





Vision:

Become a regional master developer of international standard mega communities by designing and implementing a world-class; master-designed, developed and controlled community standard. We aim to redefine Egyptian urban planning from every aspect of the world's best international communities and developments.

Mission:

Make our shareholders proud of the company's standards, reputation, operational performance and financial performance by creating memorable destinations and by being a reliable partner to our sub-developers and investors.

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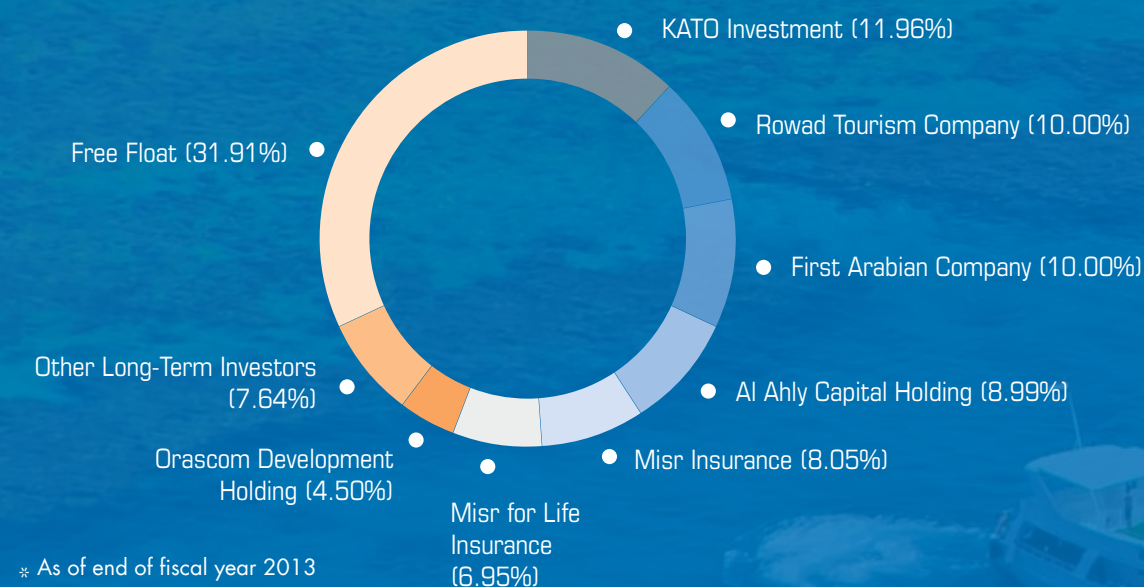
ERC

At a Glance

ERC offers a unique value proposition to its sub-developers – the only professionally master developed and managed integrated resort community on the Egyptian Red Sea coast – while promoting the creation and delivery of a world-class experience for end-users of its master planned developments.

ERC derives revenues from three clear streams: (1) the sale of land plots to sub-developers; (2) the development of strategic real estate projects; and (3) the sale of utilities and community management services.

ERC Shareholder Structure *



Sahl Hasheesh: A Seaside Resort Town on the Red Sea

Location:

- 18 km south of Hurghada International Airport
- 22 km south of Hurghada City Centre
- 475 km from Cairo
- 250 km from Luxor and the Valley of the Kings

Unique Characteristics:

- 32 million m² / 3,200 hectares in size
- An all sea-view resort - land elevations rise gently from sea level to 120 meters at the western edge of the resort
- 12.5 km shoreline / 9 km swimmable beach engulfed in a protected bay
- Year-round destination with moderate-to-hot weather with low humidity and calm waters

The Sahl Hasheesh Master Development

Direct Economic Value Upon Completion*




* As of end of fiscal year 2013

Management Review



Chairman's Letter

 "I believe that our company is ideally positioned to create long term value for our shareholders as the tourism and real estate industries get back on track alongside the wider economy."



Dear Shareholders,

Over the course of the past twelve months, Egypt has weathered serious economic and political challenges. But, 2013 is over and 2014 has begun with a resoundingly successful Constitutional Referendum and all signs pointing towards growth and stability. I am truly optimistic about the potential of the coming year and as we wrap up a challenging but ultimately promising year for Egypt and for ERC, I am pleased to introduce our 2013 Annual Report.

For Egypt, the year 2013 was even more transformative than the

previous two years combined, and I believe we are now on a course that will foster growth and long-term stability.

Throughout the ups and downs of 2013, ERC management performed admirably and with purpose, guiding the company through uncertain waters. On behalf of the Board of Directors and our Shareholders, I would like to express our gratitude to each and every staff member for his dedication and commitment to the company. Likewise, I am grateful that we have been able to depend on the

continued support and expert advice of our Board of Directors.

This progress was also witnessed on the corporate front, as existing investors are expanding their projects and we have signed agreements with new investors. Furthermore, major advancements have been witnessed in ERC's projects, as pipeline projects approaching due dates are being finalized and existing projects continue to expand, in addition to the diversification of Sahl Hasheesh's portfolio through the addition of new services and investments. This,

coupled with a steady progress on the Jamaran project, marks the first signs of a tourism industry recovery.

Through all of this, ERC has kept costs under control and our balance sheet liquid. Indeed, I believe that our company is ideally positioned to create long-term value for our shareholders as the tourism and real estate industries get back on track alongside the wider economy.

We continue to defend our interest in Sahl Hasheesh's Phase III and to develop contingency plans to

protect our shareholders' interests regardless of the outcome. In 2014, management will employ a balanced approach to navigate the company along Egypt's road to recovery.

Mr. Adel Hammad
Chairman of the Board

CEO's Note

“Sahl Hasheesh has grown into a destination attracting affluent market segments locally and internationally.”



In last year's annual report, I called 2012 the “most challenging yet for ERC.” Little did I know that 2013 would have more challenges to bring. Political developments and the security situation countrywide took a predictable toll on the economy and on consumer sentiment in general, and on the travel industry in particular, with both tourist arrivals and tourist spending down significantly from the previous year. In 2013, 9.5 million tourists visited our nation, a 17.4% decline from the previous year and a

35.8% decline from the peak of 2010, while tourist receipts dipped to USD 5.9 billion in 2013 from USD 9.9 billion in the previous year and from USD 12.53 billion in the peak of 2010.

That said, the true measure of a corporation's resilience is not in how it manages in a strong economy, but in how it weathers the downturn. In the year just-ended, ERC has overcome a damp economy, an uncertain security environment and volatile political scene to decisively place

itself in a position to capitalize on growth once Egypt's economy and tourism industry recover. The long-term fundamentals of Egypt's tourism industry are as enduring as the seashore, ancient monuments and heritage sites that have traditionally made us one of the most sought-after global destinations.

To that end, we have made some progress in 2013, as we look to grow in 2014 and beyond:

Sahl Hasheesh Positioning

Sahl Hasheesh has grown into a destination attracting the affluent market segments locally and internationally. Sahl Hasheesh hotels reported above 60% occupancy for the year compared to below 50% on average in the Red Sea region and Egypt overall.

Tour Operators are seeing higher demand from travelers to Sahl Hasheesh for its natural sandy beaches, hospitality, gated community and overall resort city aesthetics - an unmatched combination on the Red Sea. Furthermore, and thanks to our team's soft marketing approach, the

affluent local market has discovered the destination and provided a continuously growing traffic flow of holiday makers, ranging from youths to elderly couples and families. This growing traffic of tourists and visitors have also identified the opportunities for investing in second homes with expected high returns as reported by the better-than-expected sales and development results of current sub developers' projects in Sahl Hasheesh.

Going forward, and with the ever-growing interest of travelers, hospitality and real estate investors, retail operators and home buyers, we are confident in the future of Sahl Hasheesh as the fastest growing and most professionally managed resort city in Egypt.

Existing Investors

A couple of hospitality investors are expanding operations in Sahl Hasheesh; a positive sign in the midst of uncertain times. This confirms our deeply held view that Sahl Hasheesh is the ideal destination for hospitality and real estate investment for both

regional and local investors as the political situation in Egypt stabilizes.

Infrastructure

We upgraded the capacity of our proprietary water desalination plant from 10,000 to 14,000 cubic meters per day based on the forecast demand for the coming years.

The “Old Town”

The number of tenants in The Old Town, Sahl Hasheesh's commercial and entertainment core, reached 60 at the end of 2013, up from 52 tenants at the end of 2012. Of the total rented shops, 49 are now open, including a post office — a vital service for any community.

Transportation Contract

Another development in 2013 was the signature of an exclusive transportation contract to provide point-to-point transport within Sahl Hasheesh. We also signed a non-exclusive contract to provide car rentals and a bus service. This contract will facilitate both transportation within the community and an uptick of commuters from the sur-

rounding area, including Hurghada International Airport, Hurghada city center, El-Gouna and the Hurghada Marina.

Strategic Priorities for 2014

Looking ahead, 2014 will see ERC working towards a number of strategic goals, not least of which will be the continued program of proactive cash flow management, which has served us quite well to date. We will also look to sell all remaining units in the Jamaran project and — demand and industry conditions permitting — potentially launch a more ambitious proprietary project in Sahl Hasheesh.

Mr. Mohamed Kamel
Chief Executive Officer

Our Strategy



The company pursues an integrated, full-cycle development strategy. It acquires broad acre land holdings suitable for premium mega 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 networks, 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.

Land Sales

Unlike most developers, ERC focuses on the macro development of infrastructure and the subsequent sale of project-defined land parcels to qualified developers. The timing of

land sales — which tends to be large, strategic plots — to value-adding developers is based on a strategic assessment that balances current supply and future demand for real estate and hospitality products. ERC targets a healthy pace of land release so as to preserve the value of its residual land bank as well as the returns on the investments of sub-developers.

Strategic Real Estate Development

ERC builds and manages, directly or through subsidiaries, a number of strategic one-off assets within the community to ensure the presence of a base supply of property units and critical amenities and provide a quality-control framework for other sub-development projects. ERC is developing the only marina in Sahl Hasheesh, Sawari, and also develops the commercial down-

town core for each master-planned phase of development.

Recurring Revenue: Utilities

ERC is the exclusive utilities provider through extensive investment in state-of-the-art infrastructure, including: a water desalination plant, a sewage treatment plant and its supporting lift-pump stations, electricity sub-stations and distributors, and the latest generation fiber-optic networks. Utilities represent a steady growth stream of revenue for ERC that matches the community's pace of development.

