Earnings Release
1H 2018

ODH (“Orascom Development Holding”) (SIX ODHN.SW), has released its consolidated financial results for its 1H 2018.

Orascom Development Holding AG: Breakevens on the bottom line, excluding one offs and losses from associates and continues to deliver solid results across all business segments, revenues surge by 43.3% to CHF 155.6 million and Adjusted EBITDA more than tripled to CHF 35 million.

Group Highlights

- **Net real estate sales recorded a significant increase of 87.6% to CHF 98.7 million with enhanced contributions from all our destinations.**
- **Real estate revenues surged by 91.1% to CHF 58.1 million on the back of increased unit deliveries in El Gouna, Jebal Sifah and Luštica Bay.**
- **Hotel revenues increased by 24.6% to CHF 73.3 million and GOP increased by 41.8% to CHF 29.5 million.**
- **Town management revenues continues its uptrend momentum with a 33.9% increase to CHF 15.8 million.**
- **Adjusted EBITDA more than tripled to CHF 35 million vs. CHF 11 million in 1H 2017.**
- **Reported Net Losses reached CHF 16.4 million, which included a one-off FX translations loss of CHF 16.7 million.**
- **Sold 7,955 sqm land plot in El Gouna for USD 1 million (USD 130 per sqm) to construct the first office building and lease it to a German based company.**
- **Orascom Development Egypt (ODE); the subsidiary, is finalizing the contract with the Egyptian Government for the revenue share agreement on the 1,000 feddan plot in West Cairo for our first home development.**
- **Finalizing the legal documentation for the previously announced sale of our 3 hotels in Makadi and Tamweel Group and the repayment of c. CHF 56 of debt in 2018.**

Altdorf, 14 August 2018 – ODH continued to deliver strong operational results and curbed the bottom line losses of the Group to become operationally breakeven excluding one offs and losses from associates. Revenues increased by 43.3% to CHF 155.6 million in 1H 2018 compared to CHF 108.6 million in 1H 2017 and Gross profit increased by 97.2% to CHF 49.5 million vs. CHF 25.1 million in 1H 2017. Adjusted EBITDA more than tripled to CHF 35 million compared to CHF 11 million in 1H 2017.

Reported net losses reached CHF 16.4 million, which included a one-off FX translations loss of CHF 16.7 million, compared to a loss of CHF 19.3 million in 1H 2017 (which included gains in relation to settlement of borrowings in the amount of CHF 6.3mn).

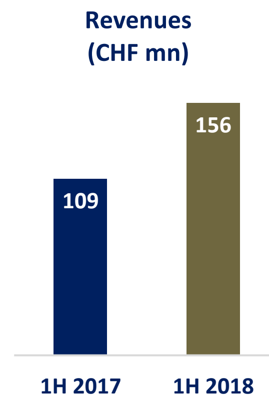
The one-off FX translation loss is mainly related to the devaluation of the EGP in 2016. Whereby based on the accounting standards on the sale of a foreign subsidiary, the cumulative historical FX gain or loss earlier recognized in the other comprehensive income should be reclassified to the P&L. Hence, the one-off FX losses of CHF 16.7 million that resulted upon the sale of Citadel Azur hotel was reclassified from the foreign currency translation reserve to the P&L. It is important to highlight that this had no negative effect on the equity, as it was already taken into consideration in 2016 with the devaluation. On the other hand, our equity increased by CHF 3.7 million as result of the sale.

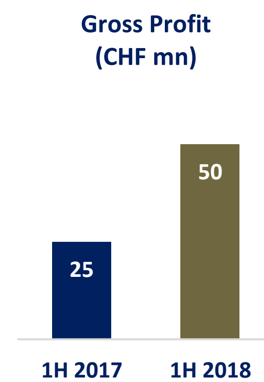
Group Hotels:

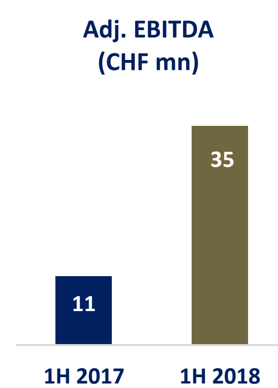
Disciplined execution of our revised Hotel management strategy announced early 2017, continues to drive strong operating results, sustaining solid earnings growth. Hotels revenue grew 24.6% from CHF 58.8 million to CHF 73.3 million in 1H 2018, along with an increase of 41.8% in the GOP from CHF 20.8 million to CHF 29.5 million in 1H 2018. Adjusted EBITDA increased by 34.1% to CHF 23.6 million vs. CHF 17.6 million in 1H 2017.

