

EARNINGS RELEASE – Second Quarter 2011

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ERC Announces Consolidated Results for Second Quarter 2011

Egypt's leading master developer reports small rise in revenues from Sawari property sales.

Second Quarter 2011 Financial and Operational Highlights

- Revenues of EGP 12.3 million, a 335.1 % increase from the same quarter last year.
- Net loss of EGP 3.4 million, a 197.8 % decrease year-on-year.
- EGP 4.1 million in revenues recognized from Sawari Marina property sales, a 26.9% increase quarter-on-quarter.
- EGP 3.9 million in utilities revenues recognized, a 7.9% increase year-on-year.
- ERC assumes role of lead developer in the bayside villa area at Sahl Hasheesh.
- ERC continues to actively defend development rights of Phase III land at Sahl Hasheesh.

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's leading master developer of mega-communities, announced today its consolidated results for the second quarter of 2011, reporting a net loss of EGP 3.4 million on revenues of EGP 12.3 million. Earnings included EGP 5.4 million in interest income in the second quarter.

Recognized revenues from Sawari Marina stood at EGP 4.1 million, a 26.9% increase on the previous quarter. Total recognized revenues from Sawari Marina for the first half of 2011 stood at EGP 7.3 million. Revenues from the sale of utilities in the second quarter increased 44.5% from the first quarter, to EGP 3.9 million.

Commenting on the Company's 2Q11 results, Chief Executive Officer Mohamed Kamel said:

ERC's management is encouraged to see revenue in the second quarter of 2011 from the Sawari Marina increasing 26.9% quarter-on-quarter; positive early signs that an industry recovery may be on the horizon. Final approvals for the development of the Marina, our 2.5-million-square meter joint project with Orascom Development and Management, are proceeding as planned and we remain on track to deliver the first units in 2014.

In addition, we delivered significant progress towards the achievement of operational goals in the quarter just past. In keeping with the gradual build-out of our marketing efforts for Sahl Hasheesh, we are laying the foundation for building a network of international representative offices. These offices are expected to boost sales of second homes at Sahl Hasheesh, market the resort as a year-round vacation destination, and introduce Sahl Hasheesh to leading developers and tour operators in our target markets.

As I reported at the end of the previous quarter, ERC has decided to play a more hands-on role in the development of the remaining strategic assets in our Sahl Hasheesh land bank, partnering with leading national contractors and selling off-plan to a local and international investors and second-home buyers. The quarter just past saw us begin

implementation of this strategy, as we re-launched development planning for one of the prime bayside land plots, zoned for the construction of luxury villas with direct access to the water. We are currently negotiating with a number of highly-qualified contractors.

I am also pleased to confirm that all sub-developers have now resumed full operations at Sahl Hasheesh and are attracting an increasing number of visitors to the resort each month by offering vacation packages to tour operators and holiday-makers at excellent value. Occupancy rates at Sahl Hasheesh hotels steadily rose over the last quarter, averaging 70% by mid-summer, compared to lows of 5-10% in the February-March period. We remain confident in a full recovery for Red Sea tourism in 2012. Construction on developments-in-progress has also resumed throughout the resort, with minimal delays to scheduled openings reported.

With regard to our ongoing proactive legal defense of our Phase III land bank, we still await a response from the Tourism Development Authority to the formal petition submitted in April. We remain prepared to take our case to the Dispute Settlement Committee and the Administrative Judiciary Court to defend our legal rights and those of our shareholders with the aim of nullifying the decision of the TDA.

Other recent and upcoming corporate developments:

- Raafat Miller Consulting (RMC) chosen by ERC as Marine Research Station project consultant. Previously, RMC was one of 4 Egyptian firms selected to participate in the USD 550 million landmark Grand Egyptian Museum project. Next steps include finalizing permits and submitting RFP's to contractors.
- Final preparations for the Old Palace Hotel's re-launch as the Sahl Hasheesh Marriott Beach Resort are underway, with the grand opening expected towards the end of the year.
- ERC will host a beach party event during Eid El Fitr. The event will be heavily advertised within the next couple of weeks through print and online channels.

ERC Management continues to implement prudent cash flow management measures and limit unnecessary spending. With a debt-free balance sheet and ample cash reserves, our current focus is on investing in the infrastructure of our strategic assets at Sahl Hasheesh and maintaining a comprehensive marketing plan for the resort, with a view to capturing a larger share of the market as tourism recovers. We continue to actively recruit world-class managers to our team and partner with the best brands in our business.

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

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| 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 | |
| | KATO Investment 11.96% |
| | Rowad Tourism Company 10.00% |
| | First Arabian Company 10.00% |
| | Al Ahly Capital Holding 8.99% |
| | Misr Insurance 8.05% |
| | Misr for Life Insurance 6.95% |
| | Orascom Development Holding 4.50% |
| | Other long-term investors 7.64% |
| | Free Float 31.91% |

Investor Contact

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