145	47%
Total equity	947,004,723	673,762,527	41%
Net debt ¹	197,914,705	161,045,143	23%
Leverage ratio	0.75	0.72	-
Equity ratio	0.57	0.58	-

Notes:

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

Hotels KPIs (in CHF)

Segment		31 December 2008	31 December 2007	% Change
Hotels	Segment overview			
	Number of rooms	6,559	5,400	21%
	Occupancy rate	81%	78%	4%
	TRevPAR ²	81	79	3%
	ARR	56	52	8%
	Egypt			
	<i>El Gouna</i>			
	Number of rooms ¹	2,569	2,508	2%
	Occupancy rate	84%	83%	1%
	TRevPAR ²	105	104	1%
	ARR	72	66	9%
	<i>Taba Heights</i>			
	Number of rooms	1,980	1,832	8%
	Occupancy rate	79%	67%	18%
	TRevPAR ²	69	59	17%
	ARR	47	41	15%
	<i>Hotel investments</i>			
	<i>A- Hotels</i>			
	Number of rooms	1,333	698	91%
	Occupancy rate	84%	90%	-7%
	TRevPAR ²	83	93	-11%
ARR	51	48	6%	
<i>B- Floating hotels</i>				
Number of rooms	410	362	13%	
Occupancy rate	74%	76%	-3%	
TRevPAR ²	33	25	32%	
ARR	26	25	5%	
Jordan				
Number of rooms	267	-	-	
Occupancy rate	52%	-	-	
TRevPAR ²	15	-	-	
ARR	31	-	-	

Notes:

¹ As at 31 December 2008, 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 percent owned by the Group and is leased to third party.

² 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.

Real estate KPIs (in CHF)

Segment		31 December 2008	31 December 2007	% Change
	Segment overview			
Real estate and construction	Average selling price/m ²	1,843 ¹	2,844	-35%
	Total value of contracted units (millions)	373	126	196%
	Number of contracted units	3,020	253	1,094%
	Number of delivered units	2,939	397	640%
	A- Tourism real estate			
	<u>I- Egypt</u>			
	<i>El Gouna</i>			
	Average selling price/m ²	2,985	2,888	3%
	Total value of contracted units (millions)	76	117	-35%
	Number of contracted units	166	237	-30%
	Number of delivered units	517	284	82%
	<i>Riyad Resort</i>			
	Average selling price/m ²	1,388	-	-
	Total value of contracted units (millions)	0.85	-	-
	Number of contracted units	8	-	-
	<i>Byoum</i>			
	Average selling price/m ²	1,206	-	-
	Total value of contracted units (millions)	21	-	-
	Number of contracted units	79	-	-
	<i>Al Roboua</i>			
	Average selling price/m ²	731	-	-
	Total value of contracted units (millions)	0.36	-	-
	Number of contracted units	2	-	-
	<u>II- United Arab Emirates (The Cove)</u>			
	Average selling price/m ²	2,364	2,372	-0.3%
	Total value of contracted units (millions)	15	9	69%
	Number of contracted units	21	16	31%
	Number of delivered units	68	113	-40%
	<u>III- Oman</u>			
	Average selling price/m ²	2,732	-	-
	Total value of contracted units (millions)	223	-	-
	Number of contracted units	392	-	-
	B- Budget housing (Egypt)			
	<i>Haram City</i>			
	Average selling price/m ²	233	-	-
	Total value of contracted units (millions)	37	-	-
	Number of contracted (delivered) units	2,321	-	-
	<i>Al Roboua</i>			
	Average selling price/m ²	196	-	-
	Total value of contracted units (millions)	0.34	-	-
	Number of contracted (delivered) units	31	-	-

Notes:

¹ 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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