Group Real Estate:

Real estate segment recorded outstanding operational and financial results across all destinations. Net sales increased by a solid 87.6% to CHF 98.7 million and revenues increased by 91.1% to CHF 58.1 million on the back of unit deliveries in El Gouna, Jebal Sifah and Luštica. Total deferred revenue from real estate that is yet to be recognized till 2023 increased by 24.3% to reach CHF 185.8 million vs. CHF 149.5 million in 1H 2017. It is also important to note in addition to the outstanding deferred revenue balance; the Group also has a deferred interest income of CHF 13.5 million.







Group Town Management:
With the increase in scale, along with presence of more activities and events across our destinations, the revenues of our Town management segment continued its growing momentum and recorded a 33.9% increase to CHF 15.8 million vs. CHF 11.8 million.

El Gouna, Egypt
Our hotels in Egypt continued to take advantage of the country's tourism revival, recording a 34.6% increase in revenues to CHF 37.7 million vs. CHF 28.0 million in 1H 2017 and a 58.5% increase in GOP to CHF 16.8 million. El Gouna continued to foster its leading market position in the Egyptian tourism sector and is the main contributor to the hotels segment results. Revenues increased by 36.7% to CHF 29.4 million vs. CHF 21.5 million in 1H 2017 accompanied by a 49% increase in GOP to CHF 14.9 million vs. CHF 10 million in 1H 2017. Occupancy rates increased by 5.4% to reach 78% vs.74% in 1H 2017 and TRevPAR increased by 35.6% to CHF 61 vs.CHF 45 in 1H 2017, on the back of the increased demand and room rates.

On the development level, Turtle's Inn Hotel was reopened post a full revamp which afforded a double up of its ARR – going from CHF 26 to CHF 57. The renovation of Turtle's Inn comes as a first step of a full renovation plan for the three Abu Tig Marina Hotels. With demand recently picking up we are also considering the addition of more rooms to the existing hotels and possibly building a new hotel for the destination in 2018/2019.

Net real estate sales recorded a 50% increase to CHF 58.5 million vs. CHF 39.0 million in 1H 2017. In April 2018, we launched phase one of "Ancient Sands Villas" with a total inventory of USD 22.7 million and managed to sell almost USD 10 million to date. In July, we launched 12 new units in "Sabina project" for a total value of USD 4 million, which were sold out on the first day of launch. We are on track on achieving our real estate target of the year and planning to launch new products in December.

On the town management side, we have successfully hosted our yearly events in April, the International Squash Championship and El Gouna Polo. We are planning to host the 2nd edition of El Gouna Film Festival after the great success of the 1st edition. We also sold a 7,955 sqm land plot in El Gouna for a total value of USD 1 million (USD 130 per sqm) to construct the first office building in El Gouna and lease it to a German based company. This is the first step into the establishment of El Gouna business park after G-Space and positioning it as a regional business hub.

Taba Heights, Egypt
Taba Heights remains the most challenging destination due to the travel bans on Sinai. Nevertheless, the targeted marketing activities lead to an increase in the hotels revenues by 76.9% to CHF 2.3 million and continued to reduce the GOP losses to reach only CHF 0.3 million.

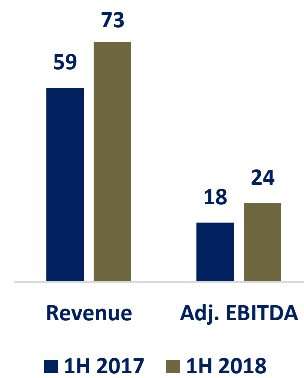
Makadi Heights, Egypt
In April 2018, we designed a new sales and marketing strategy to revive our destination "Makadi Heights" and launched a new project with a total inventory of CHF 11.1 million which proved to be a great success, with net sales reaching CHF 6 million vs. only CHF 0.03 million in 1H 2017. We are capitalizing on the great success of the 1st phase of the project and planning to launch more inventory to cater the demand of our clients.

