



EARNINGS RELEASE – Nine Months 2017

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ERC Announces Consolidated Results for Nine Months 2017

ERC records an almost threefold increase in revenues in the nine-month period ending September 2017, driven by higher land and unit sales and increased proceeds from services rendered; bottom-line of EGP 55.6 million for the same period

Nine Months Financial and Operational Highlights

- Net revenues in 9M 2017 recorded EGP 182.0 million, up 177% y-o-y compared to the EGP 65.8 million booked in 9M 2016
- Gross Profit came in at EGP 75.0 million in 9M 2017 against a gross loss of EGP 15.1 million in the same period last year
- Operating Profit reached EGP 28.1 million in 9M 2017 versus an operating loss of EGP 68.5 million in 9M 2016
- Net Profit for the period stood at EGP 55.6 million, reversing last year's loss of EGP 29.6 million and yielding a net profit margin of 31%

Egyptian Resorts Company (EGX: EGTS.CA), one of Egypt's leading master and real estate developers, announced today its consolidated results for the nine-month period ending 30 September 2017, reporting a net profit of EGP 55.6 million on revenues of EGP 182.0 million, up 177% y-o-y. Higher revenues were dual-driven by increased land and unit sales, while seasonal holidays and an uptick in traffic through Sahl Hasheesh helped bolster proceeds from services rendered and utilities. Meanwhile, improved bottom-line profitability came as ERC maintained tight cost controls and booked lower SG&A expenses for 9M 2017.

Improved operational performance also saw cash receipts record a 102.8% y-o-y increase to EGP 117.0 million in 9M 2017, up from EGP 57.7 million in the same period last year. Cash collected from land and unit sales more than doubled during the nine-month period to EGP 88.1 million compared to 9M 2016 figure of EGP 41.4 million. Meanwhile, receipts from community management and services stood at EGP 28.9 million in 9M 2017, up 82.2% compared to the EGP 16.3 million collected in the same period last year. ERC's total cash balance as at September 2017 stood at EGP 117.7 million in addition to EGP 43.4 million in long term deposits.

Land Plot Sales

During the nine-month period, ERC recorded total land sales revenues of EGP 107.0 million in 9M 2017 compared to EGP 29.1 million in the same period last year, up 267.7% y-o-y. Land sales during the period include an EGP 102 million plot in Sahl Hasheesh (9M 2016: EGP 26.4 million), as well EGP 4.9 million in land sales at the company's Jamaran project (9M 2016: EGP 2.7 million).

Proprietary Projects

Revenues from ERC's proprietary projects recorded a total of EGP 19.1 million in 9M 2017, including EGP 8.6 million generated by Tawaya (9M 2016: EGP 5.9 million). Tawaya, which is ERC's exclusive waterfront apartments in Old Town developed in cooperation with Palm Hills, is now almost 50% sold, contracted or reserved having generated some EGP 160 million in contracted sales since inception. Total units delivered during the nine-month period reached

20 units with an expectation to deliver a further 15 units by year-end. Meanwhile, ERC's recurring revenues streams recorded EGP 2.5 million from Old Town Retail's rental revenue and EGP 3.2 million from food and beverage retail outlets.

Infrastructure Revenues

Revenues from ERC's rendered services recorded a solid 53.4% y-o-y increase to EGP 56.6 million in 9M 2017 and contributing 31.1% to total revenues for the period. Utilities and services rendered included power distribution (EGP 26.5 million) and water distribution (EGP 12.7 million) among others.

Events & Activities

ERC continues to view ongoing marketing efforts as a key driver for success and for positioning its developments as Egypt's top coastal destinations among foreigners and Egyptians alike. During the nine-month period, ERC held a number of events including beach parties, sporting competitions as well as CSR activities as part of its commitment to give back to the communities where it does business.

Most recently the company hosted signature beach parties with live DJs every Friday as part of its Boardwalk Beach Parties season which kicked off during Eid Al Fitr in July and ran through to October. Additionally, Bus Stop, a live music restaurant/bar located on the Boardwalk, made its debut in July 2017 with two nights of live music with The Cadillacs, Crash Boom Bang and Bluezophrenia.

Sahl Hasheesh is now gearing up for the first-ever Sahl Hasheesh Rally 2017 taking place on November 24th and 25th. The weekend will feature an exciting 4x4 obstacle course challenge, rally raid challenges and many other entertainment options.

Earlier in the year, Sahl Hasheesh hosted the biannual triathlon with Trifactory during 2Q 2017, an event which has been held at Sahl Hasheesh every spring and winter over the last four years, with preparations already underway to host the event's winter leg. May 2017's event saw 600 athletes from Egypt and across the world competing in a variety of exciting races.

Meanwhile in April 2017, in byGanz Extraordinaire, one of the most widely known Egyptian-based event and PR companies, hosted a three-day event featuring daytime beach activities and evening entertainment in collaboration with Blue Marlin UAE.

April also saw ERC organize an Orphan Day where 35 children were hosted for an activity-filled day on Sahl Hasheesh's beach. The event included a submarine tour, lunch on the beach and various entertainment activities. ERC also donated 641kg of dry foodstuff for Eid Al Adha to non-profit organization, Egyptian Food Bank, in line with the company's belief in CSR as an effective tool to support Egyptian society.

Looking Ahead

Management is actively working to realign ERC's business model and strategy with the prevailing economic realities and the difficulties faced by the tourism industry. As such, new measures will be introduced during the coming period aimed at expanding the company's offerings across the real estate value chain, increasing product diversification and maximize recurring revenue as a means to promote long-term sustainable value creation. The strategy will see ERC increasingly develop its own strategic and flagship assets utilizing its financial resources, as well as directly invest in recurring income developments such as hotels, commercial and retail spaces. ERC will also work to better utilize its infrastructure assets and facilities management division, both primary sources of recurring income for the Company with real long-term potential.

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About ERC

Egyptian Resorts Company S.A.E. (EGX: EGTS.CA) is a real estate and master developer of international standard communities on a fully-integrated management basis. The company is incorporated in Egypt and headquartered in Cairo. 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

Red Sea Hotels Holding	16.46%
First Arabian Company	10.00%
Al Ahly Capital Holding	4.50%
Misr Insurance	8.05%
Rowad Tourism Company	7.60%
Misr for Life Insurance	6.96%
Others	46.43%

Investor Contact

Ayman Taha	Telephone	+202 2735 8427
Senior Manager - Investor Relations	Fax	+202 2735 2743
Egyptian Resorts Company	email	Ayman.Taha@erc-egypt.com

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