Recurring Revenue: Community Management Services

Complementing the utilities business, ERC's strategic model also includes community management services as a revenue stream based on a cost-recovery model.

ERC provides the full array of community services to its residents including security, waste management, public area and beach maintenance, cleaning, community brand and reputation management, and quality and design control.

Future Expansion

Although ERC's present operational focus is on the development of Sahl Hasheesh, the company continues to target a position as the region's leading master-developer. The institutional skill sets and best practices developed on the Red Sea coast are equally portable to other large-scale mixed-use, industry-based or agriculture-based communities locally and internationally.

Adapting to a Fluid Outlook

At Sahl Hasheesh, developers continue to deliver on their projects. This

has led to an increase in revenue to ERC from the sale of utilities.

Additionally, management has decided to focus its efforts on the following strategic opportunities:

1. Growing strategic real estate projects: Sawari Marina, The Old Town commercial center and Jamaran are key projects that drive ERC's second revenue stream, increase Sahl Hasheesh's attractiveness and encourage widespread development.
2. Soft Destination Marketing: Adopting a soft marketing approach has helped position Sahl Hasheesh as the destination of choice for visitors as well as encouraging developers to resume investment as tourism and second home purchases regain momentum.
3. Expanding land sales to key developers: Attracting investments through tailored products to developers' need remains to be the key to turn around the slowdown that started in 2008.
4. Contingency Planning: In the unlikely event that the TDA does not reverse its withdrawal of the Phase III land area, ERC has been actively building the capacity to shift the business model from a pure master developer to a B2C developer with approx. 4 million m² available for development over the next 9-12 years.

Our Current Market

Sahl Hasheesh is growing at a rate that is three times faster than that across Egypt and the Red Sea.

Comprehensive mega-resort developments are long-term projects that have to keep in step with tourism and real estate market needs in order to remain financially viable.

Growth rates for the number of hotel rooms at the most prosperous international resorts (Majorca, Malaga, Tenerife, Gran Canaria) range between 900 to 1,800 rooms a year, which indicates that the natural development period for Sahl Hasheesh should range between 30 to 50 years to safeguard the area's success and ensure that supply is in step with market demand and its underlying growth drivers.

Red Sea has Multiple Gated Destinations along the Coast



This past year was particularly difficult for the Egyptian tourism industry, with only 9.5 million tourists visiting the country in 2013, a 17% decrease from 2012. Even more damaging, the drop in tourist numbers was accompanied by a more pronounced drop in tourist revenues from USD 9.9 billion in 2012 to USD 5.9 billion in 2013.

Like its tourism industry, the Egyptian economy as a whole struggled to regain its footing in 2013, with nominal GDP falling from USD 262.3 billion to an estimated USD 260.5 billion and real GDP growth remained essentially static, at an

estimated 2.1% in 2013 compared to 2.2% in 2012.

That said, all signs point to a real recovery having already begun. GDP growth is projected to pick up in 2014 and return to 4% and 5% growth rates from 2015 onwards. Even more telling, in the first quarter of the FY13/14 fiscal year, which ended September 2013, the country's balance of payments reported a surplus of USD 3.7 billion, a significant increase over a deficit of USD 518.7 million in the same quarter of FY12/13. Likewise, the current account is now positive, at USD 757 million, its first positive balance in eight quarters.

Furthermore, the government has begun disbursing a second EGP 30 billion stimulus package aimed at the country's infrastructure, the building up of industrial zones, and funding a significant increase to the minimum wage for public sector employees.

At the same time, the Central Bank of Egypt has loosened currency restrictions, bolstering confidence in the economy.

In other positive news for the economy and the tourism industry in particular – following the reissuance by several countries of a travel ban after the Taba incident – English

Premier League giants Manchester United have sent star striker Wayne Rooney to Egypt to benefit from the warm and sunny weather to recover from a recurrent injury. Also, European Union Foreign Policy Chief, Catherine Ashton, brought her family to Egypt for her Christmas holiday. Between these developments and a strong government initiative to reassure tourists that Egypt is safe and open for business, tourism numbers are expected to pick up.

As in the past, tourism to the Red Sea coast saw less of a decline than overall tourism, and management anticipates that it will pick up

and return to strong growth rates sooner than overall tourism as well. European and Russian tourists continue to fly directly to Hurghada or Sharm El-Sheikh for a relaxing beach vacation, bypassing the hectic and potentially turbulent urban areas. These tourists are more likely than others to return home with positive reviews of Egypt, driving increased visits.

Domestic tourists are likewise drawn to the tranquility and beauty of the Red Sea coast, while an uncertain economy has encouraged Egyptians to explore the vacation possibilities offered by their own country.

To capitalize on these trends, an aggressive marketing plan and a full calendar of events and activities has seen increased traffic to Sahl Hasheesh from domestic and international tourists. Even more promising, there has been a measurable increase in investor interest in the development. As new investors sign on to Sahl Hasheesh and its projects, and interest in the development grows, management is increasingly confident in the smooth sailing ahead.

Events

In increasingly large numbers, international and domestic tourists alike are headed to the Red Sea coast for fun, relaxation and safe holidays. To attract these tourists to Sahl Hasheesh, ERC has created a full calendar of events and activities.

In April, Sahl Hasheesh was proud to host the welcome ceremony for the Bike Parade, a part of the Global Biking Initiative (GBI), which holds events worldwide to benefit charity. In coordination with the Egyptian Tourism Authority, the Tropitel Hotel sponsored the GBI Egypt cycling marathon to promote Egyptian tourism under the slogan "Visit Safe Egypt." The Egypt event was a four-day, 500-kilometer ride from Cairo through Ain Sokhna, Ras Ghareb, and El Gouna, ending in Sahl Hasheesh. Tropitel held a grand finale welcome ceremony for the participating cyclists.

Continuing the theme of outdoor fitness, in early May, Sahl Hasheesh hosted the Stallions Fitness Camp, which promoted a range of workouts across the resort, including Functional Training, Strength Training and High Intensity Interval Training (HITT). Over these four days of fitness and fun, a number of people learned how to stay fit and lead healthy lives from professional trainers.

On the cultural front, in October, Sahl Hasheesh hosted the Cairo Opera House, which performed a selection of favorite operas and operettas — including Carmen, the Phantom of the

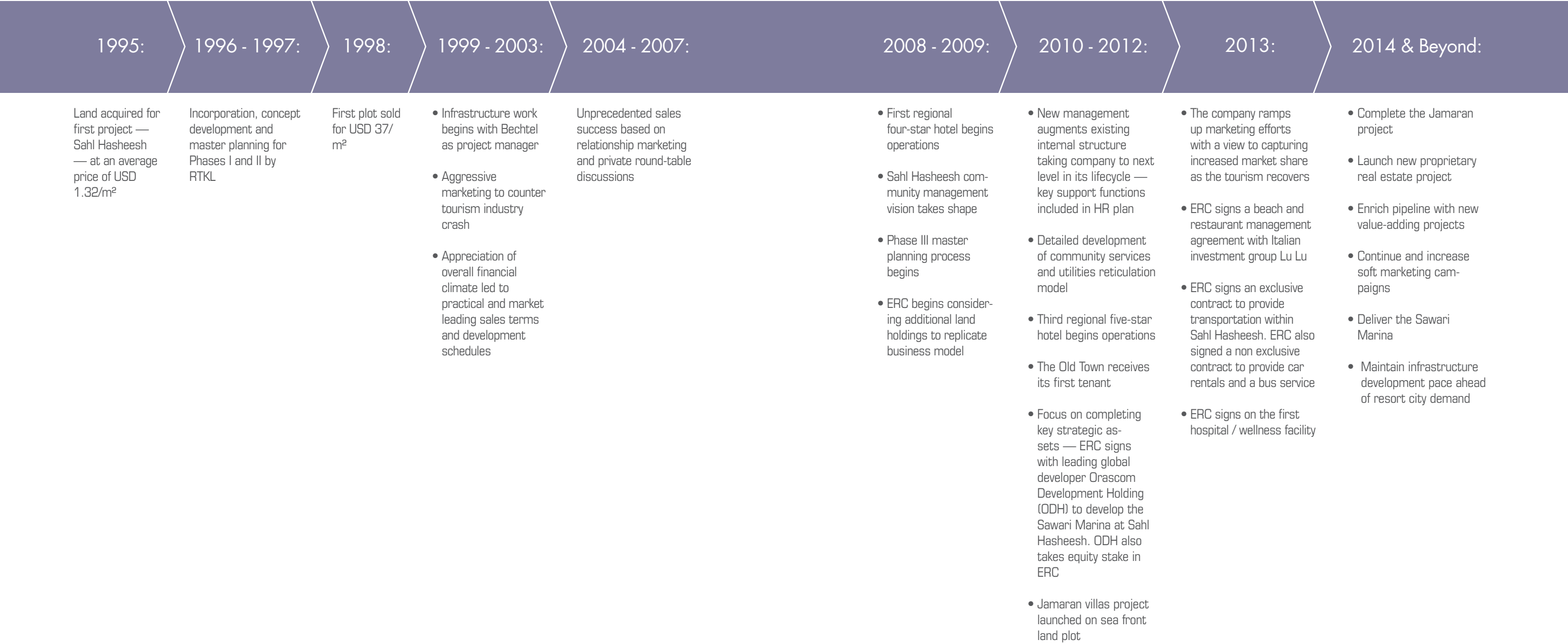
Opera and Les Misérables and ballets including The Nutcracker and Scheherazade. This lovely evening was very well-attended and management hopes to make it an annual event.

In addition to these major one-time events, a number of smaller, recurring activities have also been held. For instance, weekly boardwalk beach parties and peaceful yoga retreats have drawn considerable return traffic to Sahl Hasheesh from our core target segment in the surrounding areas as well as from major urban centers, including Cairo.

Going forward, ERC will continue with this successful program of activities and add more as the market grows. The preliminary 2014 Calendar of Events includes daily activities such as, diving trips and horseback riding as well as standout weekend events such as, a Bollywood Dance Performance and a Colorscope Weekend, festivals to commemorate major holidays, a visit from the Cairo Opera House, Boardwalk Beach Parties, a weeklong Summer Fest, and a New Year's Party.



