



EARNINGS RELEASE – Full Year 2009

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ERC Announces Consolidated Results for Full Year 2009

Consolidated revenue of EGP 25.7 million and consolidated earnings before tax of EGP 8.1 million compared to EGP 347.7 million and EGP 345.9 million respectively for the previous year.

Full Year 2009 Consolidated Financial Highlights

- Revenues of EGP 25.7 million, a 92.5% decrease Y-O-Y
- Gross Profit of EGP 12.2 million; 96.6% decrease Y-O-Y
- Gross Profit Margin of 47.3% vs. 103% for 2008
- Operating Profit of EGP -13.6 million; vs. EGP 318.5 for 2008
- Operating Profit Margin of -52.7% vs. 91.5% for 2008
- Earnings Before Tax of EGP 8.1 million; vs. 345.9 million for 2008
- Earnings Before tax Margin 31.4% vs. 99.4% for 2008
- Earnings per share (EPS) of EGP -0.004; vs. 0.26 for 2008

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's largest master developer of mega resort communities, announced today its consolidated results for the full-year 2009, reporting net earnings before tax of EGP 8.1 million, in line with expectations amid market conditions prevailing in the year just past.

Commenting on the company's full-year results, Chief Executive Officer Mohammed Kamel said:

I am delighted to report that careful control of operating expenses and a strong, liquid balance sheet have helped ERC weather a difficult year for our industry not just locally, but worldwide. While our business model includes three immature recurring revenue streams that will make strong contributions to our top and bottom lines as both development and settlement grow, the largest contributor to earnings to-date has been the sale of land. With fallout from the global economic crisis spilling over not just into regional markets but also into our home market of Egypt, 2009 was not a year in which to make major land sales.

Sahl Hasheesh, our primary mega-development at present, is a Dubai-sized landholding in the most desirable location on Egypt's Red Sea. With buyer appetite low and would-be purchasers seeking heavy discounts, we opted last year to hold back sales to sub-developers. Even in the best of times, management's target is always a healthy release of inventory from our land bank that thus protects both ERC's valuations and the returns on investment of our sub-developers.

Against that backdrop, our focus in 2009 was on building a platform for future growth that balances land sales with recurring revenue streams that include the sale of utilities (electricity, water, communications), community management and maintenance fees, and rental income from Sahl Hasheesh Company.

Going forward, we note that recurring revenues will grow in concert with a forecast tripling of the number of operational dwellings in Sahl Hasheesh in the coming two years. We are also pleased to report that we saw a continued improvement in our receivables in the fourth quarter, a trend we first detected in 3Q09 as our sub-developers noted pickups in their cashflows after the market hit bottom at mid-year. This will catalyze further investments in their respective Sahl Hasheesh projects and, more importantly, spur them to expand their marketing activities. Compounding these promising signs are reports of higher-than-expected numbers of tourist arrivals in Egypt and strong occupancy growth in the Hurghada area.

In 2010 the management of ERC will be focused on delivering results in key strategic and operational success initiatives. Strategically, we will be looking to launch our community management model, the remainder of phase 2 and the first districts of phase 3 at Sahl Hasheesh. We will also be executing design and breaking ground on strategic assets including the Sahl Hasheesh Marina as well as identifying additional land banks suitable to our business model. On the operational front, we will be pushing ahead with serious infrastructure plans in electricity and communications resulting in more attractive margins for our utilities business. Building a team of world class executives and seasoned industry professionals will facilitate the proper execution of a number of key initiatives including the resolution of issues related to developer breaches on site and the opening of the 'Old Town' – the Sahl Hasheesh downtown in Phase 1 – for prospective retailers, restaurants and other service providers.

In this respect, I note that we are presently in exclusive negotiations with WATG for the creation of the master plan for Phase 3. Management entered exclusive talks with WATG after a rigorous selection process that involved four of the world's top master design and urban planning consultancies. WATG has a six-decade track record that has seen it consult on master development plans for hospitality, leisure and entertainment destinations in 160 countries and territories. At the conclusion of negotiations, WATG will help finalize the detailed design and design guidelines for Phase 3 while providing planning and technical support for Sahl Hasheesh over the coming decade.

I would like to reiterate what an honor it is to have the trust of our new Non-Executive Chairman, Mahmoud Abdallah (a globally experienced chief executive in his own right), and of the outstanding Board of professionals he leads. I look forward to an exciting 2010 and promise to keep you updated with further announcements about the deepening of our c-suite team as the year progresses.

Mohamed Kamel

Chief Executive Officer

An Important Note:

Management encourages investors not to analyze Egyptian Resorts Company by scrutinizing quarterly sales figures as they would manufacturing or other real estate firms. ERC is a master developer of mega resort communities and unlike other developers, focuses on the macro development infrastructure and land plot sales. The timing of land sales (which tend to be large, strategic plots) to value-adding developers is a function of market conditions and management / board strategy at any given moment. ERC targets a healthy pace of land release from its bank so as to preserve both ERC valuations and the returns on investments of our sub-developers. A more traditional quarter-by-quarter analysis will be appropriate only for the analysis of recurring revenue streams as these mature in the years ahead.

About ERC

Egyptian Resorts Company S.A.E. (EGX: EGTS.CA) is a master developer of international standard resort communities on a fully-integrated management basis. The company is incorporated in Egypt and headquartered in Cairo. Egyptian Resorts Company acquires broad land holdings suitable for premium mega resort development at nominal value. The company then creates a master plan in partnership with global architectural and urban planning firms, builds state-of-the-art infrastructure, implements design guidelines and community management rules and regulations, and then on-sells individual pre-designated plots to sub-developers and investors whose primary businesses are hotel ownership, operation and management, as well as luxury resort and residential real estate development. ERC is developing multiple recurring revenue streams that include the supply of utilities (water, electricity, communications) through its project partners, as well as community management and maintenance fees and revenues generated by Sahl Hasheesh Company.

Capital Structure

Authorized Capital	EGP 2,000,000,000
Issued and Paid-In Capital	EGP 1,050,000,000 (1,050,000,000 shares @ EGP 1.00 / share)
Shareholder Structure	
	Rowad Tourism Company 14.88%
	Misr Insurance 13.10%
	KATO Investment 11.96%
	First Arabian Company 10.00%
	Al Ahly Capital Holding 8.99%
	National Insurance Company 1.90%
	Free Float 39.17%

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