

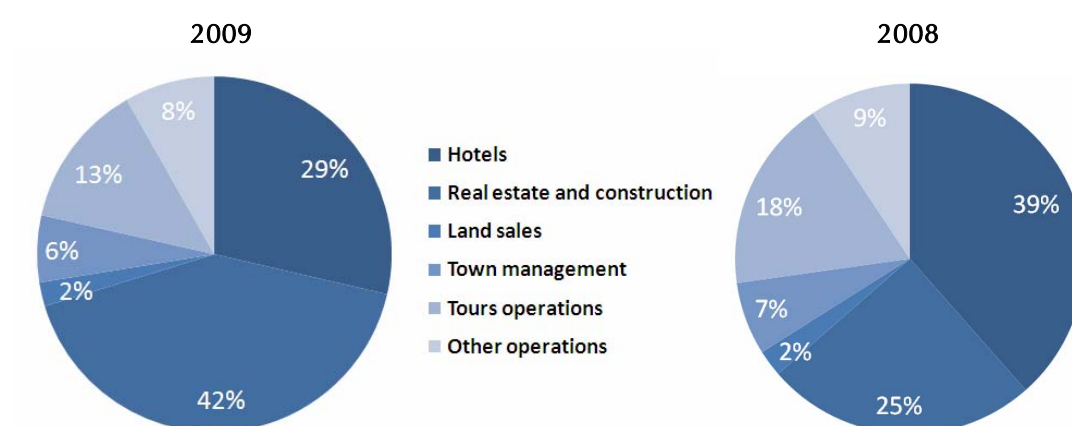
Q1

Earnings Release

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.

Performance overview

Total revenues CHF 126 Million (Q1 2008: CHF 106 Million)	Gross profit CHF 43 Million (Q1 2008: CHF 32 Million)
Profit for the period CHF 28 Million (Q1 2008: CHF 21 Million)	Basic and diluted earnings per share CHF 0.93 (Q1 2008: CHF 0.76)

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 approximately 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 approximately 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, being 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.

Segmental review

Orascom Development currently operates in six geographical areas – Egypt, Jordan, United Arab Emirates, Sultanate of Oman, Switzerland and Morocco, whereby the last two are not yet generating third party revenues. The Group's revenue by geographical location is detailed below.

Segments/Country (CHF Million)	Egypt	Jordon	Oman	UAE	Others	Total Q1 09	Total Q1 08
Hotels	33.25	0.21	-	-	2.78	36.24	40.69
Real estate and construction	27.71	-	18.39	6.52	0.15	52.77	26.51
Land sales	2.74	-	-	-	-	2.74	2.60
Town management	7.68	-	-	-	-	7.68	7.12
Tours operations	16.70	-	-	-	-	16.70	18.90
Other operations	9.88	-	-	-	0.24	10.13	9.82
Total revenue	97.97	0.21	18.39	6.52	3.18	126.27	105.64

The business segments identified by Orascom Development represent the organizational structure as reflected in its internal management reporting systems. The Group is organized into five group divisions and other operations. Other operations include mainly hospital services, educational services, rental services and others. As of March 31, 2009, the Group divisions were as follows.

Q1 2009 CHF	Hotels	Real estate and construction	Land sales	Town management	Tours operations	Other operations	Total
Total segment revenue	37,808,533	57,044,637	2,740,731	9,025,004	17,594,985	11,734,859	135,948,749
Intersegment revenue	(1,564,019)	(4,269,454)	-	(1,339,170)	(890,851)	(1,609,697)	(9,673,191)
Revenue from external customers	36,244,514	52,775,183	2,740,731	7,685,834	16,704,134	10,125,162	126,275,558
Segment result	4,496,722	29,042,329	1,981,643	(637,514)	1,431,023	1,579,119	37,893,322
Unallocated expense							(8,027,821)
EBT							29,865,501
Income tax expense							(2,009,313)
Net profit							27,856,188
Segment Assets	713,918,288	470,676,793	85,317,542	173,865,461	82,855,031	171,470,107	1,698,103,222
Unallocated Assets							66,388,554
Total assets							1,764,491,776