The History of ERC's Sahl Hasheesh Community



ERC Master Development
Sahl Hasheesh



ERC Master Development: Sahl Hasheesh

Covering an area approximately two-thirds the size of Manhattan with a beach front that runs over 12.5 kilometers long, Sahl Hasheesh has been meticulously planned as a largely self-sufficient year-round resort community furnished with well-rounded touristic and residential conveniences and complemented by an integrated and comprehensive service community.

The Sahl Hasheesh Vision

The Sahl Hasheesh concept revolves around establishing a self-sustaining resort city on the Red Sea coast. This year-round community is to be equipped with facilities and infrastructure with minimal dependency on government resources. Sahl Hasheesh is to provide a full spectrum of amenities and attractions, including: hotels and residences, golf courses, sports clubs, along with comprehensive community services including city administration, hospitals, schools, universities, and research centers, all powered by a diverse workforce that forms an integral part of the Sahl Hasheesh community and is supported by a substrate of SME activities.

To accomplish this vision, ERC has contracted leading global consultants to analyze and adopt the best development practices and ideas from successful international resort communities in order to set a new benchmark for the planning of Egyptian resort cities.

In developing Sahl Hasheesh, ERC is responsible for:

- Urban planning
- Design Guidelines and Conditions
- Development and Enforcement
- Infrastructure Investment
- Strategic Asset Development
- Maintenance and Community Management





In 1995, ERC acquired the Sahl Hasheesh land bank. Over the years, in partnership with leading global consultants, ERC has planned and directed the development of Sahl Hasheesh according to the highest international standards, growing the weighted average price (WAP) of its land bank to a high of USD 143 per square meter in 2008.

With stunning five-star hotels, luxurious apartments, a beautiful downtown waterfront, unforgettable dive sites, golf courses, and a world-class marina, Sahl Hasheesh is poised to become one of the most exclusive addresses on the Red Sea.

Nestled in the spectacular surroundings of Sahl Hasheesh, exclusive hotels and apartments with direct beach access are continuously being developed and made available for short-term stay, purchase or lease. The resort's 5-star hotels, including the Old Palace, Dessole Pyramisa, Premier Le Reve, Premier Romance

and Tropitel offer vacationers the best value-for-money on the Egyptian Red Sea coast. The highest quality flats at the Old Town, Azzurra, Veranda, Palm Beach Piazza, El Andalous and Ocean Breeze offer second-home buyers and investors a first-rate price/performance ratio. Short flight times from all European capitals, a warm climate throughout the year and the government's commitment to expanding the tourism industry promise dynamic growth in tourist arrivals and Red Sea real estate prices in the coming years.

	Current	Upon Project Completion (Phases I, II, and III)
Hotel Rooms	Delivered : 2,318 Under construction: 7,000	Projected: 35,000
Residential Units (villas / apartments)	Delivered: 1,378 Under construction: 1,700	Projected: 35,000
Entertainment and Retail Space	54,000 sqm retail	Projected: 850,000 sqm
Sahl Hasheesh Population	4,500 (est)	Projected: 200,000-270,000
Total Number of Projects under construction (Hotel and Residential)	33	Projected: 181

The Development of Sahl Hasheesh

Phases I and II of Sahl Hasheesh are presently home to 2,318 hotel rooms and suites managed by brands including Premier Le Reve, Premier Romance, Dessole Pyramisa, and Tropitel, and 1,378 residential units. In addition to the completed hotels and residential neighborhoods, 54,000 square meters of retail and entertainment property are currently available for lease.

The quality of the developments completed thus far and the promise of an excellent long-term return on investment continue to form the basis of negotiations with industry-leading brands. The signing of Orascom Development Holding (ODH) for the development of the Sawari Marina and surrounding real estate has added a central feature to the Sahl Hasheesh seascape and lifestyle.

Recent Developments

- In 2013, ERC signed a number of notable partnership agreements and continued its soft marketing approach and the infrastructure development at Sahl Hasheesh. Highlights include:
- Participated for the first time in ITB Berlin in March and the

Arabian Travel Market in Dubai in May, generating a great deal of interest from attendees, with visitors keen to know more about Sahl Hasheesh as a new destination.

- Signed an agreement with Lu Lu, an Italian investment group that owns a number of restaurants in Italy and has a wide experience in the food and beverage industry. The group rented a section of the beach in Old Town and a restaurant overlooking it.
- Upgraded the capacity of our proprietary water desalination plant from 10,000 cubic meters per day to 14,000 m3 / day based on the forecast demand for the coming years.
- Signed an exclusive transportation contract to provide point-to-point transport within Sahl Hasheesh. We also signed a non-exclusive contract to provide car rentals and bus services. This contract will facilitate both transportation within the community and an uptick of commuters from the surrounding area, including Hurghada International Airport, Hurghada city center, El-Gouna and the Hurghada Marina.

- Proactive soft marketing efforts designed to appeal to Egyptian tourists have ranged from Friday beach parties, which have been particularly well attended, to Capoeira courses; a Yoga retreat and a seminar on well-being management.
- The Old Town is now home to 60 rented shops and businesses, with 49 already operational, including a post office; a vital service for any community.

On the Horizon

An additional 7,000 hotel rooms are expected to open their doors to tourists in Sahl Hasheesh and an additional 1,700 residential units are expected to be delivered to their owners.

ERC Master Development: Sahl Hasheesh



Sawari



Jamran



Azzura



Veranda



Old town Apartments



Sunset Pearl



Infrastructure: Phases I & II

Creating comprehensive networks of state-of-the-art infrastructure lies at the core of ERC's development framework and business model as showcased at its flagship resort community of Sahl Hasheesh. By controlling the provision of essential utilities at its communities ERC ensures the highest standards of service delivery, while securing an important revenue stream, and providing sub-developers with attractive plug-and-play services.

Infrastructure works for Phases I and II of Sahl Hasheesh have been completely self-funded by ERC including an extensive road network with

complete roadside and public service area lighting systems, thorough water supply, irrigation and water treatment facilities, reliable electric power distribution networks, and cutting-edge communication systems.

Roadways and Lighting System

- Connected the development to the public roads; north with the Hurghada-Safage highway and south the Makadi Bay highway
- 42 km of internal roadways
- 12.5 km seaside promenade
- Complete lighting network for roadways and public service areas

Water Supply and Irrigation System

- 10,000 m³ / day desalination plant (with a planned 4,000 m³ / day expansion underway)

- 31,283 m long water supply network
- 12,000 m³ of water storage capacity
- 16,994 m long irrigation system
- 113,317 m long surface irrigation network
- 6,000 m³ of irrigation water storage capacity and a 6,000 m³ / day pump station

Sewage Collection and Treatment

- 7,500 m³ / day sewage treatment plant
- 8 lift pump stations
- 14,085 m long main sewage network
- 26,068 m of gravity pipeline

Electricity

- 20 MVA through El Canal Company for Electricity Distribution
- 128,478 m long power network in 5 radial loops to serve Phases I and II
- 57,207 m of cables to light up the resort's road network
- Applied for a permit to establish a 220/22 kV substation with a production capacity of 125 MVA to cover electric future power requirements for all three phases
- Received in 2012 final approval from the Egyptian Electric Utility and Consumer Protection Regulatory Agency for an electricity distribution license that now allows ERC to freely allocate and distribute loads between projects while selling low-voltage connections.

Communication and Information Technology

- 15,200 m long main optical fiber network to serve Phases I and II
- 11 cellular towers supporting all three mobile operators
- Leading Video on Demand (VOD) service provider, Ibahn, serving all electing projects.
- Signed contract with TevoTech to provide triple-play service to sub-developers

Strategic Projects

ERC relies on the establishment of complementary, strategic projects to drive growth at the Sahl Hasheesh master-planned community. These core real estate developments form an integral part of the company's revenue streams and, ultimately, its overall business model. Core, strategic projects at Sahl Hasheesh include the Arrivals Piazza, Pier, Old Town, and the Sawari Marina.

The Arrivals Piazza

- The Arrivals Piazza lies at the heart of the resort directly overlooking the sea; creating a daytime and nighttime attraction
- The facility can accommodate 15,000 visitors or a 2,500 person dinner gathering, and currently hosts weekly parties



Old Town: Phase I Commercial Center

- The first phase covers 14,689 m² with a built-up area of c. 44,000 m² across 8 buildings
- The project houses 188 retail units, 23 food and beverage outlets, 2 health spas, 3 cinemas and 67 residential units



The Pier

- This iconic structure extends seawards for 489 m and approvals have been obtained to dock visiting boats here, with a capacity of 9 medium-sized yachts



The Sawari Marina

- This landmark project was planned by renowned resort planners WATG and is being marketed and developed in cooperation with Orascom Development Management (ODM)
- The first phase of the project will accommodate up to 330 yachts of various sizes, three hotels, 1,095 villas and residential units, a commercial center, and lakes and waterways

Phase I & II: Touristic and Residential Projects

Land plot sales to value-adding sub-developers is the primary source of revenue for ERC. Land plot usage is determined by ERC in accordance with the overall master plan and sales are planned in the best interest of the community and ERC's strategic market outlook. To date, 52 plots of land have been sold, representing 77% of the total land available for sale in Phases I and II. The projects to be set up on these plots include 23 hotels, 22 residential projects, two golf courses, three commercial projects and the marina.

Phase I:
6 million m²

Hotels

- Operational hotel rooms: 1,647 across the 4 projects
- Rooms expected to enter operations : 5,400

Residential

- Units and villas delivered: 1,018 across 5 projects
- Units and villas under construction : 1,000

Commercial / Strategic Projects

- Nearly 44,000 m² of commercial space, food and beverage outlets and cinemas
- 2 international golf courses expected to enter operations soon.

Phase II:
6 million m²

Hotels

- Operational hotel rooms: 671 across 2 projects
- Rooms expected to enter operations : 1,600

Residential

- Units and villas delivered: 360 across 1 project
- Units and villas under construction : 700

Commercial / Strategic Projects

- Phase one of the marina underway with capacity for 330 yachts of various sizes, 3 hotels, 1,095 villas and residential units, and a commercial center



BARON PALACE RESRT SAHAL HASHEESH



OLD PALACE RESORT SAHL HASHEESH



PREMIER LE REVE



TROPITEL SAHL HASHEESH



PYRAMISA DESSOLE



PREMIER ROMANCE (BOTIQUE HOTEL)



Phase III: Outlook

The development of the Phase III master plan has entailed revisiting some aspects of the first two phases to enhance continuity between all phases to help achieve the ultimate project goal of developing a truly comprehensive international resort community that can accommodate 250,000 inhabitants.

