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# AGENDA



## Investment Highlights

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ERC – Egypt's Leading Master Developer

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# Investment Highlights

**Master developer** of  
mega resorts

**Premium mega resort**  
on the Red Sea

**Unique business model**  
with multiple recurring  
revenue streams

**Strong shareholder base**  
and experienced management  
team

**Unique value  
proposition**  
for sub-developers and  
residents

# ERC: 1Q16 Developments & Overview

## Slowdown in Revenues

On the back of a weak national tourism sector, still suffering the consequences of the Sharm El-Sheikh airliner incident in Q4 2015, ERC saw revenues decline year-on-year to EGP 10.3 million – compared to EGP 29.4 million in 1Q15.

Despite the 65% decrease in revenues, occupancy rates at Sahl Hasheesh remained ahead of Hurghada and other cities along the Red Sea coast.

## Cash Collections

Cash collections from down payments led the 27% year-on-year growth in cash collections from sub-developers and retail buyers, rising to EGP 8.1 million from 1Q15's EGP 6.4 million.

Meanwhile, receipts from community management reached EGP 4.8 million, declining by 53% from EGP 10.3 million in 1Q15, owing to the slowdown in the tourism industry.

## Cash Position

The company's balance sheet remained liquid at the close of the quarter, with cash standing at EGP 113.6 million.

## Sawari Marina Land

The TDA approved in 2015 ERC's request to redefine the boundaries of Sahl Hasheesh's Phase 2 to include the entirety of Sawari's 1.1 million square meter initial phase.

The marina is expected to accommodate vessels of up to 60 meters in length and will include two five-star hotels and one four-star property around the marina basin. This phase will also include more than 1,000 villas and apartments, and many dining & entertainment venues.

## TAWAYA

ERC subsidiary SHC's joint venture with Palm Hills Developments was launched in April 2015 and unit reservations have so far reached 24% of total available properties. The project shell is fully constructed, and internal finishing is underway and set to be completed within a 12-18 month period.

## Jamaran

The company's Jamaran development sold out towards the end of 2014 and has set the company on course to realize c. EGP 100 mn in revenues over the coming two-three years.

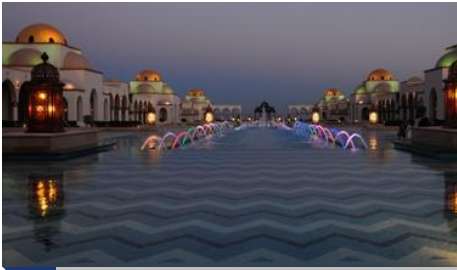
## EGX 30

ERC is now back on The Egyptian Exchange's most famous and followed index, the EGX 30, awarding the company greater exposure to local, regional, and international investors, on both the retail and institutional levels.

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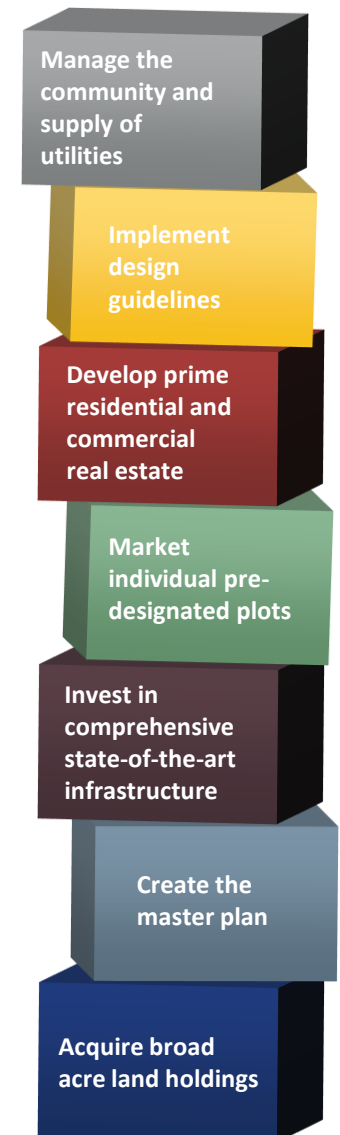
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# ERC – Egypt's Master Developer

ERC is a master developer and exclusive community manager of fully integrated, world-class communities

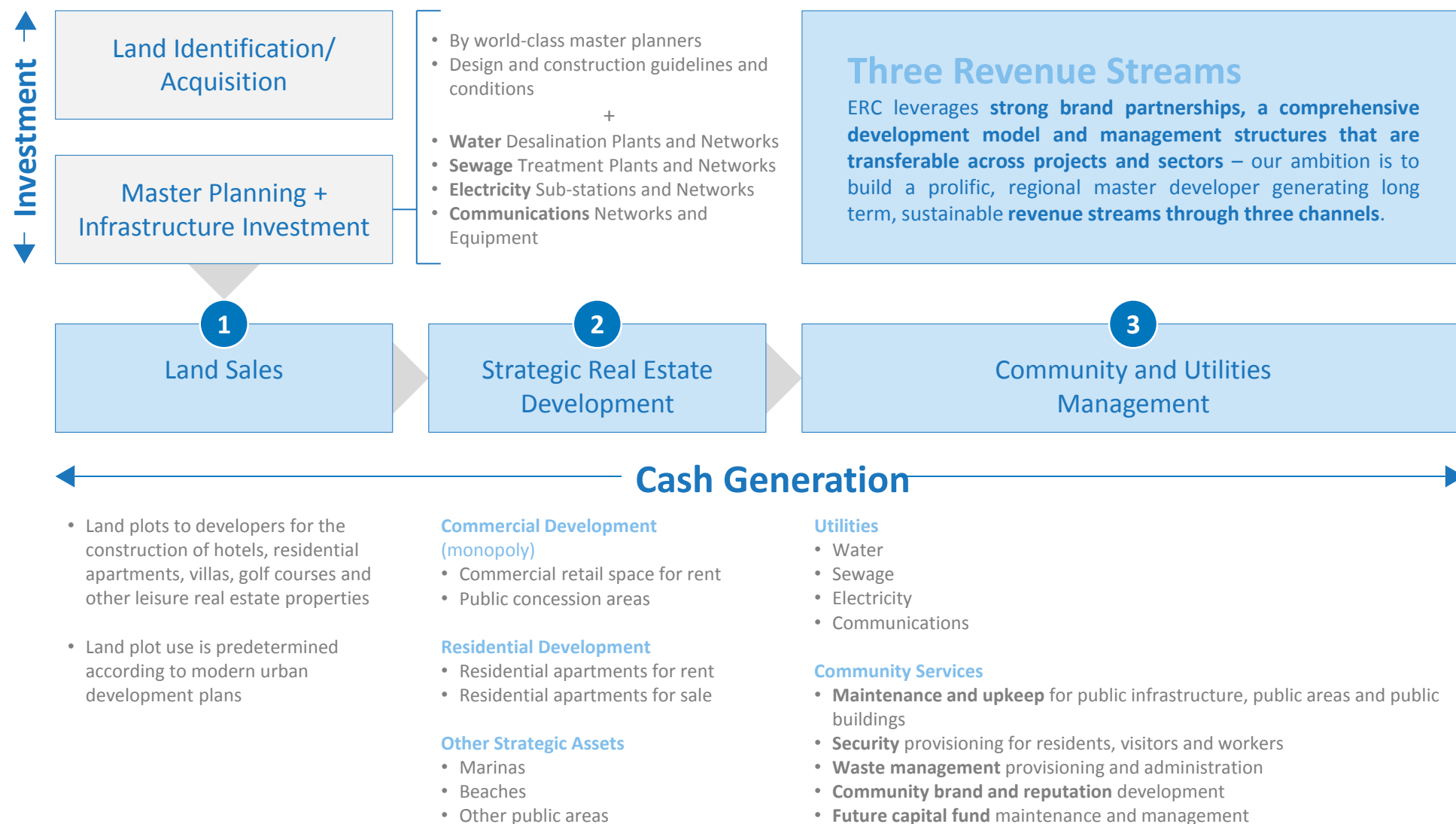
## The ERC Business Model:

- 1 Acquire broad acre land holdings** suitable for high-quality development at nominal value – *Sahl Hasheesh land bank acquired in 1995 for an average of USD 1.32/m<sup>2</sup>*
- 2 Create a master plan** with some of the world's leading architectural and urban planning firms
- 3 Invest in comprehensive state-of-the-art infrastructure**  
Water | Sewage Treatment | Electricity | Communications | Road Networks
- 4 Market individual pre-designated plots** to sub-developers and investors
- 5 Develop prime residential and commercial real estate:** Old Town, Sawari and Jamaran
- 6 Implement design guidelines** and community management rules and regulations
- 7 Manage the community and supply of utilities** within the developments through our project partners and community management team






# ERC Business Model





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# Shareholder Information

## A successful public-private partnership with a stable shareholder base

### Legal Structure

Egyptian Public Joint Stock Company

### Listing

Egyptian Exchange (EGX)

