



EARNINGS RELEASE – First Quarter 2012

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ERC Announces Consolidated Results for 1Q2012

Egypt's leading master developer maintains current sales momentum at Sawari, prepares to bring new villa zone project "Jamaran" into sales pipeline, and inks contract to develop world-class medical facility to serve both community residents and the medical tourism market.

First Quarter 2012 Financial and Operational Highlights

- Revenues of EGP 6.7 million, a 13% increase year-on-year
- Operating loss of EGP 11.6 million vs. EGP 8 million in 1Q2011 (due to subsidiary Sahl Hasheesh Company's weaker than expected operating performance)
- Loss before tax of EGP 4.9 million vs. profit before tax of EGP 1.2 million for Q1 2011
- Net loss of EGP 5.5 million vs. net income of EGP 1.3 million in 1Q2011
- Earnings per share of -EGP 0.0034 against +EGP 0.004 in 1Q2011
- Sawari marina revenues of EGP 2.6 million vs. EGP 3.2 million, an 18% decrease year-on-year
- Utilities revenues of EGP 4 million, a 48% increase year-on-year
- Interest income of EGP 6.5 million, a 20% improvement year-on-year

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's leading master developer of mega communities, announced today its consolidated results for the first quarter of 2012, reporting a net loss of EGP 5.5 million on revenues of EGP 6.7 million. Total revenues of EGP 6.7 million in 1Q2012 (a 13% rise from the previous year) included EGP 2.6 million of recognized sales of residential units in its Sawari marina project and EGP 4 million in utilities revenues. Notably, utilities revenues rose 48% compared to 1Q2011.

Building on the program inaugurated in FY11 of proactive cash conservation pending the restoration of long-term market and economic visibility, general and administrative expenses declined 13% year-on-year to EGP 5.6 million in 1Q2012 despite the continuing pace of operational progress. The 95% decline year-on-year in selling and marketing expenses to EGP 0.8 million is a result of enforcing a higher degree of focus on high-impact marketing and the cash conservation strategy.

The net loss from operations of EGP 11.6 million in 1Q2012 (compared with EGP 8 million in 1Q2011) was partially offset by a 20% rise in interest income to EGP 6.5 million. Net earnings before taxes accordingly stood at a negative EGP 4.9 million.

ERC's balance sheet closed the quarter in a stable position with cash of EGP 93.1 million in addition to EGP 94.6 million of investments in Treasury Bills - ERC has begun separating its cash and Treasury Bills balances in Q1 2012 to provide the reader with more details. Total receivables rose EGP 13.2 million quarter-on-quarter to EGP 397.4 million.

Commenting on the Company's 1Q2012 results, Chief Executive Officer Mohamed Kamel said:

Broadly speaking, 1Q2012 unfolded in line with expectations on the financial, operational and broader industry fronts. Egypt as a whole recorded a 32.2% year-on-year uptick in tourism arrivals in the first quarter, with Russian, British and Italians serving as the three top sources of c.2.5 million tourists. That uptick helped stabilize Egypt's foreign currency reserves in March 2012 and appears to have prompted the Government of Egypt to revise upward its expectations of 2012 to 12.5 million visitors from 11.3 million in its previous forecast.

While these figures are still well far from the 14.7 million arrivals in FY2010, we continue to maintain a cautiously optimistic view that the presidential elections beginning this month and the appointment of a fully functional, full-time government will lead to a substantial improvement in key economic indicators. This will, in due course, translate into better visibility and an uptick in business, consumer and investor sentiment toward year's end.

Suggestions of a gradual, broad-based recovery of demand for second homes beginning very late this year and early in 2013 still appears feasible, although notable in this respect is that our Sawari marina project contracted sales in 1Q2012 worth EGP 13.2 million against an expectation of zero sales in the first half.

This development is a testament to the long-term value proposition of both Sahl Hasheesh and of the keystone projects ERC is developing. In this respect, additional highlights of our performance in the first quarter include:

1. Contract to Develop a 5-Star Medical Facility

ERC signed an agreement in early 2Q2012 with Dr. Adel Kader Dewedar, owner of Egyptian Hospital in Hurghada to develop a five-star hospital and health facility at Sahl Hasheesh. This facility will target both residents and the burgeoning global medical tourism market. The facility will be fully operational in three years, offering a 24/7 emergency room and around-the-clock ambulance services in the first year. Year two will see additional laboratory services offered alongside outpatient clinics for internal medicine, pediatrics, obstetrics and gynecology, and orthopedics. The final year will see dental, ENT, ophthalmology, dermatology and venereology added to the roster of specialities alongside physiotherapy, radiology, an inpatient unit, intensive care unit and world-class operating theater. This hospital is an additional brick in ERC's vision for Sahl Hasheesh as a flourishing resort city.

2. Villa Zone Plan Taking Shape

Management has received Board of Directors' approval to launch 'Jamaran', the sea-front Villa Zone project to be developed by ERC as part of our strategy to expand development of real estate projects. The Jamaran master plan envisages a total of 47 villas with full or partial sea views in a private villas-only community, with market prospects bolstered by both unique designs and competitive value.

3. Legal Updates

The next court session in the case filed to annul the Sahl Hasheesh contract is presently scheduled for 5 July 2012. At time of writing, we have no further information as to the status of our proactive suit regarding the withdrawal of Phase 3 land.

I look forward to reporting substantial new developments in our 2Q2012 earnings release as we focus on finalizing development approvals for Sawari (where dredging remains a 3Q2012 priority); execution of the Villa Zone business plan; and the attraction of new tenants for Old Town, where 24 of 42 rented outlets are now operational.

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

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%

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