Phase III covers an area of 28 million square meters and lies behind the first two phases at an average of 1.5 kilometers from the shoreline with development reaching as far back as five kilometers from the sea. As satellite imagery clearly reveals, this depth of desert development from the seafront is unprecedented on the Hurghada coastline.

To date, ERC has spent approximately EGP 50 million in fulfilling Phase III

leasing fees to the TDA and on land allocation and contractual installments for the acquisition of the Phase III land. In addition, approximately EGP 50 million have been expended on planning and development studies for this phase. The company remains keen on attaining unparalleled heights for community planning and development in Egypt through the creation of a comprehensive resort town for future generations while maintaining overall harmony, homogeneity and continuity across all project phases. In order to accomplish this overarching vision ERC has contracted top-tier international consultants, within their respective specializations, to plan Phase III and maintain the exceptional standards that the company has adopted since inception:

Master Planning Consultant	WATG Inc.	Irvine, California, USA
Market and Feasibility consultant	AECOM	London, UK
Traffic, transport and mobility consultant	Mobility in Chain (MIC)	Milan, Italy
Infrastructure and local planning consultant	AAW Consulting Engineers	Cairo, Egypt
Lakes and Waterways consultant	Buro Happold	Bath, UK
Sustainability consultant	XCO2 Energy	London, UK
Environmental consultant	Environics	Cairo, Egypt
Cost consultant	Davis Langdon	London, UK And Cairo, Egypt
Landscape and open space consultant	EDSA	Fort Lauderdale, USA



Sahl Hasheesh Partners

Development Partners

 Phase I and II Master Planners	 Phase III Lead Master Planners
 Arthur Consulting Group Feasibility Consultant (Phase I and II)	 AAW CONSULTING ENGINEERS Specialist Infrastructure Engineer and Local Master Planner
 Sustainability Consultant	 Buro Happold Waterways and Lakes Engineering Consultants
 Traffic Management Solutions	 Landscaping Consultant
 Strategic Assets Development Consultant	 Davis Langdon Cost Analysis Consultant
 Development and Management	 Feasibility and Market Analysis Consultant
 Environmental Consultants	 Electrical Networks Design Consul- tant

Operating Partners

 Phase I Infrastructure Supervisor
 Communication Networks
 Communication Networks
 Fiber Optic Network Contractor
 Desalination Plant Contractor and Operator
 Video-On-Demand Provider
 Communication Networks
 Sewage Treatment Plant Operator

Sub-Development Brands

 Alsaraya RESORT SAHL HASHEESH	 alurra RED SEA	 BARON PALACE Sahl HaSheesh	 DESSOLE resorts & hotels	 El Andalous
 Dishdaba	 OLD TOWN SAHL HASHEESH	 OLD PALACE RESORT SAHL HASHEESH	 OCEAN BREEZE	 Iberotel Hotels & Resorts
 MAMMA MIA	 Zoser HOTEL	 Palm Beach Piazza	 Lana Hills	
 Paradise Gardens Luxury Beach & Golf Apartments	 SUBMARINE OF PLEASURES SAHL HASHEESH	 Premier	 Premier	 Premier
 Serenity Sahl Hasheesh	 Sun Gate	 Sunset Pearl BEACH & GOLF APARTMENTS SAHL HASHEESH	 Valentine	 Veranda SAHL HASHEESH
 Tropitel Hotels & Resorts	 SAWARI	 PYRAMISA HOTELS & CRUISES www.pyramisaegypt.com	 RED SEA HOTELS EGYPT	 Traveline EGYPT
 EL RIAD Real Estate Investment & Development	 TROPICANA HOTELS & RESORTS	 PALM HILLS DEVELOPMENTS	 SAHL HASHEESH RED SEA, EGYPT	 INTERNATIONAL Red Sea Investment

ERC Projects



Sawari: The Marina at Sahl Hasheesh

.....
The Owner
.....



landmarks, renowned not only for their design and sense of place, but also for their bottom-line success

Description

- Master developer of international standard resort communities on a fully- integrated management basis
- Incorporated in Egypt and headquartered in Cairo
- Acquires broad-acre land holdings suitable for premium mega resort development at nominal value, creates master plans in partnership with global urban planning firms, invests in infrastructure and manages the community

Main Responsibilities

- Project Support and Approvals
- Project Oversight & Controls
- Direct Contractual Relationships
- Cash Flow

.....
The Designer
.....



Description

- World's leading design consultant for the hospitality, leisure and entertainment industries
- Delivered award-winning designs in 160 countries and territories across six continents
- Turned projects into international

Main Responsibilities

- Concept Master Plan
- Concept Architecture (phase 1)
- Design supervision

.....
The Development Manager
.....



Description

- Wholly-owned subsidiary of ORASCOM Development Holding AG (ODH)
- ODH is a developer of fully integrated towns, offering hotels, private villas, apartments, leisure facilities and supportive infrastructure
- Expert developer of marina-centric communities
- The Group has an attractive pipeline of projects under development in 7 countries around the world

Main Responsibilities

Development Management, including:

- Project Initiation & Planning
- Project Design & Tendering
- Project Execution & Construction
- Contract Administration
- Support & Advisory Services
- Sales & Marketing

Total Area	2,500,000 sqm
Water Surface	117,000 sqm
Number of Hotels – Phase 1	3
Villas / Apartments – Phase 1	1,095 units
Pedestrian Promenade	2 km



Jamaran: Sea-Front Villas

Opening in 2015

Located in the northeastern corner of Sahl Hasheesh, Jamaran's beach-front location affords unlimited views of the Red Sea's shimmering waters. Spanning a total area of 320,000 square meters, Jamaran will be home to 181 villas when work on the site is complete. Homeowners will have the option of four different villa designs, each of which possesses its own unique architecture style while embodying the elegance, simplicity and charm associated with the Jamaran name.

Each home design includes several bedrooms, state-of-the-art washrooms, spacious kitchens and living rooms, private backyard pools and rooftop terraces with breathtaking views of the sea. In addition to all that, each villa has a large private garden of 800 square meters on average, and the option of adding a swimming pool and barbeque area. In accordance with ERC design guidelines — which are designed to maintain a high level of aesthetics for the community as a whole— all villas are built to two stories, with total floor areas of around 318 square meters. As with all of Sahl Hasheesh properties, the Jamaran villas will be built according to the highest standards of modern construction.

Entertainment and Amenities

The development's proximity to the Old Town retail and entertainment hub is a major attraction, particularly once the boardwalk connecting Jamaran to the Old Town area is completed. A range of amenities are planned for the neighborhood, including a network of parks spread out amongst the villas, a private club house to service homeowners and a dining area and gym, acting as a gathering point for activities and a center for the community to grow. A mini golf course will also be available for residents looking to have fun without making the trip to one of the town's professional golf courses.

Total Area	320,000 m²
Number of Villas	181
Villas BUA	330 m²
Private Garden for Each Villa	850-1,000 m²



Old Town:

The Retail and Entertainment Hub at Sahl Hasheesh



Located at the heart of Sahl Hasheesh, ERC's flagship Red Sea resort community, and overlooking the seaside promenade, Old Town is the development's bustling downtown area primarily serving Phase I of the project. Old Town covers nearly 15,000 square meters of sea-front property with a built up area of nearly 44,000 square meters, across eight buildings, offering a multitude of retail and entertainment facilities along

with a number of residential apartments. In total, Old Town houses 188 retail shops, 23 food and beverage outlets, two spas and health clubs, three cinemas, and 67 apartments. Designed and constructed to exacting international standards and managed by global real estate experts, Jones Lang LaSalle, Old Town has managed to attract top-tier international and local retailers with

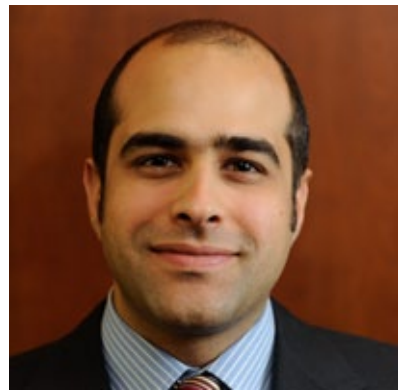
60 retail spaces rented out with 49 that are already up and running. As a commercial center, Old Town has been designed with accessibility and high traffic in mind as it sits nestled between a run of boutique hotels and is centrally approachable from the resort at large. A boardwalk linking Old Town to the exclusive seaside villas of Jamaran is also planned.

Component	Quantity	Total BUA (sqm)
Retail Shops	188	9,318
F&B Outlets	23	8,467
Spa & Health Club	2	1,177
Cinemas	3	1,500
Apartments	67	4,291
Services		19,185

Management
& Governance



Management Team

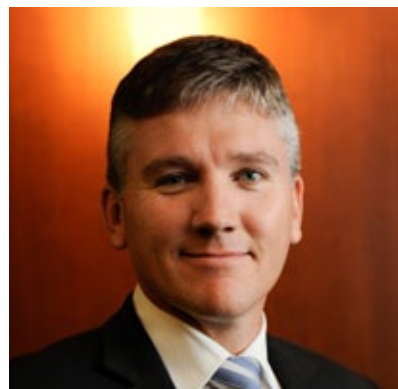


Mohamed Kamel

Chief Executive Officer

Mr. Kamel assumes the role of Chief Executive Officer having previously served on the ERC Board, Audit and Investment Committees. Prior to joining ERC, he spent eight years with KATO Investment, one of Egypt's largest and most diversified industrial and services conglomerates with over twenty subsidiaries in eight divisions operating in manufacturing, aerospace, tourism, real estate, construction, logistics, several roles in different divisions of KATO, including sales and marketing, operations and project management, business development, and finally group Vice President of Strategy at KATO Investment's headquarters. While at KATO, he was instrumental in creating the first modern privately-held, bonded warehouse at Cairo International Airport, and managed the debt-raising process from European banks for the aerospace division.

Mr. Kamel also worked as a consultant with Bain & Company in their London offices following his MBA. Mr. Kamel holds a Bachelors degree in Economics with high honors from the American University in Cairo and an MBA with distinction from Harvard Business School.