### Authorized Capital (EGP)

2,000,000,000

### Paid-in Capital (EGP)

1,050,000,000

### Nominal Share Value (EGP)

1.00

### Fiscal Year

December 31

### ERC Tax Structure

10-year tax exemption ended 2007

### Subsidiaries

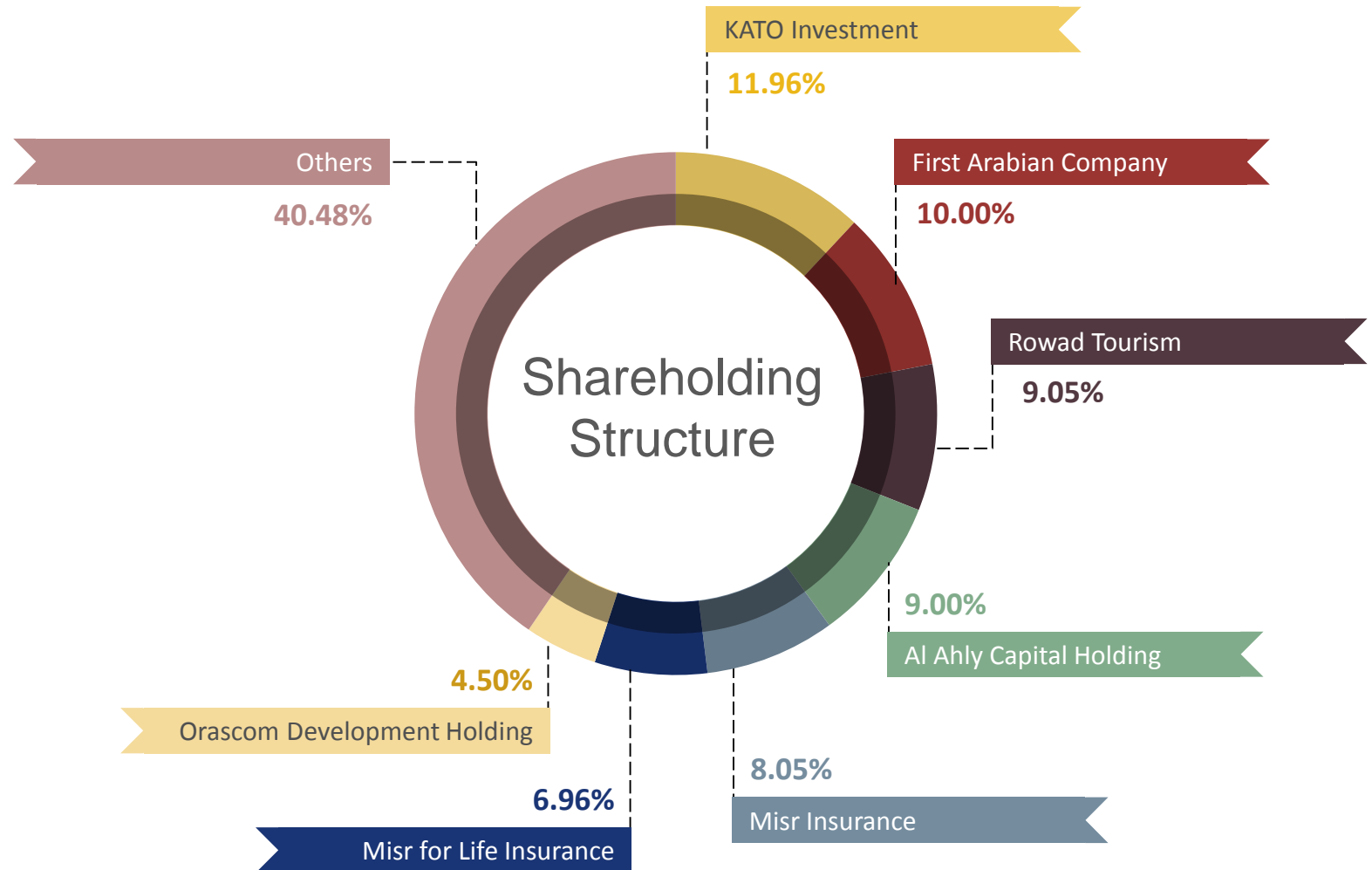
Sahl Hasheesh Co. (SHC) – 78.43%

### SHC Tax Structure

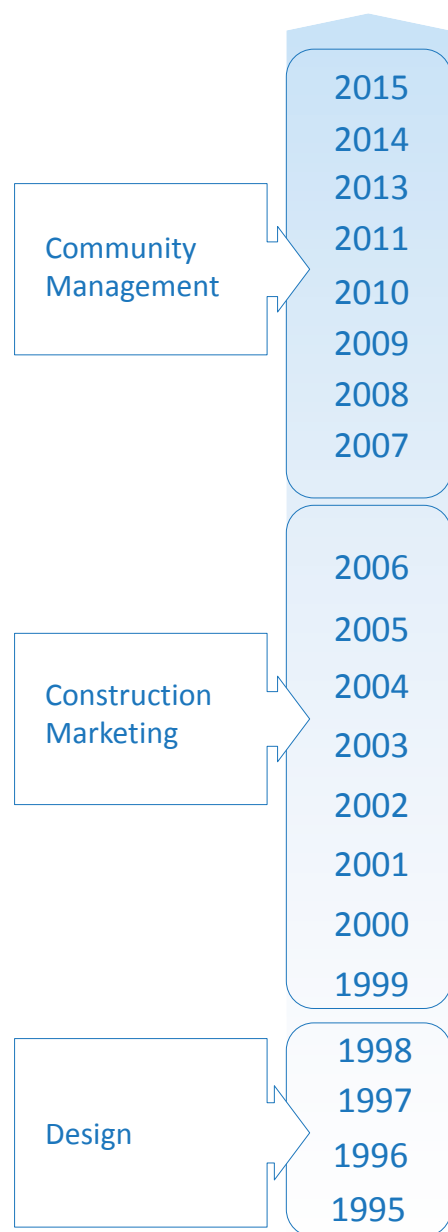
10-year tax exemption ending 2017

### Employees

500



# ERC Corporate History



## 2016 onwards

- Continue to place emphasis on value-adding land sales to sub-developers
- Begin work on Sawari with plans to open sales window during 2016, while focusing efforts on finalizing work on the Tawaya development with PHD
- Strengthen marketing campaigns to attract domestic visitors and second-home owners
- Push forward with cost control schemes and proactive cash flow management

## 2015

- ERC earns unprecedented profits from land sales to sub-developers
- Work commences preparation of Sawari Marina project after receiving TDA approval to redefine the boundaries of Sahl Hasheesh's Phase 2 in May 2015
- Complete internal finishing of Tawaya project, SHC's joint project with PHD, within 12-18 months

## 2014

- Company ramps up marketing efforts, looking to capture larger market share as tourism recovers
- ERC contracted 100% of Jamaran for EGP 100 million to be realized over the following three years

## 2010 - 2013

- New management augments existing internal structure, taking company to next level in its lifecycle – key support functions included in HR plan
- Detailed development of community services and utilities reticulation model
- Third regional five-star hotel begins operations
- The Old Town receives its first tenant
- Focus on completing key strategic assets – ERC signs with leading global developer ODH to develop the Sawari Marina at Sahl Hasheesh. ODH also takes equity stake in ERC
- Jamaran villas project launched on sea front land plot
- First hospital / wellness facility signed on

## 2007 - 2009

- First regional four-star hotel begins operations
- Sahl Hasheesh community management vision takes shape
- Phase III master planning process begins
- ERC begins considering additional land holdings to replicate business model

## 2004 - 2007

- Unprecedented sales success based on relationship marketing and private roundtable negotiations

## 1999 - 2003

- Infrastructure work begins with Bechtel as project manager
- Aggressive marketing to counter tourism industry crash
- Appreciation of overall financial climate leads to practical and market-leading sales terms and development schedules

## 1998

First plot sold for USD 37/m<sup>2</sup>

## 1996 – 1997

Incorporation, concept development and master planning for Phases I and II by RTKL

## 1995

Land acquired for first project – “Sahl Hasheesh” – at an average price of USD 1.32/m<sup>2</sup>

# Emerging from the Crisis: Another Opportunity

Dislocations after the global financial crisis and the 2011 uprising have left Sahl Hasheesh with the opportunity to emerge as the destination of choice for investors

Comfortable Cash  
Reserves – EGP 135.6  
million

ERC can spend on critical infrastructure projects weathering a prolonged downturn.

Prime Land Bank

ERC owns over 2.7 million m<sup>2</sup> of prime locations (*1.6 million m<sup>2</sup> available for sale + 1.1 million m<sup>2</sup> Sawari Marina Project*) on the Red Sea coast.

Proprietary Strategic  
Projects on the Rise

Aside from the now fully sold-out Jamaran, ERC is developing several key projects that increase Sahl Hasheesh's attractiveness and encourage widespread development:

- *Sawari*: Marina project (apartments, villas, hotels, commercial units & a premier marina and yacht club).
- *Tawaya*: Sea-front apartments

## STRATEGY

### Supporting investment to boost the destination

Smart, targeted, destination marketing is positioning Sahl Hasheesh as the destination of choice for visitors as well as developers resuming investment as tourism and second-home purchases regain momentum.

### Expanding land sales to key developers

Attracting investments through tailored products to developers' was the key to the turn around of 2015.