Hawana Salalah, Oman
Though adversely impacted by the month of Ramadan and the Tropical Cyclone which hit the destination in May and June, Salalah Hotels still reported a 19.3% increase in revenues from CHF 16.1 million to CHF 19.2 million, and a 39.6% growth in GOP from CHF 4.8 million to CHF 6.7 million.

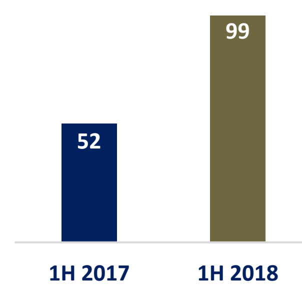
The third extension of Fanar Resort and Residences is being constructed, adding a further 177 rooms thus bringing the total number of rooms to 577, and creating the largest hotel in the Orascom portfolio to take advantage of the ongoing, rapid growth in demand and proven quick return on investment in the hotels business for the destination.

On the real estate side, the new launch released in Q4 2017 continued to witness huge demand whereby net sales increased almost 60 times to CHF 11.8 million in 1H 2018 vs. CHF 0.2 million in 1H 2017. Additionally, we started construction in the "Hawana Lagoon" real estate project to be finalized in Q3 2019 and we are planning to launch a new real estate project "Hawana Island" in Q3 2018 with a total inventory of CHF 29.6 million.

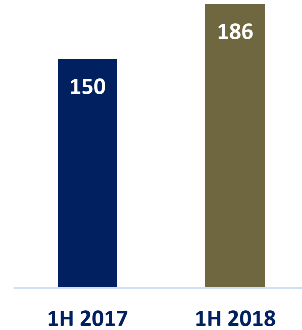
Hotels Financials (CHF mn)



Net Value of Contracted Units (CHF mn)



Value of Deferred Income (CHF mn)



Jebel Sifah, Oman

Net real estate sales continued its positive pace and increased by 70% to CHF 13.6 million vs. CHF 8 million in 1H 2017. We are progressing with the construction of phase one of the Golf Lake Residence project compromising 130 units with plans to be delivered before end of 2018.

From the town management side, aadditional pontoons are being installed at the marina along with an enhanced water taxi service scheduled to launch in 2019 and the destination will welcome a new bar, restaurant, supermarket and a fishing charter business in 2018.

Luštica Bay, Montenegro

We successfully opened the first hotel in the destination the “Chedi Luštica Bay”. The marina-front luxury boutique hotel is home to 111 guestrooms, 4 restaurants & bars, a fully equipped conference centre, and a spa and fitness centre. The hotel had its soft launch on July 21, 2018 with bookings already in place and very positive feedback from guests. Occupancy for the hotel reached 41% during the first 10 days of opening and KPIs and financial contribution will be recognized in Q3 results of the year.

We have several events lined up this summer with the launch of our hotel where by a big event on August 17, 2018 is marked with more than 1,000 invitees. We also opened the first phase of the main marina with 52 berths out of the total planed 176 berths.

With the increased interest on the rising destination, net sales increased by 136.1% to reach CHF 8.5 million vs. CHF 3.6 million in 1H 2017. The year 2018 started as the busiest year yet on the development and construction fronts. Besides the significant increase in sales that further emphasized demand on our project, we are strongly progressing with the construction of the town homes and villas of the marina village plus the E” and “B” building clusters to be finalized in 2018 and early 2019.

Corporate Updates

We are finalizing all necessary documentation and submission for the sale of our earlier communicated 3 hotels in Makadi for a total EV of CHF 49 million with cash proceeds of CHF 27.4 million and the deconsolidation of CHF 14.4 million of debt.