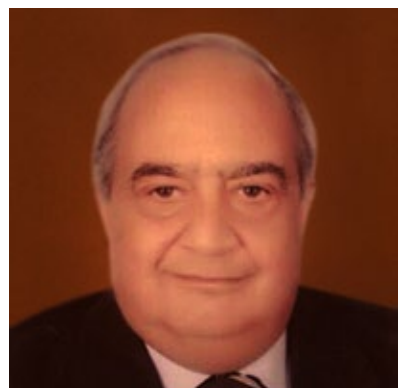


Darren Gibson

Vice President – Planning and Development

Mr. Gibson joined ERC with over 20 years of experience in public and private sector urban planning, including 8 years as a Company Director in town planning and development consultancy practices. He has extensive experience in assessment and management of urban planning projects, including master plans and large urban land release areas, major tourism projects, commercial and residential projects and major infrastructure. Mr. Gibson spent nine years as a town planner for Tweed Shire, a regional government in Australia which covered an area of 1,300 square kilometers, specializing in urban planning, strategic feasibility studies and land use structure planning.

Mr. Gibson holds a Bachelors degree with honors in Town Planning from the University of New South Wales, Sydney, Australia. He is also accredited as a Certified Practicing Planner by the Planning Institute of Australia.

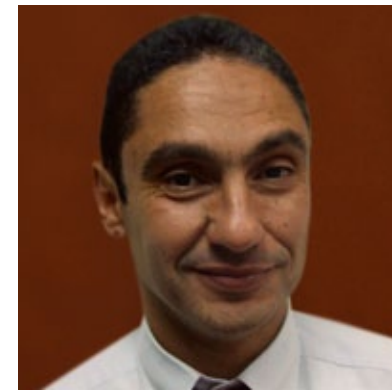


Hassan Azab

General Manager, Sahl Hasheesh

Mr. Azab has 30 years of experience developing some of the largest and most comprehensive resorts in Egypt. He has designed and commissioned hotels in Hurghada, Sharm El-Sheikh, Cairo, Luxor and Aswan, in addition to five Nile-floating hotels. A veteran Lieutenant Colonel in the Egyptian Air Force,

Mr. Azab holds Bachelors degrees in Aeronautical Engineering and Military Science.



Mohamed Saad

General Manager – Site Operations

Mr. Saad joins ERC from Misr American Carpet Company (MAC), where he was the regional business manager (Middle East and Africa). Previously, as a general manager with El Sewedy Electrical Group, he was responsible for business development and sales of major electrical infrastructure projects, including power stations, substations, and transmission and distribution networks. He also has extensive experience in the beverage sector, having worked at Coca Cola Bottling Company of Saudi Arabia, Fayrouz International, and Pepsi-Cola's North Africa division.

Mr. Saad holds a Bachelors degree in Electrical Power and Machines Engineering from Cairo University.

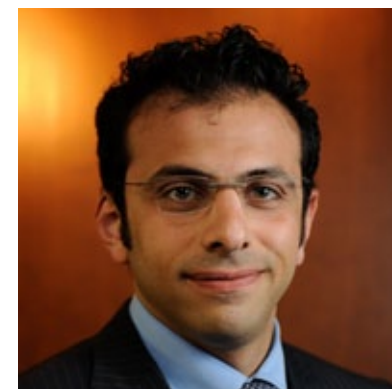


Abu Bakr Makhlof

Director – Commercial

Mr. Makhlof has over fourteen years of experience in strategy and commercial management. He has been assigned to establish the commercial division at ERC in 2013 and has led the development and the execution of the company's marketing and sales strategy. Prior to that Mr. Makhlof developed and led ERC's Investor Relations department since 2008. Before joining ERC, Mr. Makhlof served as the Commercial Strategy Manager at CEMEX, a world leading cement and Ready Mix producer. During his tenure with CEMEX, Mr. Makhlof was a member of a turnaround team for the operation in Egypt after acquiring a local producer and has led strategic projects in several areas of the business.

Mr. Makhlof holds an MBA from IESE Business School in Barcelona, Spain.



Hazem Kassem

Director of Approvals

Prior to joining ERC in 2008, Mr. Kassem launched an architecture and interior design firm in Cairo that has, over a seven year span, successfully delivered more than 45 commercial and residential projects in Egypt and London.

Mr. Kassem holds a Bachelors degree in Architectural Engineering and Environmental Design from the Arab Academy for Science and Technology.



Osama Shendy

Director – Human Resources

Mr. Shendy joined ERC with 19 years' experience, bringing his extensive expertise in strategic planning, restructuring, organizational development, human resources management, and quality management systems. He has an outstanding experience in dealing with different cultures due to managing restructuring & transformation projects in multinational, private & public, as well as governmental organizations. Prior to joining ERC, Mr. Shendy has acted as lead consultant for numerous organizations such as Arabian Cement Company, Kobusch Packaging Egypt, Universal Group, Misr Al-Amria for Textile, Al Rajhi Investments, and Contact Group to name a few in addition to being Director of HR and Organizational Development at El Sewedy, Mobica and Mac Carpet. Mr. Shendy was also a National Business Planning Consultant for FAO (UN) in addition to having been a member of Board of Advisors for National Award for Excellence for both Government & Business Sector.

Mr. Shendy holds an MBA in Corporate Strategy and Economic Policy from the Maastricht School of Management, and is a certified assessor for business excellence as well as a Certified Management Consultant from Institute of Management Consultancy - UK.

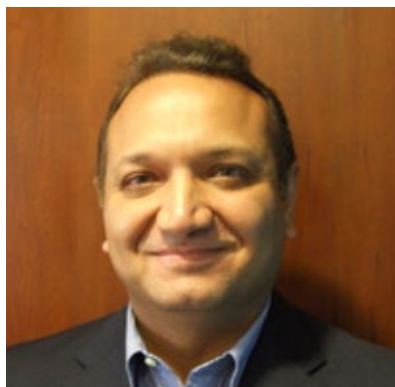


Tamer Shendidy

Director – Community Management

Mr. Shendidy joined ERC with over 15 years of experience in the Real Estate sector. Prior to ERC, Mr. Shendidy established the Community Management Department for three of Emaar-Misr's projects, including 'Marassi' and 'Up Town Cairo'. He also established SODIC-Client Services Global Department for all projects, whereby he served as its Executive Director. Mr. Shendidy also spent over 13 years of his career in Orascom Development (OD), where he held a number of senior positions ranging from Acting General Manager of El Gouna to its General Manager of International Development, ending with 4 years as Vice President of Development & Marketing in OD's 4 project Joint-Venture in Oman.

Mr. Shendidy holds a Bachelors degree in English Literature from Cairo University.



Wael Abou Alam

Director – Finance and Administration

Prior to joining ERC, Mr. Abou Alam was the Group Financial Controller for Gozour, Citadel Capital's food holding company, which comprises a number of leading brands such as Rashidi Al Mizan, El Masreyeen, Enjoy and Dina Farms. Prior to this position, he was the Financial Planning, Analysis & Reporting Manager for Misr American Carpet Company (MAC). Mr. Abou Alam was also employed by ExxonMobil for over 14 years, rising to become the North Africa Cluster Fuel Marketing Business Analysis & Reporting Manager.

Mr. Abou Alam holds a Bachelors degree in Accounting from Cairo University and an MBA in Banking & Finance from the Maastricht School of Management.



Ahmed Fahmy

Head of Information and Communication Technology

Mr. Fahmy has more than 8 years of experience in the Information and Communication Technology "ICT" field. He is responsible for preparing ICT related strategic and operational plans, including designing & managing the ICT infrastructure, networks and several ICT solutions, supervising the implementation of the ICT security strategy. Prior to Joining ERC, Mr. Fahmy held several IT positions in Real Estate and IT-solutions companies.

Mr. Fahmy holds a Bachelor's degree in telecommunication and electronics engineering.



Mounir Sedki

Head of Strategy and Business Development

Prior to joining ERC in 2011, Mr. Sedki spent four years of his career with Booz & Company, one of the world's most renowned strategy and management consulting firms. While at Booz, Mr. Sedki worked on a vast array of projects in sectors ranging from real estate to public and transportation in the MENA region, whereby he conducted extensive industry research and business assessment as well as several transformation strategies.

Mr. Sedki holds a Bachelors degree with honors in Mechanical Engineering from the Arab Academy for Science and Technology.

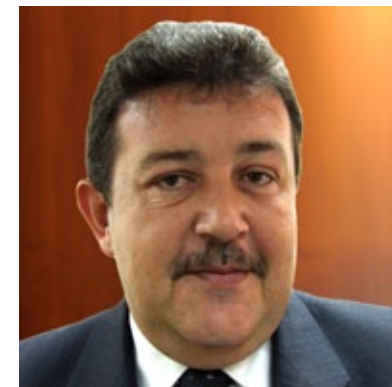


Nazih Seoudy

Head of Developer Services

Nazih Seoudy joined ERC with over 20 years' experience at Xerox Egypt, where he served in a number of positions including Director of Customer Services and National Service Manager. Prior to joining ERC, Mr. Seoudy was Director of the Customer Care Department at EMAAR Misr, before joining MAC Carpets as Director of Customer Relations Management.

Mr. Seoudy holds a BSc in Electrical Engineering and Communications from Ain Shams University and is also a certified Lean Six Sigma Green Belt.



Sherif Omar

Head of Infrastructure, Planning and Design

Sherif Omar joined ERC in 2003 as Chief Mechanical Engineer, supervising a number of projects including the construction of a sewage treatment plant and a water pump station. He became Head of Infrastructure, Planning and Design in 2010. Prior to joining ERC, Mr. Omar was a Technical Office Project Engineer, and later a Project Manager, at the Arab Engineering Company.

Mr. Omar holds a BSc in Mechanical Engineering from Cairo University.

Corporate Governance

ERC assigns central importance to the implementation of rigorous corporate governance practices, believing that a robust, proactive approach to corporate governance is vital to the interests of both the individual company, boosting investor confidence by protecting the value of their shares, and the business community by providing a regulatory framework for healthy competition. ERC is committed to implementing best practices in corporate governance and attaining top ranking amongst Egyptian listed companies.

Board Committees

The majority of ERC's Board members serve on Board Committees, according to their respective expertise.

- Eng. Abdel Monem Attia (Member)
- Dr. Eskander Tooma (Member)
- Mr. Ahmed Abou Hendia (Member)
- Dr. Gamal El-Saeed (Member)

The Executive Committee

The Executive Committee is responsible for studying and analyzing high-level strategic and operational issues and any other topics assigned to it by the Board of Directors and/or the Chairman of the Board. The Chairmen and the CEO sit on this committee, ensuring that decisions that exit the Committee have been deliberated and reached by the consensus of the Company's senior leadership, expediting their strategic implementation.