Q1 2008 CHF	Hotels	Real estate and construction	Land sales	Town management	Tours operations	Other operations	Total
Total segment revenue	42,215,947	31,197,240	2,601,151	7,938,995	19,535,093	10,383,857	113,872,283
Intersegment revenue	(1,518,714)	(4,687,639)	-	(820,980)	(635,368)	(564,941)	(8,227,642)
Revenue from external customers	40,697,233	26,509,601	2,601,151	7,118,015	18,899,725	9 818,916	105,644,641
Segment result	11,763,734	12,278,345	1,708,792	158,012	4,617,739	(674,794)	29,851,828
Unallocated expense							(7,222,010)
EBT							22,629,818
Income tax expense							(1,513,260)
Net profit							21,116,558
Segment Assets	727,702,361	408,711,721	75,125,583	171,310,658	76,480,061	144,638,255	1,603,968,639
Unallocated Assets							55,780,280
Total assets							1,659,748,919

1- Hotels

Total revenues
CHF 36 Million

(Q1 2008: CHF 41 Million)

Segment result
CHF 4 Million

(Q1 2008: CHF 12 Million)

By Q1 2009 end, Orascom Development's operating hotels achieved an average occupancy rate of 62% (Q1 2008: 83%), with an average room rate (ARR) of CHF 59 (Q1 2008: CHF 57) and a TRevPAR of CHF 69 (Q1 2008: CHF 88). The Group's operating hotel rooms' count reached a total of 6,763 rooms spread in 32 hotels in Egypt, United Arab Emirates and Jordan as compared to 5,449 rooms (27 hotels) at 31 March 2008. As of March 31, 2009, the Group's operating hotels segment indicators were as follows.

	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								
<i>Egypt</i>								
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

I- Egypt

A) El Gouna

El Gouna achieved an average occupancy rate of 71% (Q1 2008: 85%) with an ARR of CHF 66 (Q1 2008: CHF 58) and a TRevPAR of CHF 86 (Q1 2008: CHF 88).

B) Taba Heights

Taba Heights achieved an average occupancy rate of 53% (Q1 2008: 77%) with an ARR of CHF 41 (Q1 2008: CHF 40), and a TRevPAR of CHF 44 (Q1 2008: CHF 63).

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.

C) Other hotels, Red Sea

This section illustrates key performance indicators of hotel investments consolidated by the Group. One of the results of the acquisition of Taroot Garranah Group (Garranah), Orascom Development has acquired interest in two operating hotels Royal Azur and Club Azur (51% owned by the Group), located in Makadi Bay, south of Hurghada, Egypt. Moreover, the Group has Citadel Azur, a five star hotel in Sahl Hashish, 20 km south of Hurghada, Egypt. Citadel Azur hotel commenced operations during the fourth quarter of 2008. The three hotels achieved an average occupancy rate of 59% (Q1 2008: 86%) with an ARR of CHF 38 (Q1 2008: CHF 47), and a TRevPAR of CHF 51 (Q1 2008: CHF 82).

Moreover, the Group holds 51% in 8 Nile cruisers (classified as floating hotels) that were also part of the acquisition of Garranah, offering a total of 410 cabinets. Floating hotels achieved an average occupancy rate of 76% (Q1 2008: 80%) with an ARR of CHF 41 (Q1 2008: CHF 21), and a TRevPAR of CHF 49 (Q1 2008: CHF 28).

II- United Arab Emirates

The soft opening of "The Cove Rotana Resort and Spa", a four star hotel, took place early February 2009, offering 204 rooms. By Q1 2009 end, The Cove Rotana Resort and Spa achieved an average occupancy rate of 46% with an ARR of CHF 142, and a TRevPAR of CHF 137.

III- Jordan

The Group fully owns Marina Town Plaza, a four star hotel located in the country's first integrated resort project, Tala Bay. Marina Town Plaza hotel commenced operations during the second quarter of 2008. By Q1 2009 end, Marina Town Plaza achieved an average occupancy rate of 61% with an ARR of CHF 85, and a TRevPAR of CHF 43.

