



## EARNINGS RELEASE – Q2 2009

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### ERC announces consolidated results for Q2 2009

A profitable second quarter in tough times – Consolidated revenue of EGP 9.3 million and consolidated earnings before tax of EGP 3.3 million compared to EGP 223.3 million and EGP 184.5 million respectively for the same quarter last year

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's largest master developer of Mega Resort Communities announced its second quarter consolidated results.

#### Q2 2009 Consolidated Financial Highlights

- Earnings per share (EPS) of EGP 0.002; vs. 0.14 for Q2 2008
- Revenues of EGP 9.3 million; 95.8% decrease Y-O-Y
- Gross Profit of EGP 5.6 million; 97.2% decrease Y-O-Y
- Gross Profit Margin of 60.8% vs. 91.9% for Q2 2008
- Operating Profit of EGP -0.2 million; vs. EGP 190.7 for Q2 2008
- Operating Profit Margin of -2.1% vs. 85.4% for Q2 2008
- Earnings Before Tax of EGP 3.3 million; vs. 184.5 million for Q2 2008
- Earnings Before tax Margin 35.8% vs. 82.6% for Q2 2008

#### Commenting on the second quarter results, Mr. Richard Turner, CEO said,

“ERC remains profitable despite the lack of sales in Q2 due to its strong balance sheet and healthy cash reserves. The company is ‘weathering the storm’ of the world economic downturn and sluggish global real estate market. ERC has continued to develop the infrastructure assets required to meet the future customer demand and is continuing to improve internal management capabilities to ensure effective, world class community administration and management. The management is tirelessly marketing our Sahl Hasheesh International Resort Community to prospective investors and developers and remains optimistic that the tides will turn in the coming two to three quarters.

#### General Note from the CEO

We generally encourage investors not to analyze Egyptian Resorts as they would manufacturing or other real estate firms by scrutinizing quarterly sales figures. ERC is a master developer of mega resort communities and unlike other developers, ERC focuses on the macro development of the necessary infrastructure and land plot sales. Depending on ERC's strategy, the management and the board may feel it prudent to sell strategically large plots to value-adding developers in a given quarter resulting in higher-than-expected sales figures. This would then push us to reduce land plot allocations in following quarters to maintain a healthy land release and inventory.

## About ERC

Egyptian Resorts Company S.A.E. (CASE: EGTS.CA) is a master developer of international standard resort communities on a fully-integrated management basis, incorporated in Egypt and headquartered in Cairo. Egyptian Resorts Company acquires broad acre land holdings suitable for premium mega resorts development at nominal value, creates a master plan with some of the world's leading 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 main businesses are hotel ownership, operation and management, as well as luxury resort residential real estate development. ERC maintains a healthy income statement and balance sheet following the plot sales from ad-indefinitum multiple recurring revenue streams from the supply of utilities through its project partners (water, electricity, communications), as well as from its community management and maintenance fees.

## 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%  |
|                            | Insurance Holding Company                                   | 1.90%  |
|                            | Ahly Real Estate Development Co.                            | 1.19%  |
|                            | Free Float  | 37.98% |

## Investor Contact

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