Members:

- Mr. Adel Hammad (Chairperson)
- Mr. Mohamed Kamel (Member)

The Audit and Investment Committee

The Audit Committee oversees the Corporate Accountability of the Company, assisting the Board by monitoring the integrity of ERC's financial reporting process, systems of internal audits and controls as well as financial statements and reports. The Audit Committee also monitors ERC's compliance with legal and regulatory requirements and is responsible for recommending and overseeing ERC's independent auditors. The Committee maintains frequent, open communication with the independent auditor, the internal auditor and Management. This communication

includes periodic private executive sessions with each of these parties.

Members:

- Dr. Eskander Tooma (Chairperson)
- Mr. Atef Tawfik (Member)
- Mr. Mohammed Hussein (Member)
- Mr. Mohamed Aldali (Member)
- Mr. Atef El-Zeibak (Member)

The Nomination and Remuneration Committee

The Human Resources Committee meets regularly to review the Company's HR practices, policies and procedures, and organizational structure and develop strategies to improve the Company's ability to attract, select, hire and retain the most suitable talent. The HR Committee recommends additional policies that ensure that salaries, benefits, bonuses, pensions, development

and training are competitive and optimal to ERC's business model. This not only safeguards shareholder interests, but also ensures the long-term sustainability of the Company.

Members:

- Mr. Ahmed Abu Hendia (Chairperson)
- Mr. Adel Hammad (Member)
- Mr. Mohamed Kamel (Member)
- Mr. Wael El Hatow (Member)
- Mr. Abdel Fattah Roshdy (Member)

Board Structure

The majority of the board of directors is composed of non-executive members, elected from different groups of shareholders. Once elected, board members are considered representatives for all shareholders and commit to work in the best interests of the company, not just for

their respective shareholder group. The board is responsible for vision and strategy development, review and oversight of risk management systems, internal compliance and control, codes of ethics and conduct, legal and regulatory compliance and the development of suitable key indicators of financial and operational performance. The skills and experience profile of the board is reviewed regularly, both internally and by external consultants, to ensure an optimal board composition.

The board is currently composed of 13 members. Board meetings are scheduled at the commencement of each calendar year. At the minimum, meetings are held once per quarter. The ERC board of directors convened 9 times in 2013.

External Auditor

Based on the recommendation of the Audit and Investment Committee, the board nominates a qualified external auditor. The external auditor is selected and awarded annual remuneration by the General Assembly, operating independently from the company and the board. The external auditor fully abides by Egyptian Accounting Standards (EAS). To guard against potential conflict-of-interest and ensure independence, the external auditor cannot be contracted for additional services without the prior approval of the Audit and Investment Committee.

ERC's external auditor is KPMG Hazem Hassan.

Board of Directors



Mr. Adel Hammad
Chairman, Representing Misr Insurance

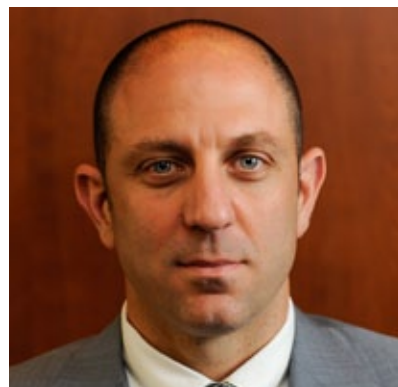
With over 33 years of experience in the insurance and finance industries, Mr. Adel Hamad is a noted expert in reinsurance and has served since May 2013 as the Non-Executive Chairman of ERC. Prior to assuming his duties as Chairman, Mr. Hammad held a number of high-profile positions at leading financial companies and insurance providers, including a long career at Misr Insurance, the leading insurance provider in Egypt, where he was most recently Chairman and Managing Director. Mr. Hammad has also served on the boards of directors of financial institutions including Société Arabe Internationale de Banque (SAIB) and the Housing and Development Bank. He holds a Bachelor of Commerce and a Master of Science in Insurance Management. He chairs the Executive Committee and is a member of the Nomination and Remuneration Committee.



Eng. Abdel Monem Attia
Representing KATO Investment

Eng. Attia is Chairman of KATO Real Estate Development. Previously, he was Chairman of Saudi Egyptian Belgium Construction. With more than 50 years experience in real estate and tourism investment, he sits on the board of First Arabian Real Estate & Tourism Investment, Ghazala Hotels, and International Airports Co.

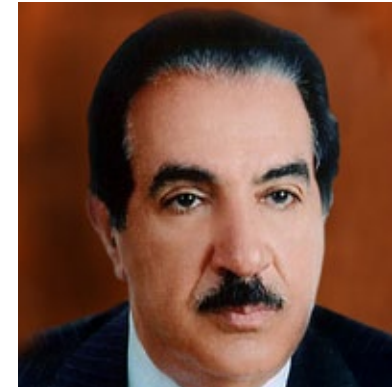
Eng. Attia holds a Bachelors degree in Architecture from Cairo University and is a member of the Executive Committee.



Mr. Atef Tawfik
Representing KATO Investment

Mr. Tawfik is currently the Corporate Vice President of Food Manufacturing for KATO Investment and Chairman and CEO of National Food Company. Mr. Tawfik is also a distinguished entrepreneur, having started a leading IT solutions provider and a print management company.

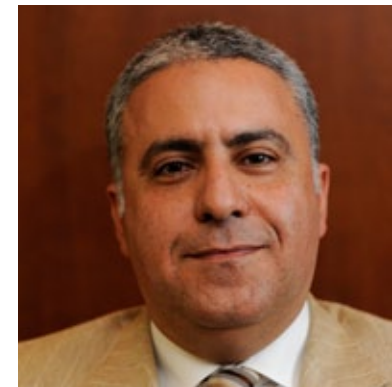
Mr. Tawfik holds an MBA from Maastricht University and a Bachelors degree in Banking Management from Sadat Academy for Management Science. He is a member of the Audit and Investment Committee.



Dr. Hamza Al Kholi
Representing First Arabian Development & Investment

Dr. Al Kholi is Chairman and CEO of First Arabian Development & Investment Company. He is also owner and CEO of the Al Kholi Group in Saudi Arabia, founding and leading four Class A companies. These companies hold subsidiaries in the Middle East, Europe and the US in many industries, including hotels and resorts, real estate development, construction, maintenance and operations, and information services and technology.

Mr. Al Kholi holds a Bachelors degree in Pharmacy from King Saud University.



Mr. Ahmed Abu Hendia
Representing First Arabian Development and Investment

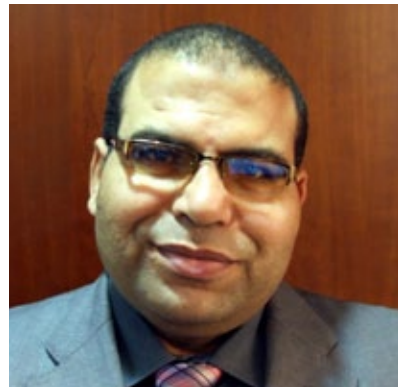
Mr. Abu Hendia is a board member and the legal counsel of First Arabian Development and Investment. He also serves on the Board of Information and Technology Services Co. and Delta Hotels and Tourism.

Mr. Abu Hendia holds a Bachelors degree in Law from Ain Shams University. He chairs the Nomination and Renumeration Committee and is a member of the Executive Committee.



Mr. Abdel Fattah Roshdy
Representing Rowad Tourism

Mr. Roshdy is a board member of Rowad for Tourism. He has held previous positions as a board member of the Egyptian Salts and Minerals Company and the Egyptian Alexandria Fund Company. Mr. Abdel Fattah Roshdy holds a Bachelor's degree in accounting and auditing and a Diploma in Insurance. He is Chief Investment Officer at Misr Life Insurance.



Mr. Mohamed Aldali
Representing Rowad Tourism

Mr. Aldali is a General Manager of the Due Diligence and studies operation. Al Dali enjoys deep expertise in fields ranging from financial analysis to due diligence studies, securities valuation and restructuring of joint stock companies.

Mr. Aldali holds a Bachelors degree in Commerce from Cairo University. He also holds Diplomas in Statistical Analysis and Securities Markets Analysis also from Cairo University. He also holds an Insurance Diploma from the Chartered Insurance Institute in London. He is currently pursuing a CFA. He is a member of the Audit and Investment Committee.



Mr. Wael El Hatow
Representing Al Ahly Capital Holding

Mr. El Hatow currently serves as Executive Director at Al Ahly Capital. He has many years of experience in the Egyptian investment banking and private equity sectors and has been involved in most of the landmark M & A transactions that have taken place in Egypt over the past decade. In addition to ERC, Mr. El Hatow currently serves on the board of a number of companies, namely Alexandria Mineral Oils Company (AMOC), Al Ahly Medical Services Company and Al Ahly Asset Management Company.

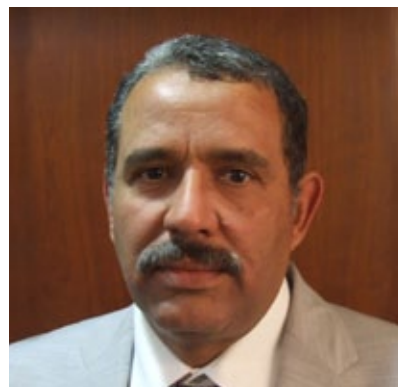
Mr. El Hatow holds a Bachelors degree in Political Science from the American University in Cairo and a Masters of Business Administration from Pennsylvania State University. He is a member of the Nomination and Remuneration Committee.



Mr. Mohamed Hussein
Representing Misr Insurance

Mr. Hussein is currently the Head of Investment at Misr Insurance Co. and a Board Member at ARCOSTEEL, as well as the newest addition to the ERC Board. Mr. Hussein has worked at Misr Insurance Co. for more than ten years, bringing great depth of experience in the field of investment to the Board.

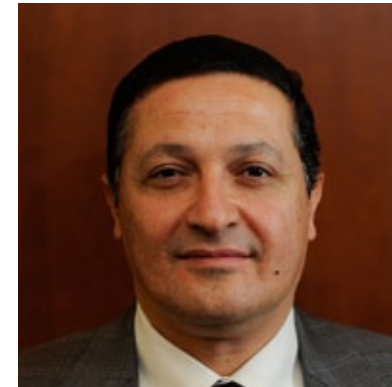
Mr. Hussein holds a Bachelors of Commerce in Accounting as well as a Diploma in Accounting from Cairo University. He is a member of the Audit and Investment Committee.