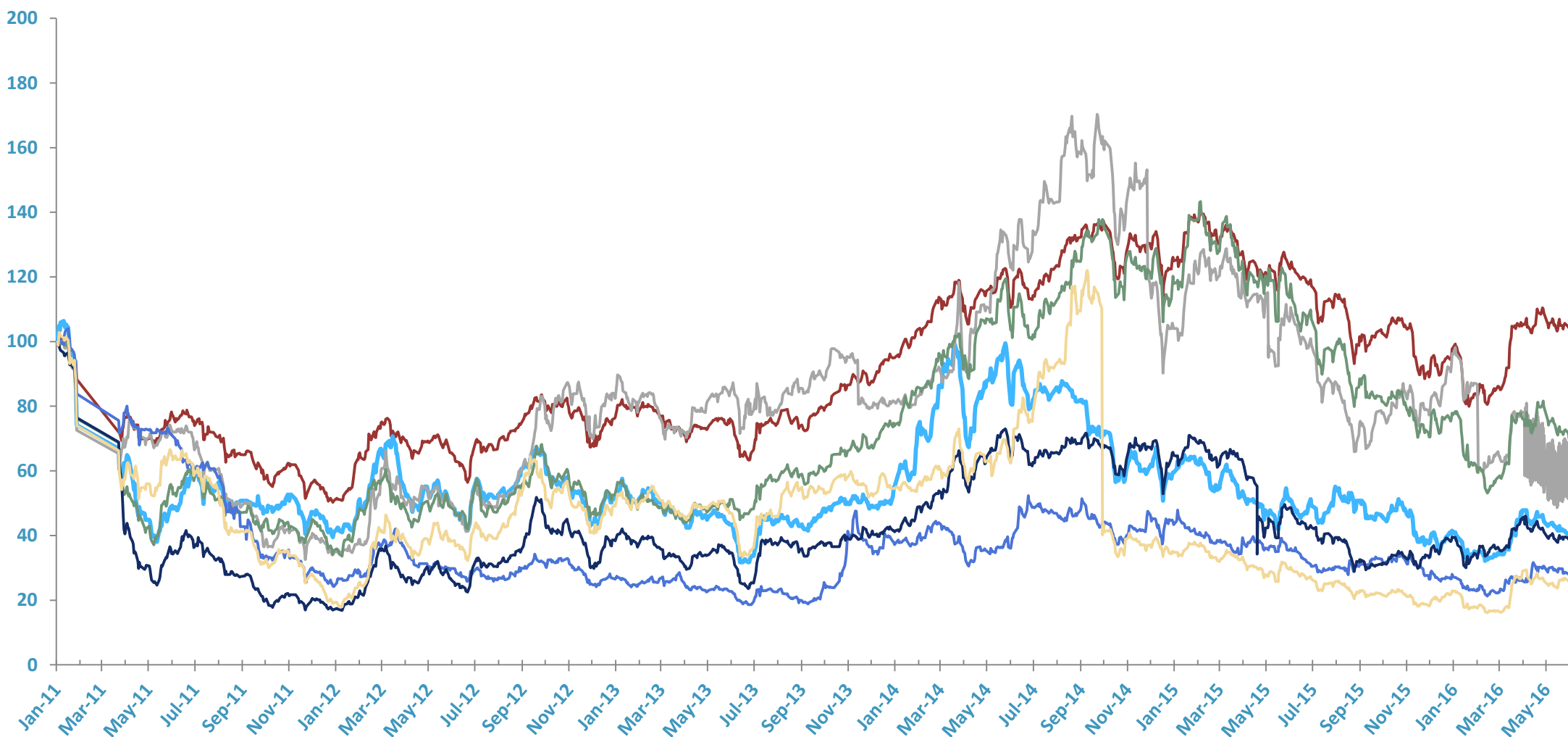
### Contingency Planning

In the unlikely event 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 mega B2C developer with around 2.7 million m<sup>2</sup> available for development** over the next six to eight years as further proven by developing a number of proprietary projects.


# Delayed recovery relative to peers suggests strong rebound

January 2011 – June 2016 (rebased to 100)

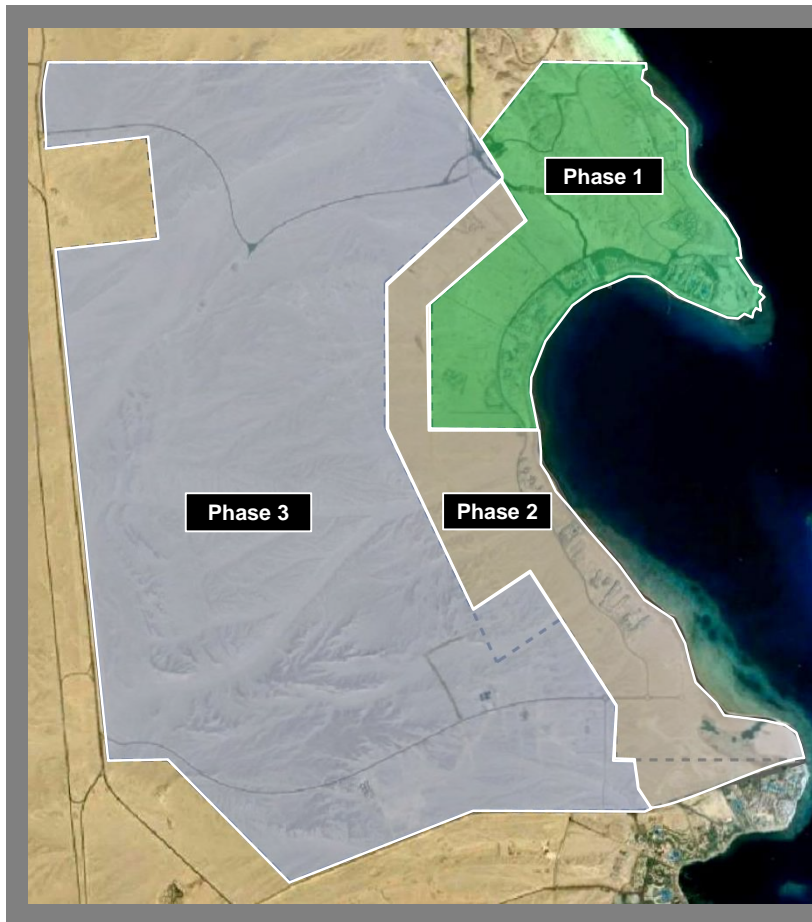
EGX30 EGTS MNHD TMGH ODHN PHDC OCDI



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# A rare and established prime diving and seaside destination



On program to become the no. 1 destination for seaside hospitality, residential and entertainment developers



# A master-planned project roughly two-thirds the size of Manhattan

Sahl Hasheesh is a unique, purpose-built Red Sea destination **18 km south of Hurghada International Airport** and approximately **470 km from Cairo**. The year-round development – approximately **two-thirds the size of the island of Manhattan** – is situated on a bay long renowned as a world-class diving and seaside destination **and includes a 12.5-km shoreline**.



## LOCATION + SIZE

- 18 km south of Hurghada Int'l Airport
  - 22 km south of Hurghada city center
  - 470 km from Cairo
- 
- 32 mn m<sup>2</sup> / 10,000 acres / 4,100 hectares
  - Approx. two-thirds the size of Manhattan

## DIMENSIONS + SHORELINE

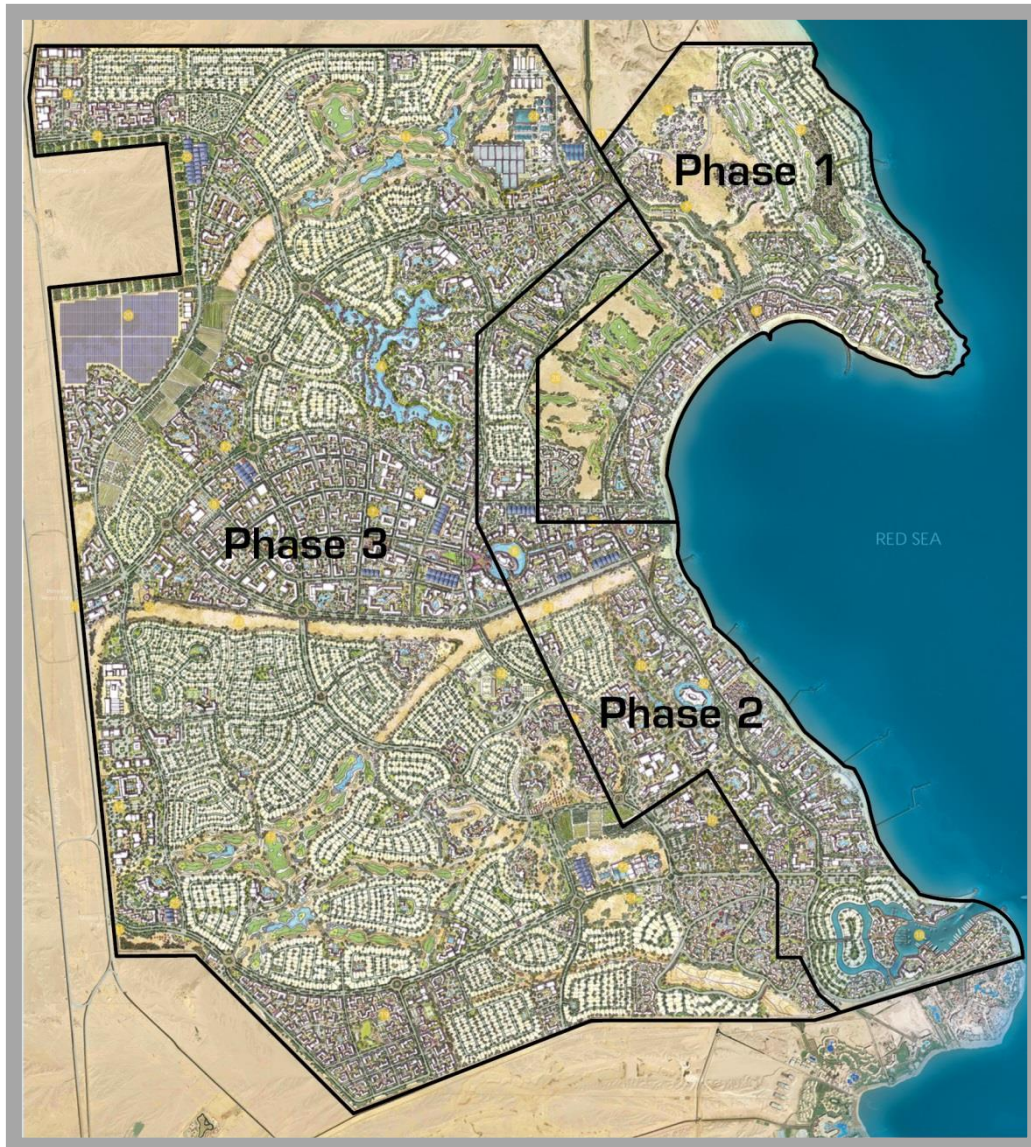
- Length Range: From 7.0 to 8.0 km
  - Depth Range: From 4.5 to 6.8 km
- 
- Bay Length: 12.5 km (7.8 miles)
  - Gorgeous sandy beach, 9 km swimmable
  - Overlooks renowned dive site at Hasheesh Island

