



EARNINGS RELEASE – Third Quarter 2011

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ERC Announces Consolidated Results for Third Quarter 2011

Egypt's leading master developer reports a quarterly net loss in the absence of Sawari marina sales and a net profit for the nine months ending September 30, 2011 of EGP 1.1 million compared to a net loss of 6.7 million for the first three quarters of last year.

Third Quarter 2011 Financial and Operational Highlights

- Revenues of EGP 6.4 million, a 156% increase from the same period of 2010.
- Net loss of EGP 3.4 million compared to a net loss of EGP 7.3 million in Q3 2010.
- EGP 5.1 million in utilities revenues recognized, an 8.9% decrease year-on-year.
- Old Town retail outlets have reached 36 shops rented out, of which 9 are now open.
- ERC continues to actively defend development rights of Phase III land at Sahl Hasheesh.
- ERC continues to attract more visitors to the resort and beach, launches the Sahl Hasheesh magazine and hosts events attracting growing traffic.

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's leading master developer of mega communities, announced today its consolidated results for the third quarter of 2011, reporting a net loss of EGP 3.4 million on revenues of EGP 6.4 million. Earnings included EGP 6.1 million in interest income in the third quarter.

Commenting on the Company's 3Q11 results, Chief Executive Officer Mohamed Kamel said:

In light of the continuing volatility and lack of visibility on market conditions, especially those related to the tourism industry, we look back on the third quarter as one of reasonable progress. We have held a successful promotional event for Sahl Hasheesh and Sawari, seen continued strong revenue development from recurring sources and strong occupancy rates at our sub-developers' hotel properties, signaling that Sahl Hasheesh is possibly recovering/growing faster than the broader Egyptian tourism market.

We are proceeding with our development approval procedures for our Sawari marina, a 2.5-million-square meter joint project with Orascom Development and Management. We expect initial dredging and construction works on the marina basin to start in the 2nd quarter of 2012. We expect phase 1 of the Sawari project – approximately 1.0 million square meters – to generate significant revenues against reasonable costs over the next 7 years.

Meanwhile, the Old Town — Sahl Hasheesh's commercial hub — has seen notable improvement in terms of tenant demand for its retail space signing on a total of 36 tenants, of which 9 are now operational. Other retailers are expected to open their doors soon. Sahl Hasheesh Company is following the detailed retail plan prepared by Jones

Lang LaSalle for tenant mix and pricing leading to a varied and diverse base to meet the interests and needs of the community's residents and visitors.

I am pleased to report that two more of our sub-developers' projects are open for business. Azzura, a residential project, had announced the grand opening of phase 1 in October and have started to hand over a number of their units. Also, Tropitel hotel held a soft opening on the 15th of October with the grand opening scheduled for December 2011. Both developments are considered best-in-class amongst competitors in and around the Egyptian Red Sea.

With regards to our ongoing proactive legal defense of our Phase III land bank, ERC has filed a formal complaint with the administrative court and the first hearing is scheduled for December 2011. Regardless of the outcome, ERC is prepared with a worst-case-scenario strategy based on the development of a larger area of its remaining 4 million square meters of prime seaside land bank. This strategy's net present value may, in good economic conditions, surpass that of a long term master development model for Phase III.

RECENT DEVELOPMENTS:

As previously disclosed, ERC signed a memorandum of understanding (MOU) with the leading global hotel and resort operator and manager Nikki Beach and Resorts to operate and manage a 100-room boutique hotel to be built at Sahl Hasheesh. Their willingness to do business signals a leading international brand's confidence that Sahl Hasheesh holds strong, long-term profit-generating potential.

Hotels at Sahl Hasheesh reported a quite-respectable 55% average occupancy rate this past quarter, with one property maintaining an occupancy rate of over 90%. We note that tourist arrivals in the first half of the year stood at 4.1 million versus 6.9 million in the same period last year. The Ministry of Tourism has projected that 11 million tourists will visit Egypt in 2011, compared with 14.7 million tourists in 2010.

Finally, I am pleased to announce that this coming quarter saw the launch of the Sahl Hasheesh magazine, which will serve as an integral component of a wider marketing plan for the community. This quarterly magazine will bring news, construction updates, and information about upcoming events at Sahl Hasheesh to a wide range of potential consumers.

Mohamed Kamel

Chief Executive Officer

An Important Note:

Management encourages investors not to analyze Egyptian Resorts Company by scrutinizing quarterly sales figures as they would manufacturing or other real estate firms. ERC is a master developer of mega resort communities and unlike other developers, focuses on the macro development infrastructure and land plot sales. The timing of land sales (which tend to be large, strategic plots) to value-adding developers is a function of market conditions and management / board strategy at any given moment. ERC targets a healthy pace of land release from its bank so as to preserve both ERC valuations and the returns on investments of our sub-developers. A more traditional quarter-by-quarter analysis will be appropriate only for the analysis of recurring revenue streams as these mature in the years ahead.

About ERC

Egyptian Resorts Company S.A.E. (EGX: EGTS.CA) is a master developer of international standard resort communities on a fully-integrated management basis. The company is incorporated in Egypt and headquartered in Cairo. Egyptian Resorts Company acquires broad land holdings suitable for premium mega resort development at nominal value. The company then creates a master plan in partnership with global 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 primary businesses are hotel ownership, operation and management, as well as luxury resort and residential real estate development. 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 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

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|-----------------------------|--------|
| KATO Investment | 11.96% |
| Rowad Tourism Company | 10.00% |
| First Arabian Company | 10.00% |
| Al Ahly Capital Holding | 8.99% |
| Misr Insurance | 8.05% |
| Misr for Life Insurance | 6.95% |
| Orascom Development Holding | 4.50% |
| Other long-term investors | 7.64% |
| Free Float | 31.91% |

Investor Contact

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