Mr. Atef El-Zeibak
Representing Misr Life Insurance

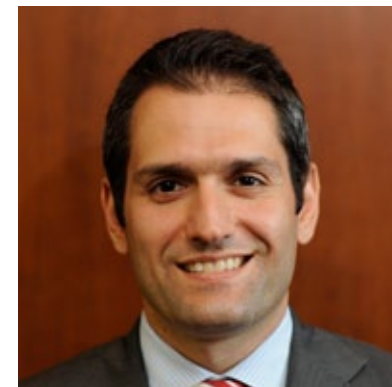
Mr. El-Zeibak is General Manager of Technical Affairs at Misr Insurance Co., where he has spent a combined total of over twenty years, punctuated only by a brief stint between 2008 and 2011 as the General Manager at Egyptian Takaful Life, a company he helped found. In addition to sitting on the Board of ERC, Mr. El-Zeibak is also currently the Vice Chairman of the Life Assurance Committee at the Insurance Federation of Egypt.

Mr. El-Zeibak holds a Bachelor of Commerce in Business Administration from Helwan University, as well as a Diploma in Life and Disability Underwriting from the Assurance Medical Society (AMS) in London, UK. He is a member of the Audit and Investment Committee.



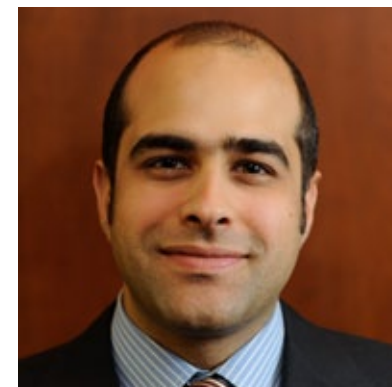
Dr. Gamal Elsaheed
Independent Member

Dr. Elsaheed is a professor of Civil Engineering at Banha University. In the private sector, Dr. Elsaheed manages an engineering firm involved in major infrastructure projects in MENA countries. Dr. Elsaheed holds a Bachelors degree from Ain Shams University, a Masters from Texas A&M and a PhD from Harvard University, all in Civil Engineering and Business Administration. He is a member of the Executive Committee.



Dr. Eskander Tooma
Independent Member

Dr. Tooma is the co-owner and board member of Premium International for Credit Services and a board member of the Orascom Investment Fund. He has served as a senior advisor to the Egyptian Capital Market Authority and advised leading companies such as Citadel Capital and Orascom Development Holding. Dr. Tooma is also a tenured professor of finance and management at the American University in Cairo. Dr. Tooma holds a Bachelor's degree in Business Administration from AUC and Adelphi University, and Master's degrees in Finance and International Economics from Adelphi and Brandeis University. He also holds a PhD in Finance from Brandeis. He chairs the Audit and Investment Committee and is a member of the Executive Committee.



Mr. Mohamed Kamel
Chief Executive Officer

Mr. Kamel assumes the role of Chief Executive Officer having previously served on the ERC Board and the Audit and Investment Committees. Prior to joining ERC, he spent eight years with KATO Investment. Mr. Kamel assumed several roles in different divisions of KATO, including sales and marketing, operations manager, project manager and finally, business development manager at KATO Investment's headquarters. While at KATO, he was instrumental in creating the first modern, privately-held bonded warehouse at Cairo International Airport, and managed the debt-raising process from European banks for the aerospace division. Mr. Kamel also worked as a consultant with Bain & Company in their London offices following his MBA.

Mr. Kamel holds a Bachelors degree in Economics with high honors from the American University in Cairo and an MBA with distinction from Harvard Business School. He is a member of the Executive, the Nomination and Remuneration, and the Compensation Committees.

Corporate Social Responsibility

At ERC, we know that a country is only as rich as its least fortunate citizen, and we want to do more than bring jobs and tourists to Egypt. We want to help build prosperity.

The success of Sahl Hasheesh, ERC's flagship development, hinges on the success of Egypt, and our policies and practices have accordingly always taken the long-term health of the environment and our fellow citizens into account. As we have grown our development, we have been thoughtful of our impact on the environment and we've striven to have a positive impact on the communities and surrounding areas. In addition to this, and the jobs that we have created both directly and indirectly, we have expanded our corporate social responsibility initiatives in 2013. Primary among these is the Injaz Initiative and the Orphan's Day at Sahl Hasheesh.

The Injaz Initiative is an exciting program through which corporate volunteers visit schools in Cairo and

Hurghada, where they share their professional experience with underprivileged youth and give them practical advice on how to succeed in the private sector.

Further endeavors benefitting underprivileged children include the second ERC Annual Orphan's Day at Sahl Hasheesh. In partnership with the Hurghada branch of Resala, one of Egypt's most prominent national charities, ERC had the privilege of hosting a one-day event for 35 orphans in Sahl Hasheesh. The children took a complete tour around Sahl Hasheesh in electric shuttle buses, had a submarine trip to discover the wonders of the Red Sea, and engaged in a series of games, challenges and activities with the animation team.



Financials



SAHL HASHEESH

RED SEA, EGYPT

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Auditor's Report

For The Year Ended December 31, 2013
Translated & Originally Issued in Arabic

Auditor's Report

To the Shareholders of Egyptian Resorts Company

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of Egyptian Resorts Company (S.A.E.), which comprise the Consolidated Balance Sheet as at December 31, 2013 and the Consolidated Income Statement, Statement of Changes in Shareholders' Equity and Statement of Cash Flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These financial statements are the responsibility of company management. Management is responsible for the preparation and fair presentation of these financial statements in accordance with Egyptian Accounting Standards and in the light of prevailing Egyptian laws, management responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; management responsibility also includes selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Egyptian Standards on Auditing and in light of prevailing Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Egyptian Resorts Company (SAE) as of December 31, 2013, and of its financial performance and its consolidated cash flows for the year then-ended in accordance with the Egyptian Accounting Standards and Egyptian laws and regulations relating to the preparation of these financial statements.

Emphasis of matter

Without considering the following as qualifications:

- 1 - As disclosed in detail in Note No. (33-2) of the notes to the financial statements, there is a lawsuit before court which is raised by one of the lawyers against the General Authority for Touristic Development to annul the allocation contract of all lands for Egyptian Resorts Company at Sahl Hasheesh, and on February 28, 2011 the company's management decided to become a part of this lawsuit to undertake legal procedures and submit documents supporting the company's position. And in light of the receipts delivered, the company's management and its legal consultant believes in the solidity of the company's legal position. The lawsuit is now still pending before the state attorneys' authority, which decided to postpone the lawsuit for a hearing on June 12, 2013, though it would be impossible for the timebeing to predict the results of the lawsuit in this early stage of the dispute. The extent of the negative effects that may result on the company's financial position because of this lawsuit is not yet determined.
- 2- As disclosed in detail in note no. (33-4) of the notes to the financial statements, the General Authority for Touristic Development informed ERC in its resolution dated March 31, 2011, of its decision to withdraw its previous consent for the company to develop phase 3 lands at Sahl Hasheesh (Zone C), which covers an area of 20 million square meters. Work in Process in connection with this phase amounted to LE 71.689 million on December 31, 2013. The company raised a lawsuit to cancel this resolution, which is issued from TDA of taking the land of phase 3 back and taking into consideration that this resolution is submitted to administrative court on September 21, 2011. And in light of the implemented provisions by ERC and regulations of the contract concluded between TDA and ERC on October 24, 1995, the company's management and its legal consultant believes in the solidity of the company's legal position. The court assigned the lawsuit to the state attorneys' authority to prepare a report for a legal opinion, and the lawsuit is postponed for a hearing on June 16, 2014 to enable ERC to reply and submit the necessary documents. It is too soon to predict the results of the report of the state attorneys' authority in the dispute. The extent of the negative effects that may result on the company's economics and financial position because of this lawsuit is not yet determined.

Report on Other Legal and Regulatory Requirements

The company maintains proper books of account, which include all that is required by law and by the statutes of the company, the financial statements are in agreement thereto, the inventory was counted by management in accordance with methods in practice. The financial information included in the Board of Directors' report, prepared in accordance with Law No. 159 of 1981 and its executive regulation, is in agreement with the company's books of account in the limit of the data which has been recorded in the books.

Hesham Gamal El Afandy
Auditors' register
At the Egyptian Financial Supervisory Authority No.(100)
KPMG Hazem Hassan

The Consolidated Balance Sheet of the Company and its Subsidiaries

As at December 31, 2013

	Note No.	31-12-2013 LE	31-12-2012 LE
Long Term Assets			
Fixed Assets (Net)	(3-2 , 4)	142 126 790	149 808 886
Investment in Real Estate	(3-3 , 5)	183 455 364	194 283 085
Projects in Progress	(3-4 , 6)	10 733 126	1 797 799
Account & Notes Receivable (Net)	(3-9 , 9)	16 519 782	43 492 376
Deferred Tax Assets (Net)	(3-20 , 28-2)	-	621 556
Total Long Term Assets		352 835 062	390 003 702
Current Assets			
Non-Current Assets Available for Sale		-	91 664
Work in Process	(3-7 , 7)	520 308 844	507 201 173
Inventory	(3-6 , 8)	2 309 116	1 865 473
Accounts & Notes Receivable (Net)	(3-9 , 9)	313 232 896	292 720 182
Sundry Debtors and Other Debit Balances	(3-9 , 10)	11 172 451	11 957 684
Treasury Bills	(3-21)	-	53 711 135
Cash on Hand & at Banks	(3-11 , 11)	108 919 067	108 309 609
Total Current Assets		955 942 374	975 856 920
Current Liabilities			
Provision for Claims	(3-13 , 12)	12 526 294	12 622 758
Banks Overdraft	(16)	8 793 201	-
Receivable - Advance Payments	(13)	52 746 718	39 806 581
Sundry Creditors and Other Credit Balances	(3-14 , 14)	50 155 023	101 448 573
Due to Authority of Touristic Development	(15)	33 353 530	29 881 495
Estimated Cost for Development of Sold Land	(3-8)	78 740 568	87 428 378
Total Current Liabilities		236 315 334	271 187 785
Working Capital		719 627 040	704 669 135
Total Investments		1 072 462 102	1 094 672 837
Financed as Follows:			
Owner's Equity			
Issued and Fully Paid in Capital	(17)	1 050 000 000	1 050 000 000
Legal Reserve	(32)	131 664 379	131 664 379
Carried Forward Losses		(369 336 624)	(269 860 682)
Net (Loss) for Period / Year		(41 429 956)	(99 475 942)
Shareholder's Equity of Holding Company		770 897 799	812 327 755
Minority Interest	(29)	49 128 018	55 426 636
Total Owners' Equity		820 025 817	867 754 391
Long Term Liabilities			
Purchase of Land Creditors	(7-3)	248 906 076	226 918 446
Deferred Tax	(3-20 , 28-2)	3 530 209	-
Total Long-Term Liabilities		252 436 285	226 918 446
Total Owners' Equity & Long-Term Liabilities		1 072 462 102	1 094 672 837