## UNIQUE CHARACTERISTICS

- An all seaview resort
- Land elevations range from 0 m above sea level at the front of the resort to 120 m at the back—almost 40 stories high
- Year-round resort with moderate to hot weather and calm waters

# A WATG Master Plan

Phase III pending Tourism Development Authority (TDA) approval



Phase III shapes and brings online phased districts totaling **20 million square meters**, and is the key to **transforming the development** from a pure resort to a thriving **resort city**.

The WATG design introduces the heart of the city: **hospitals, schools, office buildings and SMEs** are among the developments that will shape a year-round municipal downtown at Sahl Hasheesh.

- After the 2011 uprising, the TDA withdrew land plots from many developers, including ERC.
- The allocation of Phase III of Sahl Hasheesh was cancelled, with the justification that ERC did not submit the master plan of Phase III.
- There were no prior notices for this withdrawal, which violated the land allocation agreement.
- ERC immediately submitted the master plan, which had been ready but was undergoing minor fine adjustments, and followed the legal steps by filing an appeal to the TDA to reverse this decision.
- ERC also submitted an appeal to the Dispute Resolution Committee under the TDA.
- ERC then filed a case against the TDA and the court forwarded the case to the Panel of Experts to investigate and report their opinion.
- ERC is optimistic about the outcome because of its strong legal position and because the government not only wants but also needs to resolve all disputes that have crippled the real estate and tourism sectors and the economy in general.



# Sahl Hasheesh: Progress Benchmarks

## Phase 1 6 million m<sup>2</sup>

### Hotel Rooms

- Fully finished: 1,632 rooms (four projects)
- Rooms under construction: 4,440

### Residential

- Fully finished : 1,094 villas/apartments (five projects)

### Entertainment

- 44,000m<sup>2</sup> retail and entertainment ready
- Two designer golf courses

## Phase 2 6 million m<sup>2</sup>

### Hotel Rooms

- Fully finished: 1,560 rooms (three projects)
- Rooms under construction: 1,860

### Residential

- Fully finished: 460 villas/apartments (1 project)
- Villas/apartments under construction : 670

### Entertainment

- First phase of Sawari Marina to host 330+ yachts, three hotels and 1,095 residential units/villas, in addition to a commercial area

## Phase 3 20 million m<sup>2</sup>

### General Status

- Master plan by WATG finalized and delivered to TDA
- Staff housing capacity (1,000 units online)

Phases I and II of Sahl Hasheesh are currently home to more than 3,000 hotel rooms and suites managed by brands including Premier Le Rêve, Premier Romance, Pyramisa and Old Palace, in addition to 1,500 residential units. Five of our hotels are top 10 picks on Trip Advisor.

6,300 hotel rooms and 670 residential units are under construction.

A phased master plan executed in coordination with leading local and international development partners

Planning Partners	Operating Partners	Developers	Projects
     	     	       	      

# A unique value proposition for ...

## 1. Investors & Sub-Developers

### Controlled Supply

Large – yet strategically released – land phases deployed based on development and ROI protection. Land supply around Hurghada is eroding quickly, while future sites at Sahl Hasheesh are easily brought online on short timelines, allowing profit protection.

### Superior Infrastructure

**“Plug-and-Play”:** Infrastructure up to site limits with developers simply “plugging” in.

**Potable Water:** Desalination plants delivering water needs with plug-in expansion capability.

**Water Treatment:** Tertiary treatment generating drinkable water.

**Communications:** Black fiber network delivering VOIP, Internet and IPTV.

**Electricity:** Substations ensure capacity secured well in advance of requirements.

### One-Stop-Shop

Investors and developers deal only with ERC, while ERC takes on all bureaucratic licenses, approvals, building permits and land registration.



and for ...

## 2. Tourists & Residents

### Community Management in an Upscale Resort

**Architectural integrity and cohesion** guaranteed by strict design guidelines coupled with innovative design concepts promise an ideal physical environment.

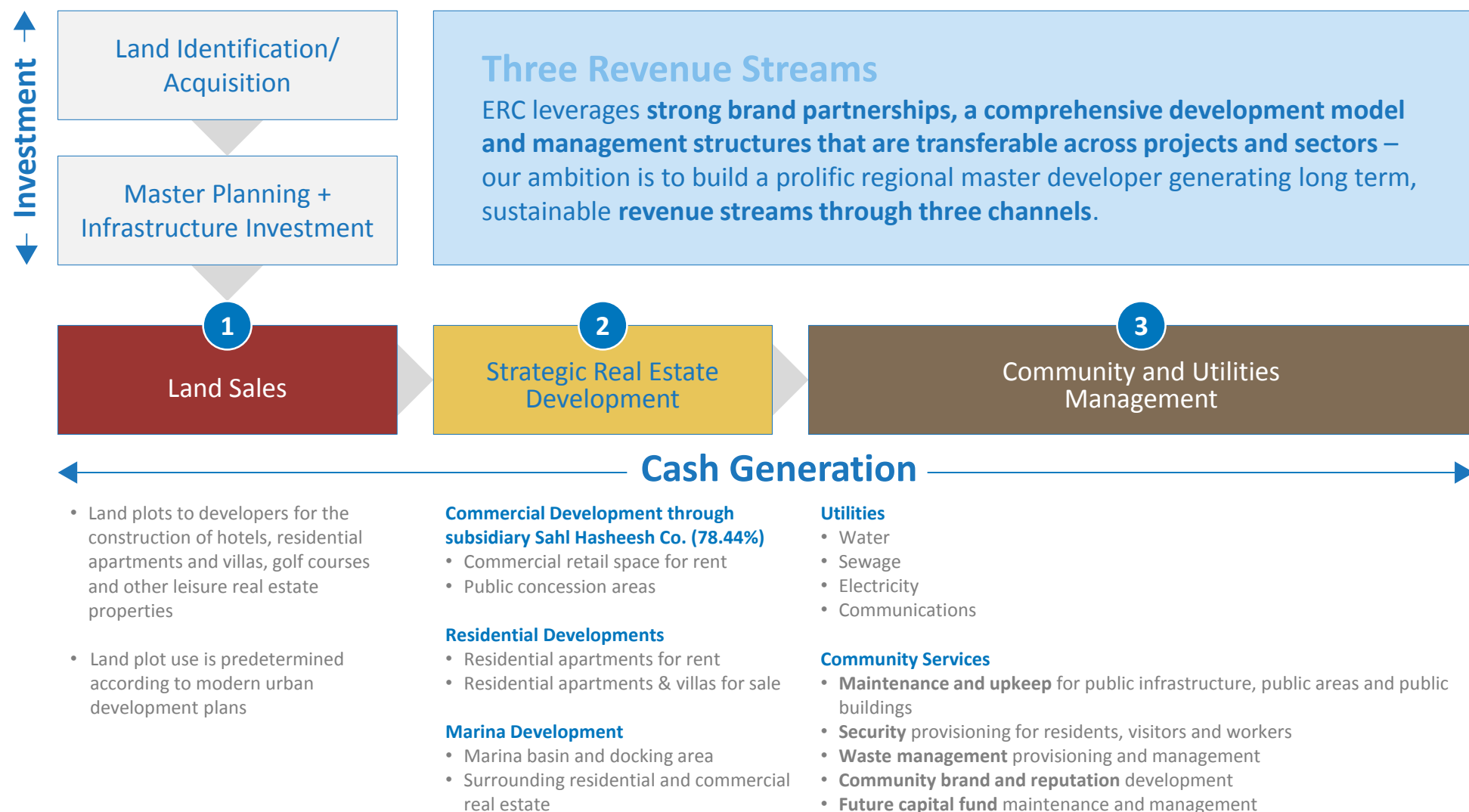
**Community management controls and regulations** ensure an uncommonly high level of environmental amenity and management services.

