

ODH (“Orascom Development Holding”) (SIX ODHN.SW), has released its consolidated financial results for its nine months ended 30<sup>th</sup> of September 2017.

**Orascom Development Holding (ODH): Operational improvements across all destinations result in revenue growth of 79.5% in local currency in Egypt**

- **A 25.5% increase in net real estate sales to reach CHF 86.1 million with more contribution coming from El Gouna, Hawana Salalah, Sifah and Luštica Bay.**
- **Revenues back to growth to reach CHF 170.8 million vs. CHF 169.9 million in 9M 2016.**
- **A 69.0% increase in hotels gross operating profits (GOP) to CHF 31.6 million vs. CHF 18.7 million in 9M 2016.**
- **Adjusted EBITDA increased by 15.8% to CHF 16.1 million in 9M 2017.**
- **Cash from operations continues to be positive for 9M 2017.**

Altdorf, 15 November 2017 –The largest Egyptian subsidiary of the Group (Orascom Development Egypt) has continued to record operational success with a 79.5% increase in revenues, in local currency, compared to 9M 2016 accompanied by a huge boost in its profitability. Yet this operational enhancement was not reflected in the Group’s turnover when being translated into Swiss Francs because of the 50.0% EGP devaluation against the Swiss Franc. As a result, reported revenues increased by 0.5% to reach CHF 170.8 million in 9M 2017 vs. CHF 169.9 million in 9M 2016.

Adjusted EBITDA for the period increased by 15.8% to reach CHF 16.1 million vs. CHF 13.9 million in 9M 2016. The net loss attributable to shareholders for the reporting period was substantially reduced by 50.1% on the back of the enhanced operational performance across all business segments and amounted to CHF 30.3 million vs. a net loss of CHF 60.7 million in 9M 2016.

In addition, ODH has signed a sale and lease back agreement for its 514-room’s hotel “Citadel Azur” located in Sahl Hashish with Corplease Group, one of the largest and leading leasing companies in Egypt. The total transaction value is USD 18.0 million to be repaid over 6 years with a residual value of 40.0% at the end of the tenor. The proceeds of the transaction shall be used to renovate the hotel and to fund ODH’s plans in Oman and Montenegro.

**The new hotels strategy continues to boost operational profitability across the Hotel’s segment resulting in a 5.4% increase in revenues to CHF 90.5 million and a 69.0% increase in gross operating profits (GOP) to CHF 31.6 million vs. CHF 18.7 million in 9M 2016.**

The tourism sector in Egypt continued its uptrend since the beginning of the year. Tourism revenues increased by 211.8% y-o-y to USD 5.3bn in 9M 2017 vs. USD 1.7 billion in 9M 2016. The increase in tourism revenues came on the back of increased arrivals of 55.3% y-o-y to 5.9 million.

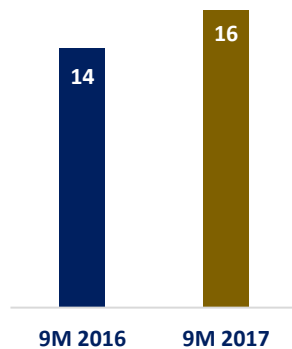
In El Gouna, the new strategy implemented at the beginning of the year has proven its great success recording a boost in the hotels operational efficiency. Occupancy rate increased by 36.4% to reach 75% vs. 55% in 9M 2016 and TRevPAR increased by 9.1% to reach CHF 48 vs. CHF 44 in 9M 2016. Hotels GOP surged by 163.3% to reach CHF 15.8 million compared to CHF 6.0 million in 9M 2016. We are also progressing with the renovation works of Sheraton, Bellevue, Movenpick, Captains’ Inn, Turtles’ Inn and Ali Pasha Hotels, some of which will be finalized by year-end.

Taba Heights remains the most challenging destination for the group due to the extended travel bans on Sinai and the political unrest facing the area. Nevertheless, our efforts towards reviving the destination helped us curb the GOP losses from CHF 1.3 million in 9M 2016 to CHF 0.3 million in 9M 2017. We re-opened another 100 rooms in Bay View Hotel out of the existing 394 rooms. To date we have 1,260 operating rooms out of 2,365 rooms compared to only 718 rooms operating in 9M 2016. Occupancy for the operating rooms reached 31% in 9M 2017.