* Accompanying notes from form an integral part of these Financial Statements, are to be read therewith and can be downloaded at: <http://ir.erc-egypt.com>

The Consolidated Income Statement of the Company and its Subsidiaries

For The Year Ended December 31, 2013

	Note No.	12/31/2013 LE	12/31/2012 LE
Net Sales	(3-16 , 19)	8 686 868	9 359 406
Sales Returns	(3-16 , 20)	(12 198 681)	(2 701 495)
Revenues from Services Rendered	(3-16 , 22)	32 425 589	30 450 738
Total Revenues		28 913 776	37 108 649
Less:			
Cost of Sales	(3-17 , 23-1)	(9 829 914)	(11 581 013)
Operating Cost of Services Rendered	(3-17 , 24)	(49 536 225)	(43 381 561)
Cost of Sales Returns	(3-17 , 23-2)	7 319 209	1 620 897
Gross (Loss)		(23 133 154)	(16 233 028)
Other Operating Revenues	(25)	18 390 330	3 408 008
		(4 742 824)	(12 825 020)
(Less) Add:			
Interest Recalled from Deferred Income	(3-16 , 21)	1 349 727	1 960 023
Interest from Overdue Lands Receivables		14 326 390	10 387 352
Selling & Marketing Expenses	(3-17)	1 900 775	(3 436 348)
General & Administrative Expenses	(3-17 , 26)	(31 675 356)	(23 996 566)
Impairment in Debtors and Other Debit Balances	(3-12 , 10)	(1 383 254)	-
Impairment in Receivable	(3-12 , 9)	(24 309 937)	(95 444 168)
Provisions for Claims Formed	(3-13 , 12)	(1 770 614)	(2 181 758)
(Loss) Resulted from Operating Activity		(50 106 643)	(125 536 485)
Change in Evaluating Investment Funds	(3-5 , 11)	4 265 651	82 009
Financing Revenues (Costs) - Net	(3-18 , 27)	2 731 958	18 491 087
Net (Loss) before Income Tax		(43 109 034)	(106 963 389)
Current Income Tax	(3-20 , 28-1)	(467 775)	(2 317 208)
Deferred Tax that Results in a Liability	(3-20 , 28-2)	(4 151 765)	(739 865)
Net (Loss) for the Year After Tax		(47 728 574)	(110 020 462)
Holding Company's Share in the Year's Loss			
Minority Share in (Losses) of Subsidiary Company for the Year	(29)	(41 429 956)	(99 475 942)
		(6 298 618)	(10 544 520)
		(47 728 574)	(110 020 462)
Earning Per Share (LE/Share)	(3-24 , 18)	(0.039)	(0.095)

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Consolidated Statement of Changes in Shareholders' Equity for the Company and its Subsidiaries

For The Year Ended December 31, 2013

Description	Issued & Paid in Capital LE	Legal Reserve LE	Carried Forward (Losses) LE	Net (Loss) Profit Of the Year LE	Minority Interest LE	Total LE
Balance as at December 31, 2011	1 050 000 000	130 892 541	(268 655 461)	(433 383)	65 971 156	977 774 853
Transferred to Carried Forward Losses	-	-	(433 383)	433 383	-	-
Transferred to Legal Reserve	-	771 838	(771 838)	-	-	-
Net Loss for the Year	-	-	-	(99 475 942)	(10 544 520)	(110 020 462)
Balance as at December 31, 2012	1 050 000 000	131 664 379	(269 860 682)	(99 475 942)	55 426 636	867 754 391
Transferred to Carried Forward Losses	-	-	(99 475 942)	99 475 942	-	-
Net Loss for the Period	-	-	-	(41 429 956)	(6 298 618)	(47 728 574)
Balance as at December 31, 2013	1 050 000 000	131 664 379	(369 336 624)	(41 429 956)	49 128 018	820 025 817

* Accompanying notes from form an integral part of these Financial Statements, are to be read therewith and can be downloaded at: <http://ir.erc-egypt.com>

The Consolidated Cash Flows Statement of the Company and its Subsidiaries

For The Year Ended December 31, 2013

	Note No.	31-12-2013 LE	31-12-2012 LE
Cash Flows from Operating Activities			
Net Loss Before Income Tax		(43 109 034)	(106 963 389)
Adjustments to Reconcile Net Loss with Net Cash Flows from Operating Activities			
Fixed Assets' Depreciation	(4)	20 923 981	19 983 026
Capital (Gains) Losses	(25)	(16 121 510)	(22 500)
Impairment in Receivables	(9)	24 309 937	95 444 168
Tax Adjustment		-	669 698
Impairment in Debtors	(10)	1 383 254	-
Provisions for Claims Formed	(12)	1 770 614	2 181 758
Treasury Bills' Income	(27)	(1 066 869)	(11 947 185)
Revaluation of Cash Balances in Foreign Currency		11 635 616	1 842 992
		(274 011)	1 188 568
Change in Working Capital			
Change in Receivable (Net)		13 054 092	(35 251 431)
Change In Inventory		(443 643)	(603 343)
Change in Debtors and other Debit Balance		(3 173 915)	783 696
Change in Work in Process		(20 674 242)	(18 009 245)
Change in Receivables Advance Payments		8 657 176	441 748
Change in Creditors and Other Credit Balance		(51 222 013)	14 588 619
Changes in Estimated Cost for Development of Sold Land		(8 687 810)	(20 503 233)
Change in Dues to Authority of Touristic Development		505 177	13 708 013
Used from Provision for Claims	(12)	(563 184)	(50 000)
Change in Creditors Land Sold		(561 578)	-
		(63 383 951)	(43 706 608)
Net Cash Flow (used in) Operating Activities			
Cash Flows from Investing Activities			
Payment for Purchase of Fixes Assets, Projects in Progress and Property Investments	(5, 4)	(10 133 750)	(3 761 684)
Proceeds from Fixed Assets Sold & Real Estate Sold		9 751 727	232 540
Change in Time Deposit (more than 3 months)	(11)	33 056 089	(11 789 589)
Proceeds from Income of Treasury Bills After Tax	(28)	1 871 095	9 268 838
Net Cash Available from (used in) Investing Activities		34 545 161	(6 049 895)
Cash Flows from Financing Activities			
Banks Facilities	(16)	8 793 201	-
Net Cash Flow from Financing Activities		8 793 201	-
Net Cash & Cash Equivalent Used During the Year		(20 045 589)	(49 756 503)
Cash & Cash Equivalents at the Beginning of the Year		108 119 156	157 875 659
Cash & Cash Equivalent at the End of the Year	(11)	88 073 567	108 119 156

* Accompanying notes from form an integral part of these Financial Statements, are to be read therewith and can be downloaded at: <http://ir.erc-egypt.com>

Common Stock Information

Legal Structure: Egyptian Public Joint Stock Company

Listing: Egyptian Exchange (EGX)

Paid-in Capital: EGP 1.05 billion

Par Value Per Share: EGP 1.00

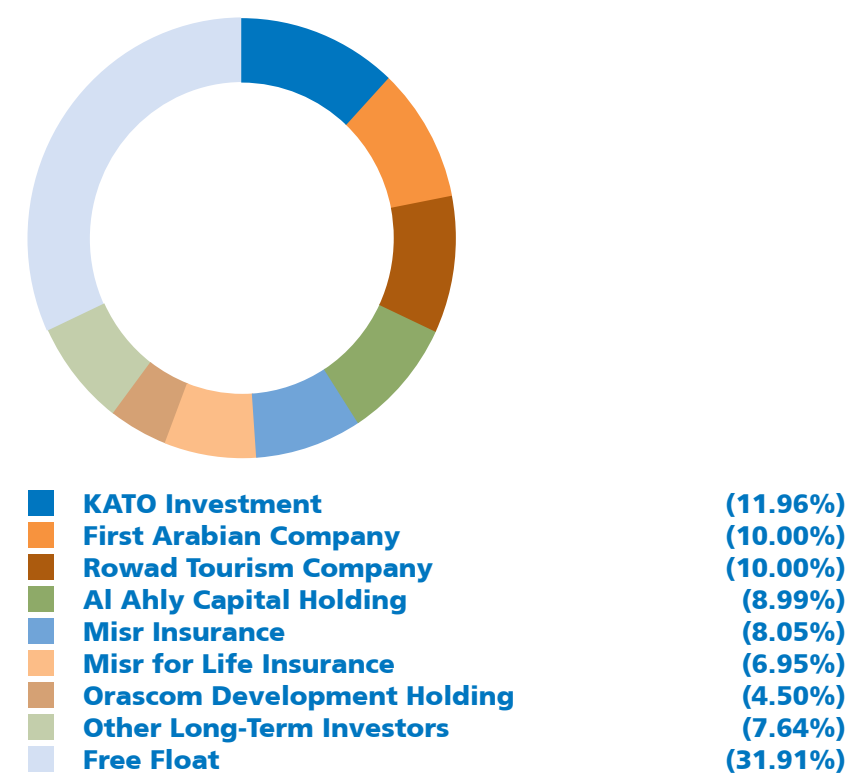
Fiscal Year: Ends December 31

Subsidiaries: Sahl Hasheesh Co. (SHC) – 78.4% owned by ERC

SHC Tax Structure: 10-year tax exemption ending 2017

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Shareholder Structure*



*As of end of fiscal year 2013



4A Aziz Abaza St. Zamalek - Cairo - Egypt tel.: +202 2735 8427
fax: +202 2735 2743 - www.erc-egypt.com
ERC Egyptian Resorts Company