**Maintenance and upkeep** ensure a continuously functional and clean-operating and service-focused environment.

**Full services and amenities** blend the convenience and opportunities of a year-round municipality with the climate, lifestyle and attitude of a resort destination.



# ERC Business Model – The Case at Sahl Hasheesh





# Revenue Stream 1

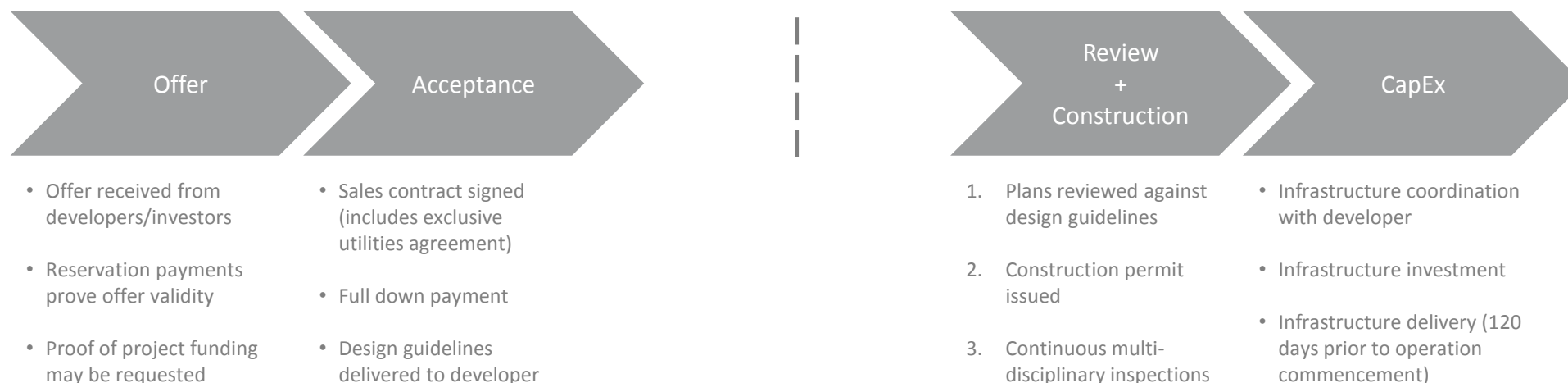
## Land Sales





# Revenue Stream 1: Land Sales

## Transfer of Ownership Occurs Upon Project Completion and Operation to Prevent Developer and Investor Speculation



The vast majority of land is scheduled for release during Phase III of the project.

The completion of key strategic assets will positively impact tourist and residential demand, the operating performance of sub-developers and, ultimately, land plot prices.

	Area (million m <sup>2</sup> )	Sold (million m <sup>2</sup> )	ERC Future Projects (million m <sup>2</sup> )	Available for Sale (million m <sup>2</sup> )	Years							
					2016	2017	2018	2019	2020	2021	2022	2023
Phase I	6	5.5	0	0.5	Plot Sales							
					Projects Development							
Phase II	6	4.9	1.1 (Sawari Marina)	1.1	Plot Sales							
					Projects Development							

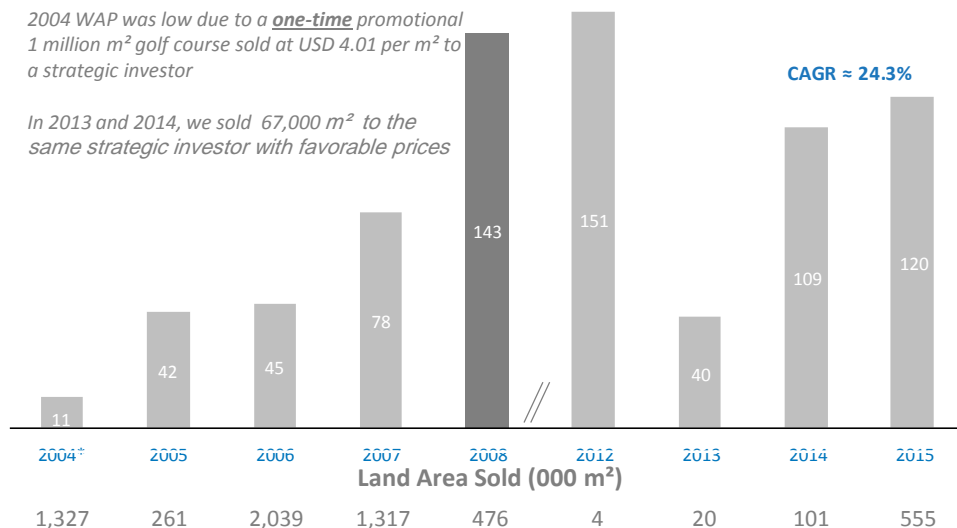
# Revenue Stream 1: Land Sales

## Industry-Beating Model

2.7 million m<sup>2</sup> (excluding Phase III) remain in the pipeline at Sahl Hasheesh. Average sales price grew at a CAGR of 90% before the global financial crisis and profit margins reached 84%.

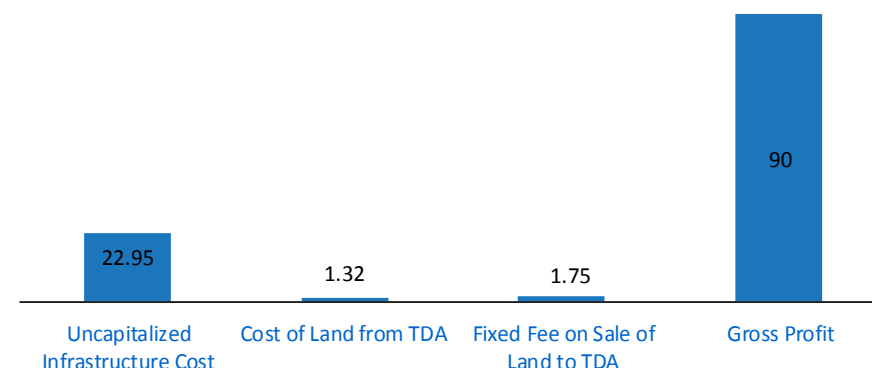
### Weighted Average Sales Price/m<sup>2</sup> Achieved (USD)

- 2004 WAP was low due to a one-time promotional 1 million m<sup>2</sup> golf course sold at USD 4.01 per m<sup>2</sup> to a strategic investor
- In 2013 and 2014, we sold 67,000 m<sup>2</sup> to the same strategic investor with favorable prices



- ERC maintained long-term land bank residual value by controlling end-consumer supply by not engaging new land plot sales in 2009 and 2010. Excessive supply will result in price competition among developers hurting their returns and in turn hurting ERC's land plot prices.
- Developer Payment Terms:**  
Down Payment: 20% - 30%  
Installments: 5 – 12 equal semi-annual installments

### Weighted Average Cost/m<sup>2</sup> (USD)



- Cost of Infrastructure:** Blended weighted average cost for all 3 phases.
- TDA Land Payments:**  
Phase I – Fully paid  
Phase II – Fully paid  
Phase III – EGP 310.1\* mn outstanding (Long Term Liability), three years grace + seven years payment
- Infrastructure Delivery Terms:** 120 days prior to development operations commencement.

\* As of 31/3/2016



## Revenue Stream 2

# Real Estate Development: Strategic Projects and Sahl Hasheesh Company



# 1 SHC Land Bank and Strategic Developments | Overview

ERC's subsidiary Sahl Hasheesh Company (SHC) is developing approximately 700,000 m<sup>2</sup> of commercial and residential property



## Under Development

Sole developer for Phases I and II downtown mixed-use areas

Plot #	Size (m <sup>2</sup> )	Type of Development
9A	33,994	Mixed Use
Currently developed BUA over Plot 9A		
Lease	10,897	Retail / Commercial
Sell	14,262	Residential w/PHD