2- Real estate and construction

Total revenues CHF 53 Million (Q1 2008: CHF 26 Million)	Segment result CHF 29 Million (Q1 2008: CHF 12 Million)
Total value of contracted units CHF 30 Million (Q1 2008: CHF 15 Million)	Contracted units 517 units (Q1 2008: 27 units)

Real estate and construction revenues almost doubled reaching CHF 53 million against CHF 26 million for Q1 2008. The operating cycle of real estate construction starts when the Group enters into agreements to sell the real estate off-plan and the buyer has the right to adjust the interior architecture. Revenues are recognized when units are delivered to buyers either as fully completed units or as constructed but unfinished. As of March 31, 2009, the Group's real estate and construction segment indicators were as follows.

	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>I- Egypt</i>								
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
<i>II- UAE</i>								
The Cove	2,980	3,086	1.63	2.52	3	5	6	20
<i>III- Oman</i>								
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	1,417¹	2,551	30.08	15.09	517	27	533	81

Notes:

¹ Segment's average selling price per square meter including budget housing products.

Residential real estate

By end of Q1 2009, the average selling price for tourism real estate products amounted to CHF 2,551/m² against CHF 2,541/m² for the same period last year, as a result of introducing new products to cater for middle income class, versus high end products offered in El Gouna.

I- Egypt

A) Existing towns

El Gouna

Property values continued its healthy growth in Q1 2009, whereby the average selling price reached CHF 3,723/m² compared to CHF 3,103/m² for the same period last year, a growth of 20%.

By the end of Q1 2009, total value of contracted units amounted to CHF 10.18 million, 19 pre-sold units in comparison to CHF 12.57 million, 22 pre-sold units.

The Group delivered a total of 80 units during Q1 2009 against 61 units during the same period last year.

B) Projects under development

1- Riyad Resort

During the second quarter of 2008, the Group launched a private compound comprising 256 apartments, covering a total area of 129,815 m² in Makadi Bay south of Hurghada, Egypt. This project is attached to Club Azur and Royal Azur hotels, where homeowners can enjoy full access to all the amenities and facilities offered by the two hotels. By end of Q1 2009, the total value of contracted units amounted to CHF 2.07 million for a total of 21 pre-sold units at an average selling price of approximately CHF 1,347/m².

2- Byoum

During the third quarter of 2008, Byoum, a new residential real estate project, was launched, covering a total area of approximately 400,000 m².

The first phase of Byoum is planned to offer 158 villas. The total value of contracted units amounted to CHF 0.51 million (2 pre-sold units), with an average selling price of CHF 1,269/m² by 31 March 2009.

II- United Arab Emirates

Total value of contracted units amounted to CHF 1.63 million with an average selling price of CHF 2,980/m² compared to CHF 2.52 million with an average selling price of CHF 3,086/m² for the same period last year.

The cumulative balance of delivered units reached 187 units, with a total of 6 deliveries conducted during Q1 2009 (Q1 2008: 20 units).

III- Oman

During Q4 2007, the Group held the simultaneous launch for two of its projects in Oman, namely Jebel Sifah and Salalah Beach. By the end of Q1 2009, the total value of contracted units amounted to CHF 3.44 million for a total of 8 units at an average selling price of approximately CHF 3,005/m².

1- Jebel Sifah

By end of Q1 2009, total value of contracted units amounted to CHF 1.12 million for a total of 2 pre-sold units at an average selling price of approximately CHF 3,139/m².

2- Salalah Beach

By end of Q1 2009, total value of contracted units amounted to CHF 2.32 million for a total of 6 pre-sold units at an average selling price of approximately CHF 2,945/m².

Budget housing

Haram City

During May 2007, Orascom Housing Communities (OHC) commenced actual construction of the first phase of Haram City, an integrated Budget Housing project in the 6th of October governorate, Egypt. The site comprises a total area of 8.4 million m² of land. The first wave of residents moved into their homes during the fourth quarter of 2008.

By end of Q1 2009, the total value of contracted and delivered units amounted to CHF 7.92 million representing a total of 447 units, sold at an average selling price of CHF 17,729 per unit (CHF 283/m²).

