



EARNINGS RELEASE – Q1 2009

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ERC announces consolidated results for Q1 2009

A profitable first quarter – Consolidated revenue of EGP 6.7 million and consolidated earnings before tax of EGP 12.4 million compared to EGP 6.3 million and EGP -1.2 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 first quarter consolidated results.

Q1 2009 Consolidated Financial Highlights

- Earnings per share (EPS) of EGP 0.01; vs. -0.01 for Q1 2008
- Revenues of EGP 6.7 million; 6.6% increase Y-O-Y
- Gross Profit of EGP 4.5 million; 16.3% decrease Y-O-Y
- Gross Profit Margin of 67.7% vs. 86.2% for Q1 2008
- Operating Profit of EGP -0.6 million; vs. EGP 0.2 for Q1 2008
- Operating Profit Margin of -9.3% vs. 2.7% for Q1 2008
- Earnings Before Tax of EGP 12.5 million; vs. -1.2 million for Q1 2008
- Earnings Before tax Margin 186.9% vs. -19.9% for Q1 2008

Mr. Stephen Hunter, Chief Financial Officer notes the following:

- No revenues were recorded from land plot sales
- 'Deferred Revenues' from previous land sales and Utilities Revenues accounted for all Q1 revenues
- Interest income was the main contributor to the increase in Earnings Before Tax.

"ERC's financial strength and conservative capital structure has continued to serve it well in the first quarter of 2009. While the current economic climate is difficult and the property market is particularly affected, ERC has remained profitable despite a lack of sales in the quarter. The high level of liquid assets has ensured that financial income has exceeded operating costs. In addition, Utility service fees have continued to rise, and with new developments expected to become operational in 2009 this rise is expected to continue. Expenses have remained under control and ERC is well positioned to take advantage of a recovering market."

Commenting on the first quarter results, Mr. Richard Turner, CEO said, "The first quarter results are better year-on-year, although we still had a tough first quarter recording no new land sales as global economic conditions and local tourism continued to adversely impact our business. We are, however, beginning to see developer appetite and interest picking up again, and ERC is resuming discussions on developer expansion plans. We hope that our efforts will translate into tangible results within the coming three quarters. Finally, as operational dwellings in Sahl

Hasheesh triple over the next two years, the positive impact of the diversified nature of our revenue streams from the sale of utilities, community management fees, and rental revenue from our subsidiary Sahl Hasheesh Company should begin to act as a hedge against the volatility of land plot sales during downturns.”

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

Abu-Bakr Makhoulouf	Telephone	+202 2735 8427
Investor Relations Manager	Fax	+202 2735 2743
Egyptian Resorts Company	email	abmakhoulouf@erc-egypt.com

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