



EARNINGS RELEASE – Third Quarter 2015

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ERC Announces Consolidated Results for Third Quarter 2015

Key developments in 3Q2015 include preparation for the Red Sea season sales ramp-up at Tawaya, as well as major sporting events on site.

Third Quarter Financial and Operational Highlights

- Net revenues in 9M 2015 reached EGP 316.2 million compared to EGP 16.8 million in 9M 2014. Gross Profit of EGP 218 million in 9M 2015 against a gross loss of EGP 55.1 million in the comparable period last year.
- Operating Profit of EGP 189 million compared to a loss of EGP 47 million in 9M 2014
- Net Profit After Tax for the first nine months of 2015 reached EGP 172.3 million compared to a loss of EGP 44.9 million in 9M 2014.

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's leading master developer of mega communities, announced today its consolidated results for 9M 2015, reporting a net profit after tax of EGP 172.3 million on revenues of EGP 316.2 million.

The improvement in 9M results can be attributed mainly to year-on-year increases of 513% in activities revenues (EGP 297.4 million) and 19% in service revenues (EGP 36.2 million).

In 9M 2015, general and administrative expenses remained somewhat flat at EGP 21.8 million at the close of the quarter. Meanwhile, selling and marketing expenses came at EGP 15.2 million reflecting an increase of 143% due to increased promotional activities. The company's balance sheet remained liquid at the close of the third quarter, with cash of EGP 148.1 million.

The ongoing recovery of the hospitality sector and economy in general drove significant increases in cash collections from sub-developers and retail buyers, which stood at EGP 154.2 million for 9M 2015, an almost four-fold increase from 9M 2014's EGP 39.8 million. Meanwhile, cash receipts from community management and services also rose by 28% in 9M 2015 to reach EGP 26.4 million from EGP 20.9 million in the same period last year.

Commenting on the Company's 9M 2015 results and the outlook for the remainder of the year, Chief Executive Officer Mohamed Kamel said:

2015 has been a vital and highly fruitful year for ERC's operations and the industry as a whole. As it came to its close, the nine months results saw us realize the gains of the strategy we chose to follow in 2015 as well as the challenging times that preceded it.

This year, we have focused on a number of marketing activities meant to attract domestic and international vacationers alike, while giving Sahl Hasheesh increased local and international exposure. During 3Q 2015, Sahl Hasheesh hosted a number of events, including our annual Summersault and Boardwalk beach parties as well as one of the largest music festivals to take place on the Red Sea Coast “BlurrFest”, all of which featured many international and local artists, as well as various water sports and activities. These efforts have seen the community gain in popularity, with average occupancy rates at Sahl Hasheesh and the Red Sea region outpacing the whole of Egypt.

Notably, Sahl Hasheesh was a sponsor of the African Hotel Investment Forum, which took place in the Ethiopian capital of Addis Ababa in September. The AHIF is the largest annual tourism and hotel investment conference in Africa and sees hundreds of local, regional and international investors and operators gather to discuss ways to drive touristic development in the region.

The first nine months of 2015 saw ERC grow its top and bottom lines significantly from the comparable period last year. This substantial improvement came mainly on the back of exponentially improved land plot sales, which we are still realizing as the year unfolds. Total contracted sales stand at USD 74.5 million, of which some have already been realized.

In the face of greatly unsettling local and international news, we are cognizant of the fact that the Egyptian tourism industry is not ‘out of the woods’ yet, so we still have a tough job ahead of us. Financially, we will endeavor to maintain costs under tight control while proactively managing our cash flows with spending focused on meeting our obligations on infrastructure and proprietary projects. On the operational front, we will continue to ensure that Sahl Hasheesh is the destination of choice for holiday makers and developers alike with no compromise on our quality offering and active season events.

Mohamed Kamel

Chief Executive Officer

Legal Update

The Commissioners’ Committee at the State Council has issued its report on the matter of the case brought before it pertaining to the annulment of the Sahl Hasheesh contract, and the court postponed the case to a hearing on 24 November this year. Our legal counsel had filed a defense brief drawing the committee’s attention to Law 32 of 2014, which regulates third-party complaints regarding contracts entered into by the Government of Egypt.

Meanwhile, regarding our proactive lawsuit filed against the Tourism Development Authority for cancelling its withdrawal of Phase 3 land, the court-requested legal report from the Commissioners’ Committee at the State Council is yet to be issued. Our legal counsel has objected to the involvement of Pyramisa Company in the dispute, which we believe has no standing under Law 32 of 2014.

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 acre 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, 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 its subsidiary, 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

KATO Investment	11.96%
First Arabian Company	10.00%
Rowad Tourism Company	9.05%
Al Ahly Capital Holding	9.00%
Misr Insurance	8.05%
Misr for Life Insurance	6.96%
Orascom Development Holding	4.50%
Others	40.48%

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