Consolidated income statement

CHF	31 March 2009	Ratio	31 March 2008	Ratio
Continuing operations				
Revenue	126,275,558	100%	105,644,641	100%
Cost of sales	<u>(83,552,652)</u>	-66%	<u>(73,451,623)</u>	-70%
Gross profit	42,722,906	34%	32,193,018	30%
Investment revenue	3,572,940	3%	199,324	0%
Other gains and losses	3,873,997	3%	590,426	1%
Provisions formed	(6,987,548)	-6%	(2,067,751)	-2%
Share of profit of associate	89,475	0%	-	-
Reversal of provisions	-	-	4,677,752	4%
Administration expenses	(9,219,617)	-7%	(7,208,391)	-7%
Finance costs	<u>(4,186,652)</u>	-3%	<u>(5,754,560)</u>	-5%
Profit before tax	29,865,501	24%	22,629,818	21%
Income tax expense	<u>(2,009,313)</u>	-2%	<u>(1,513,260)</u>	-1%
Profit for the period from continuing operations	27,856,188	22%	21,116,558	20%
Profit for the period	27,856,188	22%	21,116,558	20%
Other comprehensive income				
Exchange differences arising on translation of foreign operations	38,830,690		(21,877,502)	
Cash flow hedge	(185,778)		-	
Total comprehensive income for the period (net tax)	<u>38,644,912</u>		<u>(21,877,502)</u>	
Total comprehensive income for the period	66,501,100		(760,944)	
Profit for the period attributable to:				
Owners of the parent company	21,610,285	78%	16,129,977	76%
Non-controlling interest	<u>6,245,903</u>	22%	<u>4,986,581</u>	24%
	27,856,188		21,116,558	
Total comprehensive income attributable to:				
Owners of the parent company	53,835,039		(822,768)	
Non-controlling interest	<u>12,666,061</u>		<u>61,824</u>	
	66,501,100		(760,944)	
Earnings per share				
Basic	0.93		0.76	
Diluted	0.93		0.76	

Consolidated balance sheet

CHF	31 March 2009	31 December 2008
Assets		
<u>Non-current assets</u>		
Property, plant and equipment	933,332,866	856,492,405
Goodwill	34,810,662	33,368,405
Investment in associates	39,363,026	36,898,629
Non-current receivables	50,407,143	45,746,621
Other financial assets	49,326,286	45,482,274
Total non-current assets	1,107,239,983	1,017,988,334
<u>Current assets</u>		
Inventories	180,578,998	174,904,697
Trade and other receivables	143,260,937	136,036,375
Due from related parties	13,820,548	15,019,414
Other financial assets	495,805	1,338,713
Other current assets	168,313,596	137,316,347
Cash and bank balances	150,781,909	177,145,039
Total current assets	657,251,793	641,760,585
Total assets	1,764,491,776	1,659,748,919
<u>Equity and liabilities</u>		
<u>Capital and reserves</u>		
Share capital	580,491,450	580,491,450
Share premium	183,348,356	183,348,356
Treasury shares	(28,426)	(28,426)
Reserves	(123,238,798)	(155,463,552)
Retained earnings	215,925,480	194,315,195
Equity attributable to equity holders of the company	856,498,062	802,663,023
Minority interest	165,560,538	144,341,700
Total equity	1,022,058,600	947,004,723
<u>Non-current liabilities</u>		
Borrowings	160,095,511	152,987,442
Trade payables (land payables)	31,458,996	30,059,744
Retirement benefit obligation	101,274	101,274
Notes payable (land payables)	9,058,346	8,510,669
Deferred tax liabilities	10,964,423	9,238,722
Other financial liabilities	13,806,535	12,940,155
Total non-current liabilities	225,485,085	213,838,006
<u>Current liabilities</u>		
Trade and other payables	59,811,267	64,059,838
Borrowings	234,318,329	222,072,302
Due to related parties	37,706,763	33,350,469
Current tax liabilities	245,760	8,368,915
Provisions	16,035,834	7,555,868
Other liabilities	168,830,138	163,498,798
Total current liabilities	516,948,091	498,906,190
Total liabilities	742,433,176	712,744,196
Total equity and liabilities	1,764,491,776	1,659,748,919

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.

For further information, please contact:

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