



Press Release

Orascom Development affiliate Lustica Development AD begins activities in Montenegro

The Montenegrin company Lustica Development AD today officially announce the start of a project to build a sustainably oriented holiday resort on Montenegro's Adriatic coast. The integrated holiday village will include hotels, apartment buildings, villas, two marinas, a golf course, stores, restaurants, sports facilities and schools, and will be developed on a 6.8 million square meter area of Lustica Peninsula on Traste Bay. A total of ca. EUR 1 billion of investments are planned. The Swiss company Orascom Development Holding AG has a 90 percent stake in Lustica Development AD, with Montenegro holding the remaining 10 percent.

Altdorf/Cairo/Tivat, 17 May 2010 – Samih Sawiris, Chairman of the Board and CEO of the Swiss company Orascom Development Holding AG (Orascom Development), and Montenegrin Prime Minister Milo Djukanović will signal today the start of the joint project to realize the first integrated tourist resort on Lustica Peninsula on Montenegro's Traste Bay. The area is situated approximately 20 km from Tivat and is easily reached by car or from nearby Tivat Airport.

In the next few years, on a surface area of 6.8 million square meters, several 3- to 5-star hotels with a total capacity of ca. 2200 rooms will be built, as well as approximately 1600 apartments, about 750 villas, a golf course, two marinas, restaurants, stores, kindergartens, schools and additional sports facilities. During the first phase of the project, lasting until 2013, the area will be developed and the basic infrastructure built. This will include the construction of one marina, a community space, the first hotel as well as the 18-hole golf course. The golf course, which will be the largest in the country, will represent a milestone in Montenegro's touristic offering.

The project will be developed and realized by the Montenegrin company Lustica Development AD, in which Orascom Development has a 90% stake and Montenegro holds 10%. The project will be developed according to the principles of sustainable development, with a balance between the ecological, economic and social aspects playing a central role. Lustica Development AD is working closely with the local authorities and places great value on transparent communication and an open dialogue with the population and the NGO's that are involved. Several hundred new jobs will be created in connection with the project, and the local economy stands to benefit from the placement of substantial orders. In total, investments of about EUR 1 billion are planned. Further information about the project can be found on its website at www.lusticadevelopment.com

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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