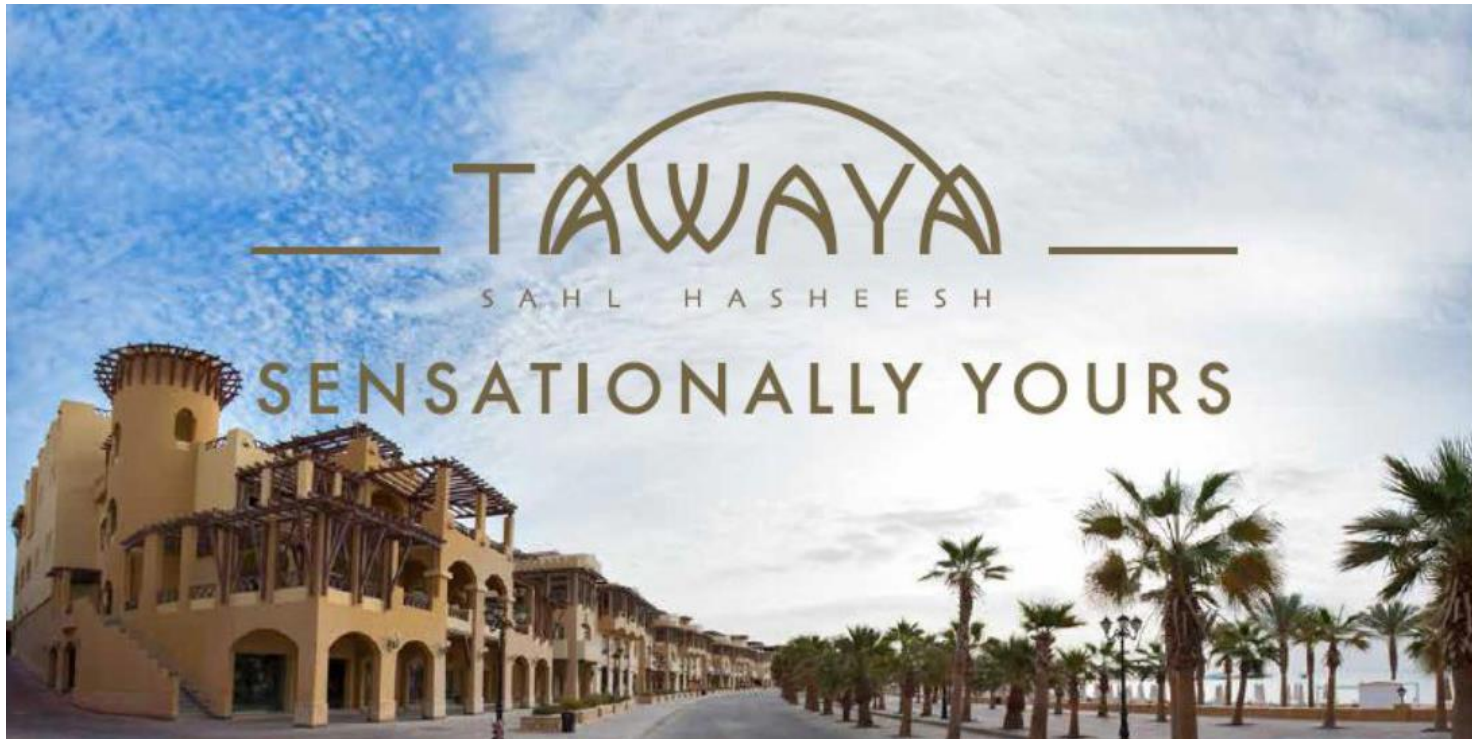
## For Future Development

Strategic plots acquired at market prices for mixed-use development

Plot #	Size (m <sup>2</sup> )	Type of Development
Festival World	487,660	Mixed Use
5.7	80,983	Mixed Use
60	97,554	Mixed Use
Total	666,197	



# 1 SHC Strategic Developments | Tawaya with Palm Hills Developments



## Project Highlights

- A partnership between SHC and Palm Hills Developments to build an exclusive waterfront residential project in the Old Town of Sahl Hasheesh.
- With this strategic alliance, ERC is targeting the build-up of a local community of residential owners.

### • Project Brief

- 147 exclusive seafront apartments, spread over seven buildings
- Unit sizes range between 60-294 m<sup>2</sup>
- Sellable BUA of 14,262 m<sup>2</sup>
- Delivery in 12 to 18 months
- Sales window opened in April 2015
- Expected project duration of 2 years



## 2 ERC Strategic Developments | Sawari Marina with Orascom DH



SAWARI



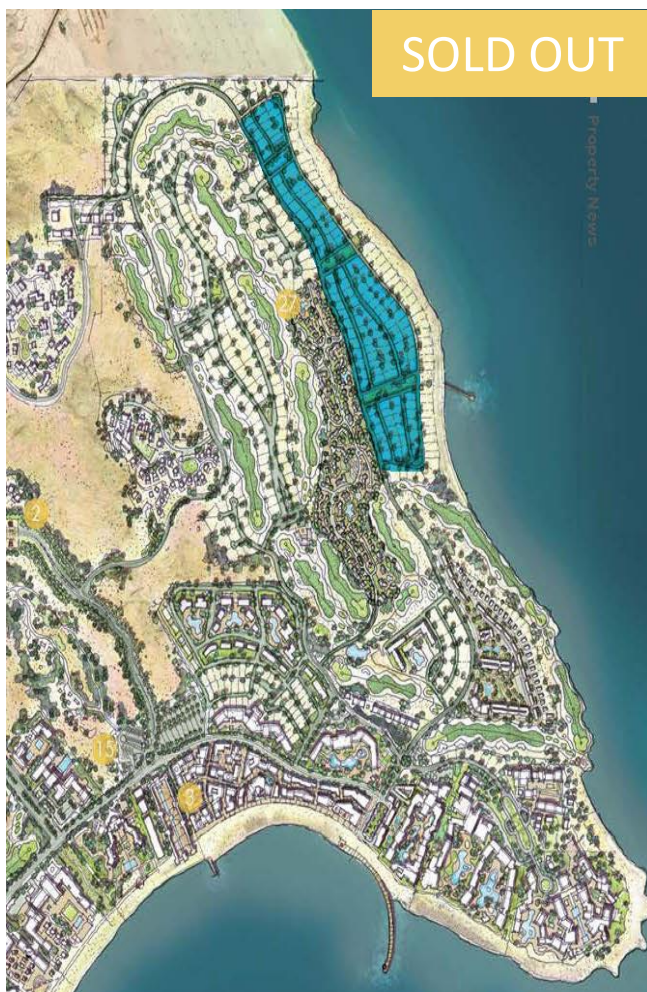
- 2.5 mn m<sup>2</sup> exclusive community centered around a world-class yacht club and marina
- Water across 117,000 m<sup>2</sup> to host 330+ boats and yachts from 10-60+ m in length
- Two 5-star and one 4-star hotels in Phase 1 around the marina basin
- 1,000+ villas and apartments in Phase 1—around the marina basin and lagoon only
- An extensive pedestrian promenade, featuring more than 2 km of boutique shopping, fine dining, cafes, nightlife and entertainment venues

### Project Highlights

- Total area of Phase 1: 1.1 mn m<sup>2</sup>
- Number of apartments: 1,020
- Number of villas: 171
- Number of hotel land plots: 3
- Total residential BUA: 130,000 m<sup>2</sup>
- Construction duration: 9 years (for phases 1 & 2)



## 2 ERC Strategic Developments | Jamaran




- An exclusive enclave of sea-side villas along the coast of Sahl Hasheesh
- Four designs to choose from, with each possessing a unique architecture style while embodying the elegance, simplicity and charm associated with Sahl Hasheesh seaside living
- Designs include several bedrooms and washrooms, spacious kitchens and living rooms and private backyard pools and rooftop terraces, all with sea view
- Each villa has a large private garden and the option of adding an infinity pool and barbeque area
- ERC has attracted a real estate developer to acquire and develop an area designated for sea-side apartments while adhering to the simple, elegant design guidelines that characterize Jamaran

• Total Land Area	320,000 m <sup>2</sup>
• Total No. of Villas	51 of 181
• Total Residential BUA	15,000 m <sup>2</sup>
• Villa Land Area (average)	1,000 m <sup>2</sup>
• Villa BUA	318 – 330 m <sup>2</sup>
• Construction duration	3 years
• Villa selling price (average)	USD 335,000
• Total contracted revenues:	USD 13 mn







## Revenue Stream 3

# Community and Utilities Management



# Revenue Stream 3: Community and Utilities Management

ERC's extensive infrastructure investments position it as the exclusive utilities and services provider – a model that generates sustainable cash flows


## 1 cost recovery and 3 profit centers from recurring revenues

Water	Electricity	Communications	Supply of Community Services
<ul style="list-style-type: none"> <li>ERC invests in desalination plant and equipment</li> <li>Management and maintenance subcontracted for a fixed fee</li> <li>Water sold to developers at market rates</li> </ul>	<ul style="list-style-type: none"> <li>ERC invests in internal electricity grid</li> <li>ERC is the licensed electricity distributor</li> <li>Electricity sub-station in design phase. Once online will result in substantially higher profit margins</li> </ul>	<ul style="list-style-type: none"> <li>ERC invests in equipment and <b>black fiber network</b> throughout entire site</li> <li>Services supplied through project partners:                             <ul style="list-style-type: none"> <li>High-Speed Internet</li> <li>VOIP</li> <li>IPTV</li> <li>Other Services</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li><b>Ernst Body Corporate</b> designed the community administration procedures and community rules and regulations</li> <li>ERC hired a team of professionals who currently manage and administer the community and its resources</li> </ul>

