EARNINGS RELEASE – FY2008

Cairo, April 29, 2009 14:00 hrs Cairo time (11:00 hrs GMT)

ERC announces consolidated results for FY2008

Consolidated revenue decreases by 1.1% and consolidated earnings before tax increases by 20.1% Y-o-Y

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's largest master developer of Mega Resort Communities announced its 2008 full year consolidated results.

FY2008 Consolidated Financial Highlights

- Earnings per share (EPS) of EGP 0.29; 3.3% decrease year-on-year
- Revenues of EGP 347.8 million; 1.1% decrease year-on-year
- Gross Profit of EGP 324.0 million; 7.6% growth year-on-year
- Gross Profit Margin of 93.2% vs. 85.7% for FY2007
- Operating Profit of EGP 318.5 million; 11.4% growth year-on-year
- Operating Profit Margin of 91.6% vs. 81.3% for FY2007
- Earnings Before Tax of EGP 345.9 million; 20.1% growth year-on-year
- Earnings Before Tax Margin 99.5% vs. 81.9% for FY2007

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

- **"The delay in producing our full year results** was due to a change in accounting software to tighten financial controls and an extensive review of our financial policies and procedures. The new software is now up and running and we expect to avoid any further delays in financial reporting."
- **"The appointment of Ernst Body Corporate** as Sahl Hasheesh Resort Community Administrators led to an expansion in the company's revenue-generating business model, in turn leading to a change in accounting treatment where certain assets, previously expensed, were capitalized in 2008."
- **"The land bank area survey results** measure the Sahl Hasheesh land bank at 40,949,989 m² instead of 32,000,000 m². This has been incorporated into a new analysis of cost of sales in conjunction with the new asset recognition policy. This led to a decrease in our estimated cost per square meter of land resulting in approximately EGP 33.7 million in Other Revenues. ERC would have recorded 8% instead of 20% growth in Earnings Before Tax if Other Revenues were not accounted for."
- **"ERC pays taxes for the first time in 2008** which resulted in a 7% decrease in After-Tax Earnings despite the 20% increase in Pre-Tax Earnings."

Commenting on the results of FY2008, Dr. Ibrahim Kamel, Chairman, said, "it was a tough fourth quarter for the company and the industry in general, but our positive attitude and confidence in the long-term value of our investment remains very strong. Egypt, and Hurghada in particular, remain amongst the least expensive destinations in the Middle East and on the Mediterranean, and with tougher global conditions, holiday makers will be looking for the best value-for-money deals putting us firmly on top of the list, while maintaining a highly profitable operation for hotel owners and developers in general.

I am quite pleased with certain administrative improvements in controls, policies and procedures within the company, the fruit of a joint effort between board members and the executive management. Going forward in 2009, the board will be working very closely with the executive management to help curb expenditure and maintain healthy sales and operational performance.

The board will be going to the general assembly with the recommendation of not distributing dividends in order to preserve cash and ensure weathering any continued short-to-medium term adverse conditions in the tourism market or the general economy. This will also enable ERC to focus on the completion of certain strategic assets in the Sahl Hasheesh International Resort Community that would add a tremendous amount of value in the short-to-medium term."

Mr. Richard Turner, Chief Executive added, "I am pleased with the financial results my team and I have delivered in less-than-ideal market conditions. The new management team has adjusted well and continues to drive continuous improvement throughout the company's administrative and operational activities. We have managed to maintain a weighted average land plot price per square meter of USD 142 for 2008 compared with USD 78 for 2007 – a testament to the stark and clearly visible improvement in resort operations and management. More significant however to the long-term success of our business, is the exponential increase in services revenue from the reticulation of utilities to EGP 9.6 million or approximately 3% of total revenue with annual growth of 263% in 2008 over 2007. We expect this revenue stream to continue to grow exponentially over the coming 5 years with some 22,000 dwellings due for utilities connections and operation by 2014, compared to the 810 connected dwellings in 2008, resulting in a significantly larger percentage of total revenue year-on-year, especially as the company starts to introduce its community management fee model.

We are continuing our previously announced strategy of working very closely with our sub-developers to ensure that Sahl Hasheesh sails smoothly through the current market conditions, emerging as Egypt's number one destination of choice amongst developers, tourists, real estate investors from the local, European and other regional second-home investment sectors, as well as tour operators and hospitality asset managers.

ERC is on track with its operational ramp-up plan for the full operations of phase 1 (5.6 million m^2) and its strategic operational ramp-up plan for the parts of Phase 2 (7.0 million m^2) that will become operational over the next 12 months. Our target is on track to directly and indirectly service about 5000 tourists per day towards the end of 2009 through our utilities business, general sales promotions of our sub-developers, and our subsidiary's retail assets in the '***Old Town'***.

Finally I would like to say that my management team and I are confident that we will achieve our goal of operating a superior fully-integrated private resort-town environment of equivalent caliber to all first world destinations to become one of the most highly regarded and most comprehensive resort community operations in the world."

General Note from the CEO

We generally encourage investors not to analyze Egyptian Resorts as they would a manufacturing or other *(retail market)* 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-added developers in a given quarter resulting in higher-than-expected sales figures. This may then create circumstances whereby we may wish to reduce land plot allocations in following quarters to maintain a healthy land release and inventory, while boosting the net asset value of the residual land bank.

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	14.88%
	Misr Insurance	13.10%
	KATO Investment	11.96%
	First Arabian Company	10.00%
	Al Ahly Capital Holding	8.99%
	Egyptian Resorts Company	2.38%
	National Insurance Company	1.90%
	Free Float	36.79%

Investor Contact

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

# # #

This document is intended for information purposes only and does not constitute or form part of an offer for sale or subscription or an invitation or solicitation of an offer to subscribe for or purchase securities of any kind and neither this document nor anything contained herein shall form the basis of any contract of commitment from any party whatsoever. Information, including but not limited to financial information, in this document should not be considered as a recommendation in relation to holding, purchasing or selling shares, securities or any other instruments in or in entities related to ERC or any other company. This document contains forward-looking statements. By their nature, forward-looking statements involve inherent risk and uncertainties, both general and specific, and risks exist that the predictions, forecasts, projections and other forward-looking statements will not be achieved. ERC does not make any representation, warranty or prediction that the results anticipated by such forward-looking statement will be achieved, and such forward-looking statements represent, in each case, only one of many possible scenarios and should not be viewed as the most likely or standards scenario. Such forward-looking statements speak only as of the date on which they are made. For the avoidance of doubt, the words "believe", "anticipate", "expect", "intend", "aim", "plan", "predict", "continue", "assume", "positioned", "may", "will", "should", "shall", "risk" and other similar expressions that are predictions of or indicate future events and future trends identify forward-looking statements.