Earnings Release Q1 2017

ODH ("Orascom Development Holding") (SIX ODHN.SW), (EGX ODHN.EY) has released its consolidated financial results for its three months ended 31st of March 2017.

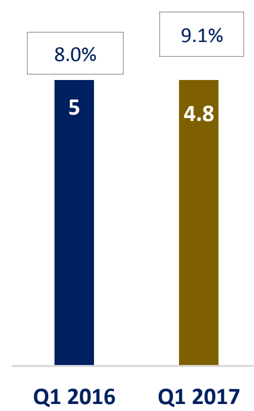
Orascom Development Holding (ODH): The Group improved the operational performance in all business segments across Egypt and Oman. Yet, the significant devaluation of the Egyptian pound of more than 50% in November 2016 had a negative translation effect on the Q1 2017 income statement that is reported in Swiss Francs.

- **Revenues reached CHF 52.5 million vs. CHF 61.2 million in Q1 2016, despite the EGP devaluation**
- **Gross profit was doubled to reach CHF 7.0 million vs. to CHF 3.5 million in Q1 2016**
- **Significant increase in the hotels' segment performance across all destinations**
- **A 310% increase in El Gouna Hotels Gross Operating Profits (GOP)**
- **Net real estate sales of CHF 15.9 million**

Altdorf/Cairo, 16 May 2017 – In local currency, the results and operational performance of the largest Egyptian subsidiary of the Group (Orascom Hotels and Development) improved significantly in Q1 2017, whereby revenues increased by 73.9% compared to Q1 2016. However, the significant devaluation of the Egyptian pound in November 2016 of more than 50% affected ODH's income statement that is reported in Swiss Francs. Consequently, total revenues decreased by 14.2% to reach CHF 52.5 million after its translation compared to CHF 61.2 million in Q1 2016.

Gross profit doubled to reach CHF 7.0 million in Q1 2017 compared to CHF 3.5 million in Q1 2016 and the net loss attributable to shareholders for the reporting period amounted to CHF 13.2 million vs. a net loss of CHF 26.4 million in Q1 2016. Adjusted EBITDA for the period reached CHF 4.8 million.

Adjusted EBITDA, Margin (CHFmn,%)



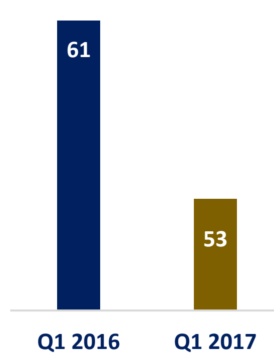
A promising start to the year for the hotels segment with a 13.7% increase in revenues to CHF 30.8 million and a 88.5% increase in gross operating profits (GOP) to CHF 11.5 million compared to CHF 6.1 million in Q1 2016.

In Egypt, the Tourism sector is starting to pick up despite the continuing travel bans inflicted by most of the European countries to Sinai Peninsula and Sharm El Sheikh. In Q1 2017 number of tourists has increased by 51.0% to reach 1,738,000 tourists compared to 1,150,715 tourists in Q1 2016.

In El Gouna, we successfully implemented a new hotel management strategy in January 2017 coupled with renovations of some of the hotels in the destination. The new strategy triggered a boost in operational efficiency levels and led to higher bottom line results. The occupancy rate increased by 36.5% to reach 71% vs. 52% in Q1 2016 and GOP surged by 310% from CHF 1.0 million in Q1 2016 to CHF 4.1 million in Q1 2017.

In Taba Heights, we re-opened 100 rooms in the El Wekala Golf Resorts out of the hotels existing 215 rooms. To date, we have a total of 818 operating rooms in Taba Heights out of 2,365 rooms compared to only 442 rooms operating in Q1 2016. Occupancy for the operating hotels reached 23% vs. 15% in Q1 2016, we also managed to cut GOP losses from CHF 0.8 million in Q1 2016 to CHF 0.3 million in Q1 2017.

Revenues (CHF mn)



In Fayoum, the Byoum Lakeside Hotel continued its positive momentum since its soft opening in September 2016 and reported an occupancy of 55% during Q1 2017.

The Gulf hotels in Oman and UAE continued their positive momentum and witnessed a notable boost in their performance recording a 23.2% increase in GOP growing from CHF 5.6 million to CHF 6.9 million in Q1 2017. Their contribution to the total segment revenues continued to increase to reach CHF 17.9 million representing 58.1% out of a total segment revenue of CHF 30.8 million in Q1 2017. At Hawana Salalah, the successful European market penetration and the growing demand from the regional market, allowed a GOP growth of 62.5% from CHF 2.4 million to CHF 3.9 million in Q1 2017 and occupancy rates reached 96% vs. 86% in Q1 2016.

Similarly, in the UAE, The Cove Rotana continued its positive momentum with an increase in occupancy rate to reach 89% in Q1 2017 vs. 77% in Q1 2016. In addition, we finalized the construction of the new 145 rooms of the hotel thus bringing the total number of hotel rooms to 491.

Overall, total hotel segment revenues increased by 13.7% to CHF 30.8 million in Q1 2017 vs. CHF 27.1 million in Q1 2016 while the Adjusted EBITDA recorded a notable increase of 220.7% to CHF 9.3 million compared to CHF 2.9 million in Q1 2016.