## Guiding Economics

- |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                                                 |                                                                                                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------|
| <ul style="list-style-type: none"> <li>Volume and quality-based pricing</li> <li><u>Potable</u>:                             <ul style="list-style-type: none"> <li>Apartments: EGP 15.00 per m<sup>3</sup></li> <li>Hotels: EGP 10.00 per m<sup>3</sup></li> </ul> </li> <li><u>Irrigation</u>:                             <ul style="list-style-type: none"> <li>Golf and Green: EGP 6.25 per m<sup>3</sup></li> </ul> </li> <li><u>Capacity</u>:                             <ul style="list-style-type: none"> <li>14,000 m<sup>3</sup> - current</li> <li>75,000 m<sup>3</sup> - 2035 (est.)</li> </ul> </li> <li>Gross Margins of 50% +</li> </ul> | <ul style="list-style-type: none"> <li>Budgeted CAPEX of EGP 100 million for a new 40 MW substation</li> <li><u>Capacity</u>:                             <ul style="list-style-type: none"> <li>20 MW - current</li> <li>300 MW - 2035 (est.)</li> </ul> </li> <li>Gross Margins TBA post sub-station</li> </ul> | <ul style="list-style-type: none"> <li>Quad-play fiber optic cables completed in Phases I and II</li> <li>Tevotech &amp; LinkdotNet selected as business partners</li> <li>ERC's revenue share = 15%-40% of revenues</li> </ul> | <ul style="list-style-type: none"> <li>Fees are based on community management model as cost recovery</li> </ul> |
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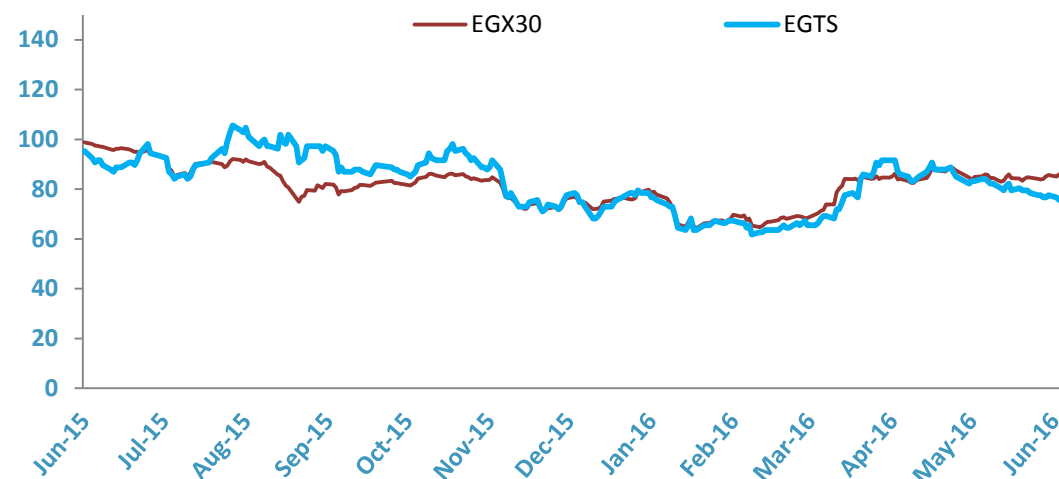
# High stock liquidity with high growth potential ...

Shares Outstanding	1,050,000,000
Share Price*	EGP 0.98
Market Cap.*	EGP 1,029,000,000
Average Daily Volume**	7.6 million
<b>1Q16</b>	
Revenue	EGP 10.3 million
EBT	EGP 7.0 million
Net Income	(EGP 1.4 million)
Cash & Receivables	EGP 813.3 million

\*As of March 31, 2016.

\*\* Source: EFG-Hermes.

52-Week Performance Chart (rebased to 100)



6<sup>th</sup>

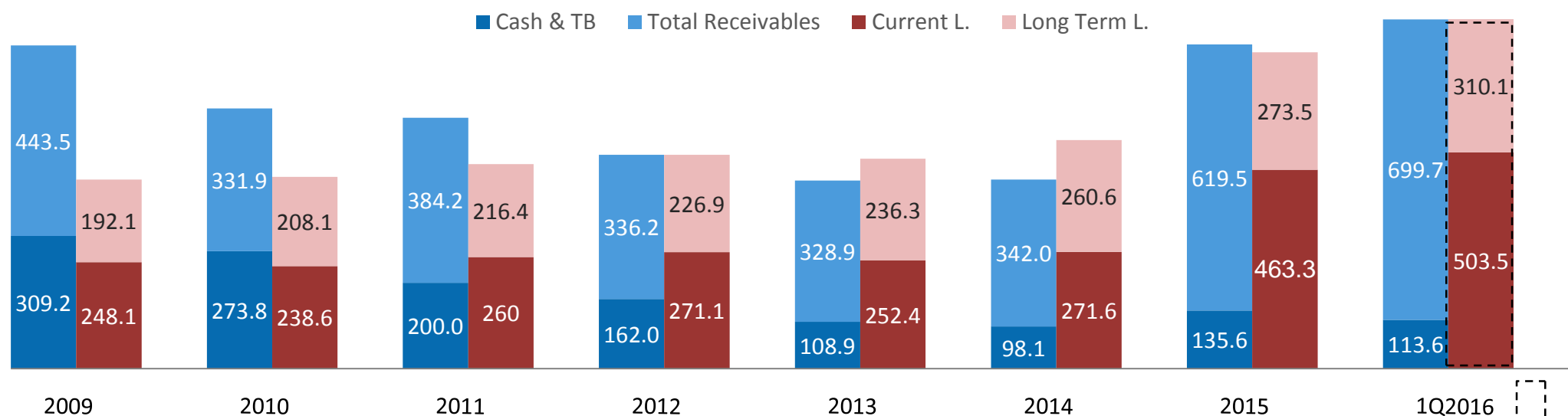
largest company in terms of  
average daily volume traded – 2015  
(7.6 million shares)

17<sup>th</sup>

largest company in terms of  
average daily value traded – 2015  
(EGP 7.8 million)

# ... backed by a solid balance sheet

## Consolidated Liquid Assets and Liabilities (EGP millions)



	MEGP		MEGP
<b>Current Liabilities</b>	<b>503.5</b>	<b>Long Term Liabilities</b>	<b>310.1</b>
1. Claims Provision	13.7	1. Purchase of land creditors (Phase 3)	310.1
2. Down payments	76.4		
3. Sundry creditors and other credit balances	167.1		
3.1 Jamaran Unearned Revenue (Buildings)	45.2		
3.2 Shahin Down payment	50.6		
3.3 Dues to government authorities	17.6		
3.4 Contractors	14.8		
3.5 Others	38.9		
4. Due to TDA (Share)	76.9		
5. Provision (cost for development of sold land)	154.1		
6. Income Tax Due	13.1		

## AGENDA

1	Investment Highlights
2	ERC – Egypt's Leading Master Developer
3	Corporate History and Recent Events
4	Sahl Hasheesh – ERC's Mega Resort Community
5	Market Opportunity Summary



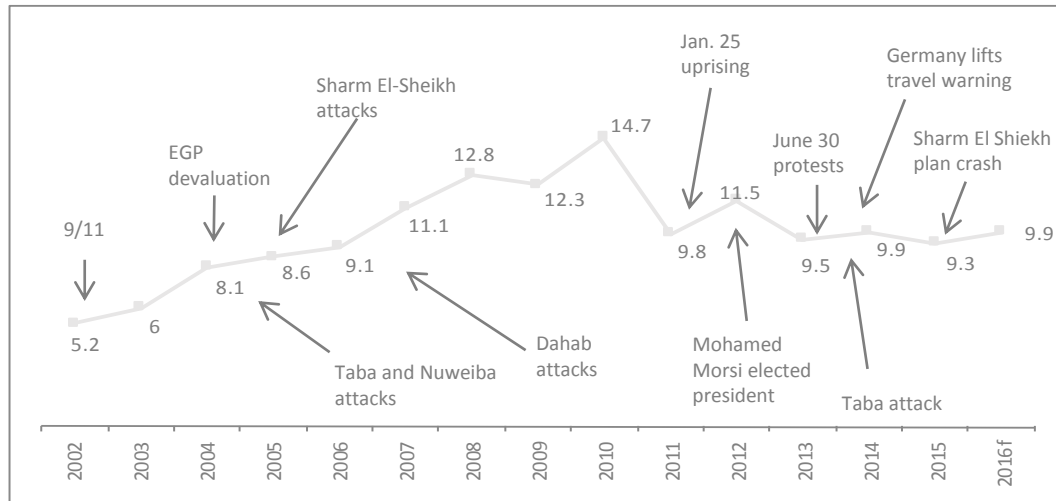
Appendices

6

# Tourism Sector

## A Challenging Time for Egypt's Tourism Sector...

Tourist Arrivals to Egypt | Millions

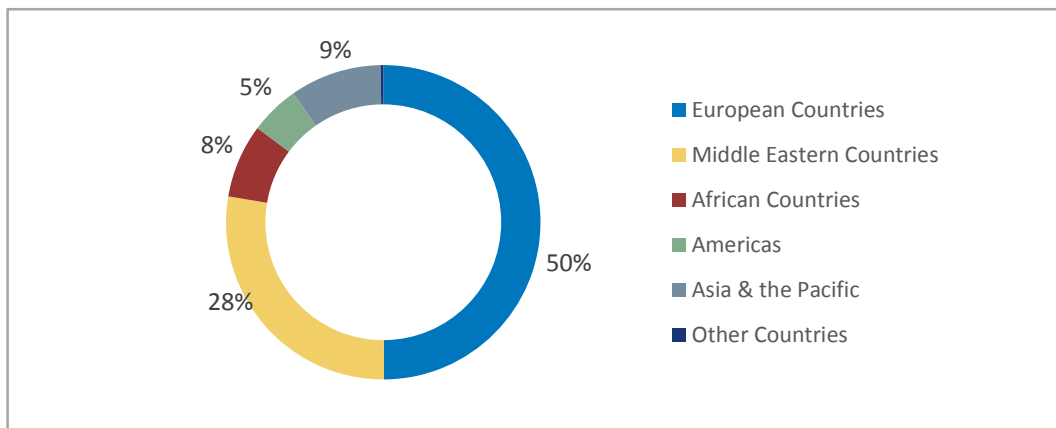


### Tourism in Egypt

- Tourist numbers down 46% y-o-y in 2M16 to 711 thousand tourists compared to 1.3 million tourists last year.
- Total number of nights spent declined by 65% in 2M16 to reach approximately 4.4 million nights compared to 12.4 million nights in 2M15
- Average number of nights spent also declined to about 6.2 nights per tourist compared to 9.4 last year