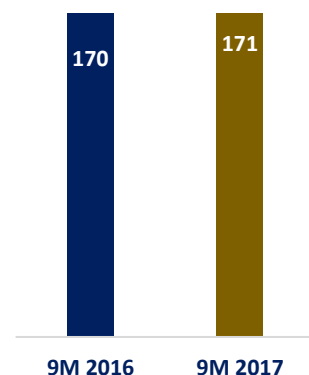
In Sahl Hashish, Citadel Azur Hotel occupancy rate increased by 38.1% to reach 58% in 9M 2017 compared to 42% in 9M 2016, also GOP increased by 31.6% to reach CHF 2.5 million in 9M 2017 compared to CHF 1.9 million in 9M 2016.

In Fayoum, Byoum Lakeside Hotel continued its positive momentum and reported an occupancy of 39% during 9M 2017 vs. 27.0% in 9M 2016.

**Adjusted EBITDA, Margin (CHFmn)**



**Revenues (CHF mn)**



The Gulf hotels in Oman and UAE continued their positive momentum since the beginning of the year and recorded a 4.6% increase in GOP to reach CHF 13.6 million in 9M 2017 compared to CHF 13.0 million in 9M 2016. Their contribution to the total segment revenues continued to increase to reach CHF 44.0 million representing 48.6% out of a total segment revenue of CHF 90.5 million in 9M 2017.

At Hawana Salalah, the successful European market penetration and the growing demand from the regional market, allowed a GOP to increase by 20.7% to reach CHF 7.0 million compared to CHF 5.8 million in 9M 2016 and occupancy rates of 68% vs. 64% in 9M 2016.

In UAE, we managed to open the new 142 hotel rooms by the end of June 2017, thus bringing the total number of hotel rooms to 491 vs. 346 rooms in 9M 2016. Occupancy for the operating rooms reached 70% vs 78% in 9M 2016.

Overall, the new hotel strategy designed to elevate the operational profitability levels across the segment continued to prove its success, which was reflected in the total segment's results. Revenues increased by 5.4% to CHF 90.5 million in 9M 2017 vs. CHF 85.9 million in 9M 2016 while the Adjusted EBITDA more than doubled to CHF 27.3 million vs. CHF 12.4 million in 9M 2016.

**Net contracted sales increased by 25.5% to reached CHF 86.1 million during the 9M 2017, with a noticeable boost in sales of Q3 2017 alone recording an increase of 70.8% to reach CHF 34.5 million vs. CHF 20.2 million in Q3 2016.**

El Gouna continued its solid performance on the back of targeted sales and marketing activities in addition to new product offerings and managed to be our top contributor in terms of sales. Net sales reached CHF 52.7 million compared to CHF 54.2 million in 9M 2016.

Overall in Egypt, we continued to prove our trust and commitment to our clients with our timely construction activity, delivering our projects within 2 years from contracting, making us by far the fastest developer in Egypt.

In Jebel Sifah, Oman sales has continued its positive momentum since Q4 2016. Net sales reached CHF 8.9 million compared to CHF 0.2 million in 9M 2016 on the back of the great success and the huge demand on the Golf Lake Residence real estate project that was launched in November 2016 with a total inventory of CHF 21.8 million.

In Hawana Salalah, Oman we launched a new real estate project on the 2<sup>nd</sup> of August called "Lagoon Project" (254 apartments) with a total inventory CHF 31.8 million. Net sales reached CHF 10.3 million in 9M 2017 compared to CHF 0.8 million in 9M 2016.

It is important to note that all the units delivered in Oman during the period-included earlier units that incurred cost of overrun. Moving forward, all new deliveries of the new launches will have a positive margin on the destinations results.

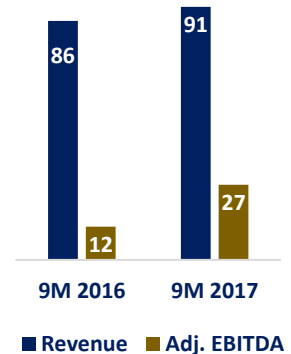
In Luštica Bay, Montenegro, we are continuing with construction of the town-homes and the villas – with plans to be finalized early 2018. We are also progressing with the construction of the Chedi hotel and started the rough works of the golf course. In, addition, sales started to pick up on the back of the successful launch of Centrale Phase 1; the town center concept, with approximately 60% contracted and reserved units out of the total inventory of EUR 11.0 million. Net sales in Luštica increased by 9.2% reached CHF 13.1 million vs. CHF 12.0 million in 9M 2016.