We are also finalizing the necessary fillings for the sale of ODE’s stake in Tamweel Group at an equity valuation of CHF 20.0 million and will deconsolidate its debt of c. CHF 59.2 million. Total cash proceeds from both sales will be approximately CHF 44.8 million. In parallel, we are holding advanced discussions and executing on our communicated plan with the banks to reduce the debt on ODE by c. CHF 56 million in 2018.

On the Real Estate front, we are finalizing the documentation for our revenue share agreement with the Egyptian government on the 1,000 feddan plot in West Cairo. We are also continuing to hold advanced discussions to acquire a land plot in North Coast. Both plots will mark our first entrance into the first and second home markets in Egypt.

Key Figures for the 1H 2018/17:

Revenue by Business Segment (CHFmn)	Q2 2018	Q2 2017	1H 2018	1H 2017
Hotels	33.1	28.0	73.3	58.8
Real Estate	35.8	18.1	58.1	30.4
Town Management	8.4	6.1	15.8	11.8
Tamweel Group	4.2	3.9	8.4	7.6
ODH Group	**81.5**	**56.1**	**155.6**	**108.6**

(CHFmn)	Q2 2018	Q2 2017	1H 2018	1H 2017
Revenue	**81.5**	**56.1**	**155.6**	**108.6**
Cost of sales	(54.0)	(44.1)	(106.1)	(83.5)
Gross profit	**27.5**	**12.0**	**49.5**	**25.1**
Gross profit margin	*33.9%*	*21.4%*	*31.8%*	*23.1%*
Investment income	1.5	1.2	3.6	2.1
Administrative expenses	(8.7)	(7.1)	(18.1)	(16.2)
Adj. EBITDA	**20.3**	**6.1**	**35.0**	**11.0**
Adj. EBITDA margin	*24.9%*	*10.9%*	*22.5%*	*10.1%*
Other gains	(8.8)	7.1	(8.0)	8.3
Share of associates losses	(3.6)	(4.7)	(7.5)	(8.2)
EBITDA	**7.9**	**8.5**	**19.5**	**11.1**
Depreciation	(5.8)	(5.6)	(11.2)	(11.8)
Finance costs	(10.2)	(8.5)	(19.2)	(16.4)
Income tax expense	(3.2)	(1.2)	(5.5)	(2.2)
Net Losses for the period	**(11.3)**	**(6.8)**	**(16.4)**	**(19.3)**
ODH shareholders	(10.5)	(5.6)	(17.6)	(18.9)
Non-controlling interest	(0.8)	(1.2)	1.2	(0.4)
Basic EPS (CHF)	**(0.26)**	**(0.14)**	**(0.44)**	**(0.47)**

(CHF mn)	30.06.18	31.12.17
Property, plant and equipment	745.2	765.1
Inventory	122.5	127.6
Receivables	126.3	107.0
Cash and bank balances	124.6	99.4
Investments in associates	53.5	60.8
Other assets	87.8	80.8
Non-current assets held for sale	112.3	107.0
Total assets	**1,372.2**	**1,347.7**
Borrowings	350.1	374.7
Payables	50.0	51.0
Provisions	63.1	65.6
Other Liabilities	214.0	210.4
Liabilities related to assets held for sale	87.3	84.4
Total liabilities	**764.5**	**786.1**
Non-controlling interests	158.5	149.1
Equity attributable to ODE shareholders	449.2	412.5
Total liabilities and equity	**1,372.2**	**1,347.7**

Presentation:

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

http://www.orascomdh.com/investor-relations
http://www.orascomdh.com/investor-relations/financial-information/2018

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

Orascom Development invites you to its 1H 2018 results conference call on 14 August 2018 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: 7791198
- International: +44 (0) 2071 928000
- Switzerland Toll Free: 0800 828 006
- Switzerland Local Number: 0315 800 059
- Egypt Toll Free: 0800 000 0798
- UK Toll Free: 0800 3767 922
- US Toll Free: 1866 966 1396

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

- Access Code: # 7791198
- International: +44 (0) 3333 009 785
- Switzerland Local Number: 044 580 456
- UK National: 080 8238 0667
- US Toll Free: 1 866 3311 332
- Available until 28 August 2018

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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