



EARNINGS RELEASE – Third Quarter 2013

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ERC Announces Consolidated Results for Third Quarter 2013

Key developments in the 3Q 2013 include increased recurring revenues, a new transportation contract and a post office opening at Sahl Hasheesh

Third Quarter Financial and Operational Highlights

- Net revenues of EGP 4.8 million in 3Q 2013, a 36.8% decrease from EGP 7.6 million in 3Q 2012 dampened by sales returns of EGP 5.9 million on the Sawari Marina; recurring revenues are up 38.8% Q-o-Q.
- Gross loss of EGP 7.3 million against a gross loss of EGP 7 million in the same period of 2012.
- Operating loss of EGP 18.3 million compared to EGP 15.7 million in 3Q 2012.
- Loss before tax of EGP 14.3 million compared with EGP 8.4 million in 3Q 2012, due to forex losses and a decrease in recognized interest income.
- Net loss of EGP 9.7 million compared with EGP 7.7 million in 3Q 2012.
- Earnings per share of negative EGP 0.009 against negative EGP 0.005 in 3Q 2012.

Egyptian Resorts Company (EGX: EGTS.CA), Egypt's leading master developer of mega communities, announced today its consolidated results for the third quarter of 2013, reporting a net loss of EGP 9.7 million on revenues of EGP 4.8 million. By comparison, in 3Q 2012 the company reported a net loss of EGP 7.7 million on revenues of EGP 7.6 million.

ERC reports the signing of a new transportation contract that will facilitate transportation within Sahl Hasheesh and create an uptick in traffic from the surrounding areas, which has also been boosted by the continuation of the company's aggressive domestic and international marketing efforts.

Also in the quarter just ended, Sahl Hasheesh saw a number of new Old Town shops rented and opened, and continued new demand for utilities, resulting in growth of recurring revenues (including community services and utilities) to EGP 9.3 million (up 36.8% over the same period of 2012). Investors in Sawari Marina are waiting on final regulatory approval for the start of construction before fully committing. Upon receipt of that approval, management anticipates a significant increase in sales at Sawari.

Under its long-term cash conservation program, management constrained general and administrative expenses to EGP 6.4 million in 3Q 2013, while selling and marketing expenses closed the quarter at EGP 116 k .

ERC's balance sheet remained liquid at the close of the third quarter, with cash of EGP 73.4 million in addition to EGP 51.4 million cash equivalent investments.

Commenting on the Company's 3Q 2013 results and the outlook for the last quarter of the year, Chief Executive Officer Mohamed Kamel said:

Political developments in Egypt during the third quarter took a predictable toll on international tourist arrivals as a number of important originators of tourists imposed travel warnings on Egypt. That said, it now appears as if the end result of the events beginning 30 June 2013 is a solid move toward the stability that the majority of Egyptians — and tourists — seek. Despite this development, we remain mindful that consumer confidence and tourist sentiment toward Egypt as a destination will face headwinds in the medium term. In this respect, we are not surprised that gains early in the year had been reversed by the end of 9M 2013, with the number of tourists arriving to Egypt dropping 25% year-on-year in July and 46% Y-o-Y in August, to 564,517 tourists. Numbers for September are as-yet unreleased, but analysts anticipate a third month of decline.

That said, tourism to the more resilient Red Sea witnessed a less significant drop, and by early 4Q 2013 had already begun to show some signs of recovery. Notably, Sahl Hasheesh has witnessed a considerable uptick in domestic tourist arrivals, with occupancy rates climbing especially during the local Eid vacation period. Moreover, the series of Friday Boardwalk Beach Parties has driven considerable traffic to Sahl Hasheesh from our core target audience in the surrounding area as well as from major urban centers including Cairo.

In view of the lifting of international travel advisories and signs of improving domestic stability, we remain highly optimistic about Egypt as a globally competitive tourism destination. With this in mind, and taken together with the continued rise in domestic interest in Sahl Hasheesh, we continue both our international marketing efforts and our build-out of the community's infrastructure and total tourist offering.

Legal Update

The next court session in the case filed to annul the Sahl Hasheesh contract is presently scheduled for 5 December 2013. Meanwhile, the next court session in our proactive suit filed against the Tourism Development Authority for the withdrawal of Phase 3 land is presently scheduled for 16 December 2013.

Mohamed Kamel

Chief Executive Officer

About ERC

Egyptian Resorts Company S.A.E. (EGX: EGTS.CA) (www.erc-egypt.com) 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 envisions and creates a master plan in partnership with global architectural and urban planning firms, builds state-of-the-art infrastructure, enforces design guidelines and community management rules and regulations. ERC generates cash from three revenue streams; (1) the on-selling of individual pre-designated land parcels to sub-developers and investors whose primary businesses are hotel ownership, operation and management, as well as luxury resort and residential real estate development, (2) the development of strategic one-off assets (e.g. downtown commercial core, marina and surrounding real estate ...etc.), and (3) the supply of utilities (water, electricity, communications) and community management services (security, waste management, upkeep and maintenance, ...etc). ERC's flagship project is the 32 million square meter Sahl Hasheesh International Resort Community (www.sahlhasheesh.com).

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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