Total real estate revenues increased by 11.8% to CHF 49.4 million in 9M 2017 vs. CHF 44.2 million in 9M 2016 on the back of increased unit deliveries especially in El Gouna and Luštica Bay. Total deferred revenue from real estate that is yet to be recognized until 2021 increased by 14.7% to reach CHF 178.5 million in 9M 2017 compared to CHF 155.6 million in 9M 2016.

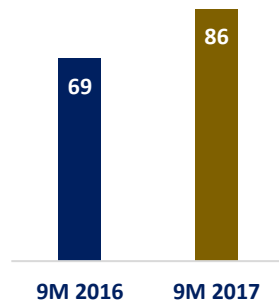
**Continuous efforts towards increasing the destination's livelihood has reflected positively on our Destination Management.**

We successfully hosted the first edition of El Gouna Film Festival (GFF) in September 2017, with more than 1,000 attendees. Our hotel's occupancy at the time reached 100% and for that event, we have built four new high standard international cinemas and finished the party venue that will be later used to host all seasonal parties and weddings.

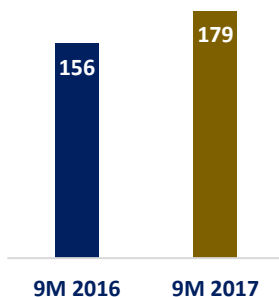
**Hotels Financials (CHF mn)**



**Net Sales Value (CHF mn)**



**Value of Deferred Income (CHF mn)**



In Jebal Sifah, Oman we opened the 9 holes golf course and the infinity pool, which was launched in October 2017. Also, we hosted the first Foot Golf event in November 2017 with more than 500 attendees. We are also hosting the XDubai Spartan Race in November 24, 2017 with expected attendees of 3,500.

**Outlook for FY 2017**

**Real Estate**

In El Gouna, in Q4 2017 we launched a new high-end real estate project overlooking the marina “Abu Tig Hill” with a total inventory of USD 22.0 million and are progressing very well with their reservations. We are at advanced discussions with private owners of a land plot in the North Coast in Egypt to enter the second home market soon. In Oman, capitalizing on the great success of Phase 1 of Golf Lake Residence real estate project, we are planning to launch the second phase of the project in November 2017 with a total inventory of CHF 18.0 million and are positively progressing with the new Central phase launches in Lustica Bay, Montenegro.

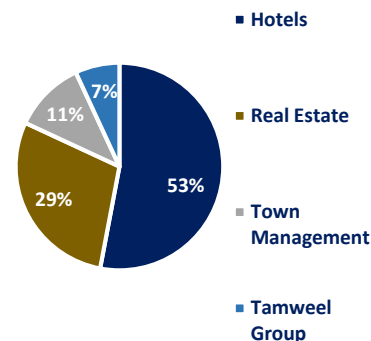
**Hotels**

In El Gouna, we are continuing with the renovation works across some of our hotels to further upgrade the destination's positioning. With demand recently picking up in Taba Heights, we are planning to open more rooms to increase the product offerings for the different cliental. In Hawana Salalah, we started the construction of 98 new rooms of Al Fanar Hotel (to reach 400) and 22 new rooms to Rotana Hotel (to reach 422) to be finalized before the end of 2017. In Montenegro, construction of the 5-star Chedi Hotel in Luštica Bay is quickly progressing, with plans to be finalized and opened in July 2018.

**Destination Management**

Following the great success of Phase I of G-space, we are planning to launch Phase II by mid-December 2017 to offer more private offices, meeting rooms and a large chill out area. We started the construction of Phase I expansion plan of Abydos Marina to add 10 new berths to be finalized before end of 2017. We are also in negotiations with an international company to lease an office building in El Gouna. In Hawana Salalah, Oman we are finalizing the construction of the water park project with plans to be launched in December 2017.

**Revenue by Business Segment**



**Key Figures for the 9M 2017/16**

<i>Revenue by Business Segment (CHFmn)</i>	3Q 2017	3Q 2016	9M 2017	9M 2016
Hotels	31.5	37.3	90.5	85.9
Real Estate	18.9	10.3	49.4	44.2
Land	-	-	-	2.7
Town Management	7.2	7.1	19.1	22.7
Tamweel Group	4.6	5.9	11.8	14.4
<b>ODH Group</b>	<b>62.2</b>	<b>60.6</b>	<b>170.8</b>	<b>169.9</b>

