

## EARNINGS RELEASE – 2Q2008

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### ERC announces record quarter - consolidated results for 2Q2008

Consolidated revenue grows by 49.9% & consolidated earnings before tax by 50.9% YoY for 2Q2008

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

#### 2Q2008 Consolidated Financial Highlights

- Earnings per share (EPS) of EGP 0.17; 21% growth YoY
- Revenues of EGP 226.6 million; 49.9% growth YoY
- Gross Profit of EGP 208.6 million; 63.7% growth YoY
- Gross Profit Margin of 92.04% vs. 84.24% for 2Q2007
- Operating Profit of EGP 194 million; 59% growth YoY
- Operating Profit Margin of 85.6% vs. 80.6% for 2Q2007
- Earnings Before Tax of EGP 184.5 million; 50.9% growth YoY
- Earnings Before Tax Margin 81.4% vs. 80.8% for 2Q2007

**Commenting on the results of the first half, Dr. Ibrahim Kamel, Chairman said,** "I am very happy to see ERC has maintained its growth momentum and is performing to our expectations during a management transition and handover period. This confirms that we have the right vision for our resort development and a good strategy in place. I am also pleased to see the new management team settling in well and building on the successes of the company's previous management."

**Mr. Richard Turner, Chief Executive added,** "I am very encouraged by the demand for land, attributing to a much improved consolidated result for this quarter. Revenue growth has been strategically managed and is totally attributed to improving the value equation of ERC's business plan of superior managed environment and infrastructure like has never been done before in Egypt. The increase in our weighted average land plot prices per square meter from approximately USD 78 for FY2007 to USD 148 for 1H2008 is a key indicator in Sahl Hasheesh's superior market position, long-term prospects, staying power, and adherence to a diligent vision. Maintaining a healthy price increase is important as we endeavor to preserve an **increasing Net Asset Value** for our land in quantum square meters, an international hallmark of a truly successful master developer.

I believe the price increases attest to a number of things – the strength of Egypt's tourism market and the Red Sea as a travel and second-home destination for Europeans, the growing popularity of the Sahl Hasheesh International Resort Community amongst developers and second-home owners, and finally the quality of the resort's master plan and the unmatched value proposition ERC delivers to investors and sub-developers.

Although, the first six months of 2008 show a drop in revenues of 7.9%, attributed mainly to first quarter sales of one plot to subsidiary Sahl Hasheesh Co., we believe that we will maintain healthy revenue growth for FY2008 over FY2007.

Despite the general conditions of global markets we believe Europeans will continue to pursue well priced and competitive destinations, and Egypt sits at the top of this list.”

### General Note from the CEO

We generally encourage investors not to analyze Egyptian Resorts as they would a 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, while boosting the net asset value.

### 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-infinitum 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 13.81%
	KATO Investment 11.96%
	Misr Insurance 10.72%
	First Arabian Company 10.00%
	Al Ahly Capital Holding 8.99%
	Insurance Holding Company 2.38%
	National Insurance Company 1.90%
	Ahly Real Estate Development Co. 1.19%
	Free Float 39.05%

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