



## Press Release

### **Orascom Development achieves 84% growth in deferred income reaching CHF 270 million, CHF 117 million of total revenues and CHF 23 million of profit in Q1 2010**

**Orascom Development Holding AG announces its consolidated results for the three months ending 31 March 2010. Total consolidated revenues declined by 8% reaching CHF 117 million in comparison to CHF 126 million for the same period last year as a result of lower real estate and construction revenue recognition, due to the shortened execution period which was directly affected by multiple public holidays overlapping during the first quarter of 2010. Total deferred income increased by 84% to reach CHF 270 million in comparison to CHF 147 million in Q1 2009. Hotel revenues increased by 28% and amounted to CHF 46 million. Orascom Development remains on track to reach its targeted profits (after deducting non-controlling interest) of CHF 120 million in business year 2010.**

Altdorf/Cairo, 17 May 2010 – Orascom Development Holding AG (Orascom Development) announces its consolidated results for the three months ending 31 March 2010. Hotels revenue achieved a growth of 28% indicating the segments' recovery from the economic crisis with higher margins and segment results. Hotels revenue amounted to CHF 46 million in comparison to CHF 36 million for the same period last year. The segment achieved an improvement on all fronts with an average occupancy rate of 70% (Q1 2009: 62%), an Average Room Rate (ARR) of CHF 64 (Q1 2009: CHF 56) and a TRRevPAR of CHF 78 (Q1 2009: CHF 69). Some of the indicators even exceeded 2008 levels, which is considered a benchmark year.

Real estate and construction recognized revenues witnessed a drop from CHF 53 million to CHF 44 million in Q1 2010, due to a shortened available for execution period, which was directly affected by multiple public holidays overlapping during the first quarter of 2010. Nevertheless, these holidays resulted in a higher value for contracted real estate units of CHF 31 million in comparison to CHF 30 million in Q1 2009, with a total of 285 contracted units at an average selling price of CHF 1,386/m<sup>2</sup>. Additionally, total value of deferred income increased by 84% reaching CHF 270 million compared to CHF 147 million in Q1 2009. On the other hand, total value of contracted (and delivered) units for the basic affordable products reached CHF 5 million representing a total of 244 units, sold at an average selling price of CHF 355/m<sup>2</sup> as opposed to 447 units with an average selling price of CHF 283/m<sup>2</sup> for the same period last year, as the first phase of Haram City is almost complete with very limited number of units available for sale.

Total consolidated revenue declined by 8% to CHF 117 million in comparison to CHF 126 million for the same period last year, mainly due to lower recognized revenues from real estate and construction, as well as supporting segments, being town management, land sales, and tour operations.

Gross profit marked a 7% decline to CHF 40 million as opposed to CHF 43 million for the same period last year. Profit for the period (Profit before non-controlling interest) decreased by 16% to CHF 23 million in comparison to CHF 28 million, mainly as a result of changes in the revenue mix and the formation of provisions by CHF 3 million.

The company remains on track with its 2010 full year guidance on profits after deducting non-controlling interests being CHF 120 million, in comparison to CHF 106 million achieved in 2009. It should be highlighted that the first quarter results is not indicative of 2010 full year performance due to seasonality in the company's business cycle, where the third and fourth quarters are normally the better performers and are high contributors to top line revenues as well as the bottom line.

## Key financials

Income Statement	31 March 2010	31 March 2009	% Change
<b>Total revenues</b>	<b>116,624,627</b>	<b>126,275,558</b>	<b>(8%)</b>
Hotels	46,424,634	36,244,514	28%
Real estate and construction	43,818,675	52,775,183	(17%)
Land sales	8,984	2,740,731	(100%)
Town management	4,011,176	7,685,834	(48%)
Tours operations	13,991,053	16,704,134	(16%)
Other operations	8,370,105	10,125,162	(17%)
<b>Gross profit</b>	<b>39,526,356</b>	<b>42,722,906</b>	<b>(7%)</b>
<b>Profit for the period (before non-controlling interest)</b>	<b>23,424,777</b>	<b>27,856,188</b>	<b>(16%)</b>
<b>Profit for the period (after non-controlling interest)</b>	<b>16,927,961</b>	<b>21,610,285</b>	<b>(22%)</b>
<b>Basic and diluted earnings per share (EPS)</b>	<b>0.73</b>	<b>0.93</b>	<b>(22%)</b>

Balance Sheet	31 March 2010	31 December 2009	% Change
Total assets	2,012,776,484	1,864,099,803	8%
Total liabilities	906,008,185	814,353,394	11%
Total equity	1,106,768,299	1,049,746,409	5%
Net debt <sup>1</sup>	353,655,239	310,271,283	14%
Leverage ratio	0.82	0.78	5%
Equity ratio	0.55	0.56	(2%)