<i>(CHFmn)</i>	3Q 2017	3Q 2016	9M 2017	9M 2016
<b>Revenue</b>	<b>62.2</b>	<b>60.6</b>	<b>170.8</b>	<b>169.9</b>
Cost of sales	(50.2)	(49.8)	(133.8)	(136.9)
<b>Gross profit</b>	<b>12.0</b>	<b>10.8</b>	<b>37.0</b>	<b>33.0</b>
<b>Gross profit margin</b>	<b>19.3%</b>	<b>17.8%</b>	<b>21.7%</b>	<b>19.4%</b>
Investment income	1.9	2.1	4.0	5.0
Other gains and losses	3.3	(1.9)	11.8	(11.9)
Administrative expenses	(9.0)	(9.1)	(25.3)	(28.8)
Share of associates losses	(3.6)	(3.4)	(11.8)	(11.9)
<b>EBITDA</b>	<b>4.6</b>	<b>(1.5)</b>	<b>15.7</b>	<b>(14.6)</b>
Depreciation	(6.0)	(8.5)	(17.8)	(23.8)
Finance costs	(8.3)	(10.5)	(24.7)	(31.6)
Income tax expense	(1.3)	(0.9)	(3.5)	(1.7)
<b>Net Loss for the period</b>	<b>(11.0)</b>	<b>(21.4)</b>	<b>(30.3)</b>	<b>(71.7)</b>

Attribute to:

<b>ODH shareholders</b>	<b>(11.4)</b>	<b>(19.5)</b>	<b>(30.3)</b>	<b>(60.7)</b>
Non-controlling interest	0.4	(1.9)	(0.01)	(11.0)
<b>Basic EPS (CHF)</b>	<b>(0.29)</b>	<b>(0.48)</b>	<b>(0.76)</b>	<b>(1.50)</b>

<i>(CHF mn)</i>	30.09.17	31.12.16
Property, plant and equipment	724.0	762.6
Inventories	128.3	125.0
Receivables	92.5	98.3
Cash and bank balances	96.3	80.8
Investments in associates	65.8	78.6
Other assets	103.6	72.8
Non-current assets held for sale	77.6	67.2
<b>Total assets</b>	<b>1,288.1</b>	<b>1,285.3</b>
Borrowings	359.5	369.6
Payables	33.8	36.3
Provisions	70.8	68.6
Other Liabilities	208.0	165.0
Liabilities related to assets held for sale	65.7	54.1
<b>Total liabilities</b>	<b>737.8</b>	<b>693.6</b>
Non-controlling interests	142.3	140.5
Equity attributable to ODH shareholders	408.0	451.2
<b>Total liabilities and equity</b>	<b>1,288.1</b>	<b>1,285.3</b>

## Presentation

The associated financial statements and presentation can be found under the IR section of Orascom Developments' website under the following links:

<https://www.orascomdh.com/en/investor-relations/financial-statements.html>

<https://www.orascomdh.com/en/investor-relations/financial-reports.html>

## Telephone conference today at 3:00 pm CET (Zurich Time)

Orascom Development invites you to its 9M 2017 results conference call on 15 November 2017 at 3:00 pm CET (Zurich Time). The call will start by a presentation from the CEO Khaled Bichara and the CFO Ashraf Nessim, followed by a Q&A session. A registration is not required.

- Conference password: 94045823
- International: +44 (0) 1452 555 566
- Switzerland Toll Free: 0800 828 006
- Switzerland Local Number: 0565 800 007
- Egypt Toll Free: 0800 000 0318
- UK Toll Free: 0800 694 0257
- US Toll Free: 1866 966 9439

A replay of the conference call will be available for two weeks with the following dial in details:

- Access Code: # 94045823
- International: +44 (0) 1452 55 00 00
- Switzerland Local Number: 044 5803 456
- UK National: 08009531533
- US Toll Free: 1866 247 4222
- Available until 29 November 2017

## About Orascom Development Holding AG

Orascom Development is a leading developer of fully integrated destinations that include hotels, private villas and apartments, leisure facilities such as golf courses, marinas and supporting infrastructure. Orascom Development's diversified portfolio of destinations is spread over seven jurisdictions (Egypt, UAE, Oman, Switzerland, Morocco, Montenegro and United Kingdom), with primary focus on touristic destinations. The Group currently operates ten destinations; five in Egypt (El Gouna, Taba Heights, Fayoum Makadi, and Harram City), The Cove in the United Arab Emirates, Jebel Sifah and Hawana Salalah in Oman, Luštica Bay in Montenegro and Andermatt in Switzerland.

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