Source: Ministry of Tourism, Tourism Investors Association, GAAFI, Egyptian Union for Tourism Chambers, CAPMAS, Central Bank of Egypt

Breakdown of Arrivals by Region of Origin | FY 2015



### Tourism on the Egyptian Red Sea

- Capacity in the Red Sea governorate stands at 69,000 hotel rooms, 31% of Egypt's total hotel capacity of 225,000
- Occupancy rate in Sahl Hasheesh remains higher than norms in Egypt.
- Government spending on infrastructure projects such as the USD 335 million expansion of Hurghada International Airport, as well as investments made by forward-looking companies such as ERC to build-up capacity and infrastructure in the area drive the higher-than-norm occupancy rates on the Red Sea coast.
- Recently, the Egyptian government has bolstered security at airports across the country to reinforce Egypt's image as a safe place to visit, after the Russian plane crash in November 2015 took a severe toll on tourism figures that had gradually improved over 2014 and 2015.



# ERC's Vision, Mission & Strategy

## VISION

To become a regional master developer of international-standard mega communities by designing and implementing a world-class, master-designed, developed and controlled community standard, with the aim of redefining Egyptian urban planning, from every aspect of the world's best international communities and developments.

## MISSION

To 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.

## STRATEGY

To successfully implement the identified initiatives to ensure the success of our main product, the Sahl Hasheesh International Resort Community, and to be flexible during uncertainty by continuously searching for organic and inorganic growth opportunities that diversify and enhance our sustainable long-term income-generating ability. The search for opportunities will consider forward integration in the real estate value chain as well as investments across different real estate segments, sectors and geographies.

# Management Team (1/2)

## **Wael El-Hatow, Chief Executive Officer**

Mr. El Hatow is a veteran of the private equity industry, having served as Chief Investment Officer/Executive Director at Al Ahly Capital for 7 years. Prior to his role with Al Ahly, Mr. El-Hatow was with HC Securities and Investment for 10 years and served as Head of Investment Banking from 2004 to 2009. Mr. El-Hatow has also been a member of ERC's board since 2010. Mr. El-Hatow, earned his BA in political science from the American University in Cairo and his MBA from Pennsylvania State University.

## **Hassan Azab, General Manager, Sahl Hasheesh Company**

Eng. Azab has a Bachelor of Science in Aeronautics & Military Science. He has over 30 years of experience in the design, planning, construction and commissioning of hotels and resorts (2,200 rooms in total) in Hurghada, Sharm El Sheikh, Cairo, Luxor and Aswan, in addition to five floating hotels.

## **Mohamed Saad, General Manager — Site Operations**

Mr. Saad joined 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. Mr. Saad holds a Bachelor's degree in Electrical Power and Machines Engineering from Cairo University.

## **Abu Bakr Makhlof, Director — Commercial**

Mr. Makhlof heads ERC's commercial activities with an extensive background in commercial strategy and an MBA from IESE, a world leading business school in Spain. Prior to joining ERC, he served as the Commercial Strategy Manager for CEMEX, where he led the company's regional business strategy. Mr. Makhlof has a diverse background including taking on several roles in Strategic Planning, Project Management and Commercial Sales Management as well as entrepreneurship experiences.

## **Hazem Kassem, Director — Approvals & Compliance, Planning and Development**

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 Bachelor's 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. Prior to joining ERC, Mr. Shendy acted as lead consultant for numerous organizations such as Arabian Cement Company, Kobusch Packaging Egypt, 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 Carpets. Mr. Shendy was also a National Business Planning Consultant for FAO (UN) in addition to having been a member of the Board of Advisors for the National Award for Excellence for both Government & Business Sectors. 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 the Institute of Management Consultancy, the UK.

## **Sherif Omar, Director — Planning and Design**

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

# Management Team (2/2)

## **Ahmed Fahmy, Head of Information and Communication Technology**

Mr. Fahmy has more than ten years of experience in the Information and Communication Technology (ICT) field. He is responsible for preparing ICT related strategic and operational plans, including designing and managing the ICT infrastructure, networks and several ICT solutions, as well as supervising the implementation of the ICT security strategy. Prior to joining ERC, Mr. Fahmy held several IT positions in real estate and IT-solution companies. Mr. Fahmy holds a Bachelor's degree in Telecommunication and Electronic Engineering.

## **Laila Karim, Head of Marketing**

Ms. Karim joined ERC as Marketing Manager with her core job responsibilities including analyzing market trends, leading all areas of content generation and production across all media platforms, and creating and leading a marketing team that will develop and execute new marketing concepts, business models, communication channels, and establish new partnerships to help position business as an innovator and market leader. Prior to joining ERC, Ms. Karim held a number of key positions in companies such as AAPIC and BioGeometry Canada. Ms. Karim holds a Bachelor's degree in Communications Studies with a specialization in Public Relations from California State University, as well as an Interior Design Diploma from American River College in Sacramento, and a M.A. degree in Interior Design from Florence Design Academy.

## **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, the world's renowned strategy and management consulting firm. 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 Bachelor's degree with honors in Mechanical Engineering from the Arab Academy for Science and Technology.

## **Nazih Seoudy, Head of Developer Services**

Mr. Seoudy joined ERC with over 20 years of experience at Xerox Egypt, where he held 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.

## **Sameh Hashad, Head of Community Engineering**

Mr. Hashad has over 20 years of experience in the field of construction engineering and large-scale project development. He joined ERC in 1998 as an Assistant Construction Manager and has since worked on various projects, most notably Arrival Piazza as well as eight commercial shopping centers around Sahl Hasheesh on Egypt's Red Sea coast. Prior to joining ERC, Mr. Hashad worked for a number of reputable Egyptian and Saudi developers and was involved in the planning and execution of major projects, including renovation and construction work on King Abdulaziz University. Mr. Hashad holds a Bachelor's degree in Civil Engineering as well as a diploma in Soil Mechanics and Foundations from Cairo University.

## **Sayed Amer, Head of Accounting**

Mr. Amer has more than 18 years of experience in the field of accounting and auditing. Prior to joining ERC, Mr. Amer spent 14 years of his career as a senior audit manager at KPMG Hazem Hassan, Egypt. He was responsible for the diligent review of audit documents and ensuring compliance with the firm's methodology and applicable auditing standards. Mr. Amer is a member of the Egyptian Society for Accountants and Auditors (ESAA). He holds a Bachelor's degree in Commerce from Cairo University with a major in Accounting.

# Select Consolidated Financials

## From the Income Statement (EGP mn)

	2009	2010	2011	2012	2013	2014	2015	1Q16
Revenue	25.8	14.9	28.2	40.5	28.9	51.3	400.4	10.3
Gross Profit	12.1	(5.8)	(2)	(11.3)	(23.1)	(42.4)	241.9	(10.2)
EBT	3.9	(7.8)	(3.2)	(106.9)	(43.1)	(40.5)	216.6	7.0
Net Income	4.7	(9.4)	(7.4)	(110.0)	(47.7)	(41.4)	217.5	(1.4)

## From the Balance Sheet (EGP mn)

	2009	2010	2011	2012	2013	2014	2015	1Q16
Cash & Treasury Bills	309.2	273.8	200.0	162.0	109	98.1	135.6	113.6
Receivables	443.5	331.9	384.2	336.2	328.9	342.0	619.5	699.7
Short-term liabilities	248.1	238.6	260.0	271.1	236.3	271.6	463.3	503.5
Long-term liabilities	192.1	208.1	216.4	226.9	252.4	260.6	273.5	310.1



# SAHL HASHEESH

RED SEA, EGYPT

SAWARI

The Marina of Sahl Hasheesh,  
under development in  
partnership with Orascom  
Development and  
Management

TAWAYA  
SAHL HASHEESH  
SENSATIONALLY YOURS

An exclusive waterfront  
residential project in the Old  
Town of Sahl Hasheesh, co-  
developed with PHD

Jamaran  
SAHL HASHEESH

In-house development of sea-  
front residential villas with  
exquisite open water views and  
large garden areas

OLD TOWN  
SAHL HASHEESH

The downtown commercial  
area and public beach of Sahl  
Hasheesh. Developed by Sahl  
Hasheesh Co., the subsidiary  
of ERC





[www.erc-egypt.com](http://www.erc-egypt.com)  
[www.sahlhasheesh.com](http://www.sahlhasheesh.com)