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	
	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
<b>I- Hotels</b>								
<b>Egypt</b>								
El Gouna	2,569 <sup>2</sup>	2,569	75%	71%	88	86	68	66
Taba Heights	1,980	1,980	67%	53%	54	44	41	41
Other hotels, Red Sea	819	1,333	69%	59%	59	51	45	38
<b>Egypt subtotal</b>	<b>5,368</b>	<b>5,882</b>	<b>71%</b>	<b>62%</b>	<b>71</b>	<b>64</b>	<b>55</b>	<b>52</b>
<b>Other regions</b>								
The Cove, UAE	335	204	66%	46%	201	137	173	142
Marina Town Plaza, Jordan	267	267	48%	34%	56	43	76	85
<b>Other regions subtotal</b>	<b>602</b>	<b>471</b>	<b>58%</b>	<b>39%</b>	<b>136</b>	<b>85</b>	<b>136</b>	<b>115</b>
<b>Total hotels</b>	<b>5,970</b>	<b>6,353</b>	<b>70%</b>	<b>60%</b>	<b>78</b>	<b>65</b>	<b>62</b>	<b>59</b>
<b>II- Floating hotels</b>								
Floating hotels, Egypt	509	410	70%	76%	82	49	83	41
<b>Floating hotels subtotal</b>	<b>509</b>	<b>410</b>	<b>70%</b>	<b>76%</b>	<b>82</b>	<b>49</b>	<b>83</b>	<b>41</b>
<b>Total hotels segment</b>	<b>6,479</b>	<b>6,763</b>	<b>70%</b>	<b>62%</b>	<b>78</b>	<b>69</b>	<b>64</b>	<b>59</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 31 March 2010, 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

	Average selling price/m <sup>2</sup>		Total value of contracted units <sup>1</sup> (CHF millions)		Number of contracted units	
	Q1 2010	Q1 2009	Q1 2010	Q1 2009	Q1 2010	Q1 2009
<b>A- Destination indicators</b>						
<b>I- Egypt</b>						
<b>El Gouna</b>						
Star	4,982	4,645	7	2	3	1
Smart	4,808	3,206	7	10	13	28
Economic	3,712	2,086	3	2	6	7
<b>El Gouna subtotal</b>	<b>4,631</b>	<b>3,073</b>	<b>17</b>	<b>15</b>	<b>22</b>	<b>36</b>
<b>Riyad Resort</b>						
Economic	-	1,347	-	2	-	21
<b>Riyad Resort subtotal</b>	<b>-</b>	<b>1,347</b>	<b>-</b>	<b>2</b>	<b>-</b>	<b>21</b>
<b>Fayoum</b>						
Economic	1,454	1,269	2	1	7	2
Basic affordable	-	-	-	-	-	-
<b>Fayoum subtotal</b>	<b>1,454</b>	<b>1,269</b>	<b>2</b>	<b>1</b>	<b>7</b>	<b>2</b>
<b>Haram City</b>						
Basic affordable	355	283	5	8	244	447
<b>Haram City subtotal</b>	<b>355</b>	<b>283</b>	<b>5</b>	<b>8</b>	<b>244</b>	<b>447</b>
<b>Egypt subtotal</b>	<b>1,207</b>	<b>722</b>	<b>24</b>	<b>25</b>	<b>273</b>	<b>506</b>
<b>II- U.A.E.</b>						
<b>The Cove</b>						
Smart	2,470	2,980	1	2	2	3
<b>The Cove subtotal</b>	<b>2,470</b>	<b>2,980</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>U.A.E. subtotal</b>	<b>2,470</b>	<b>2,980</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>3</b>
<b>III-Oman</b>						
<b>Jebel Sifah</b>						
Star	3,489	-	2	-	1	-
Smart	3,280	3,139	1	1	1	2
<b>Jebel Sifah subtotal</b>	<b>3,435</b>	<b>3,139</b>	<b>2</b>	<b>1</b>	<b>2</b>	<b>2</b>
<b>Salalah Beach</b>						
Star	3,909	3,602	1	2	1	2
Smart	2,257	1,990	2	1	7	4
<b>Salalah Beach subtotal</b>	<b>2,636</b>	<b>2,945</b>	<b>3</b>	<b>2</b>	<b>8</b>	<b>6</b>
<b>Oman subtotal</b>	<b>2,908</b>	<b>3,005</b>	<b>6</b>	<b>3</b>	<b>10</b>	<b>8</b>
<b>B-Product class indicators</b>						
<b>Star subtotal</b>	<b>4,516</b>	<b>4,090</b>	<b>10</b>	<b>4</b>	<b>5</b>	<b>3</b>
<b>Smart subtotal</b>	<b>3,485</b>	<b>3,085</b>	<b>11</b>	<b>14</b>	<b>23</b>	<b>37</b>
<b>Economic subtotal</b>	<b>2,428</b>	<b>1,602</b>	<b>5</b>	<b>5</b>	<b>13</b>	<b>30</b>
<b>Basic affordable subtotal</b>	<b>355</b>	<b>283</b>	<b>5</b>	<b>8</b>	<b>244</b>	<b>447</b>
<b>Total real estate</b>	<b>1,386</b>	<b>1,417</b>	<b>31</b>	<b>30</b>	<b>285</b>	<b>517</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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