Net contracted sales of CHF 15.9 million with more contributions coming from El Gouna, Egypt and Sifah, Oman.

El Gouna continued to be the most important contributor to the Group's sales value. Net Sales reached CHF 10.1 million in Q1 2017 vs. CHF 9.5 million in Q1 2016.

The increase came on the back of the new product offerings that included serviced hotel apartments in the Fanadir, Bellevue and Mosaique hotels. Building on the great success of the "Tawila" real estate project we launched the second phase in April 2017 with a total inventory of USD 22.0 million and managed to sell more than 33.0% of the project to date.

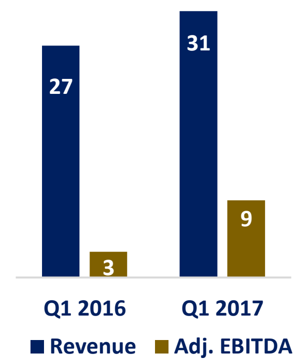
In April 2017, we successfully launched phase one of the first co-working area outside of Cairo under the name of G-Space located in El Gouna. The complex offers flexible private office spaces which are already rented out in addition to co-working membership packages. 4 new high standard squash courts have been built and now available for El Gouna residents and visitors.

In Jebel Sifah, Oman, sales continued to rise on the back of the success of a new real estate project that was launched in November 2016 with a total inventory of CHF 21.4 million. ODH managed to sell more than 85.5% of the total project till May 2017. Net sales increased by 83.3% to reach CHF 5.5 million compared to CHF 3.0 million in Q1 2016. We also finalized the 9 holes golf course.

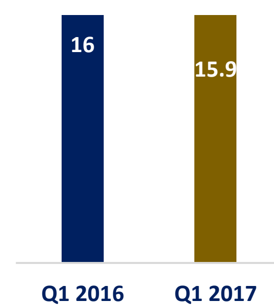
In Luštica Bay, Montenegro we are continuing with the construction of (F&G) buildings to be finalized in May and June 2017 and we also started the construction of the Chedi Hotels in March 2017, expected to be finalized in July 2018.

Total real estate revenues reached CHF 12.3 million in Q1 2017 vs. CHF 21.7 million in Q1 2016. Total deferred revenue from real estate that is yet to be recognized until 2019 reached CHF 130.5 million in Q1 2017 compared to CHF 132.2 million in Q1 2016.

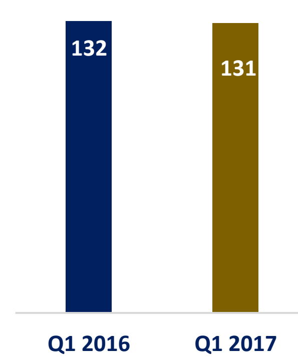
Hotels Financials (CHF mn)



Net Sales Value (CHF mn)



Value of Deferred Income (CHF mn)

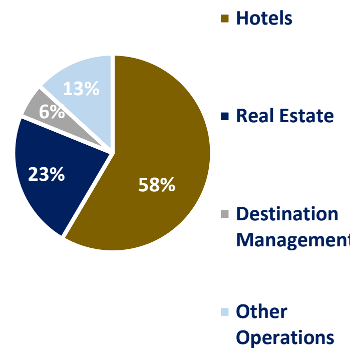


Outlook for FY 2017

Real Estate

In El Gouna, ODH is building on the strong base and current positive momentum and plans to launch a new project with an expected inventory of USD 25.0 million. In Fayoum, new products with a total inventory of CHF 3.4 million in Q2 2017 will be launched. 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 project in October 2017. In Hawana Salalah, we are finalizing the design for a new real estate projects to be launched during 2017. In addition, we will continue with the construction of the water park project in Hawana Salalah.

Revenue by Business Segment



Hotels

In El Gouna, we are undergoing renovation works across the majority of our hotels to further upgrade the destination's positioning. With demand recently picking up in Taba Heights, opening additional rooms is being considered. In Montenegro, construction of the 5-star Chedi Hotel in Luštica Bay is expected to start during the first half of 2017, with plans to be opened in July 2018. In Hawana Salalah, we are capitalizing on the huge demand that is acknowledged for our Hotels and planning to add 96 new rooms to Fanar Hotel (to reach 398) and 20 new rooms to Rotana Hotel (to reach 420).

EDRs Delisting Update

In light of the delisting of the ODH's EDRs from the Egyptian Stock Exchange, the OPR (Operation Program) session has opened on May 11th, 2017 for 5 working days – to close on May 17th, 2017 after the EGX committee approved to proceed with the process.

Key Figures for Q1 2017/16

Revenue by Business Segment (CHF mn)	Q1 2017	Q1 2016
Hotels	30.8	27.1
Real Estate	12.3	21.7
Destination Management	2.6	3.8
Other Operations	6.8	8.6
ODH Group	**52.5**	**61.2**

Income Statement (CHF mn)	Q1 2017	Q1 2016
Revenue	**52.5**	**61.2**
Cost of sales	(45.5)	(57.7)
Gross profit	**7.0**	**3.5**
Gross profit margin	**13.3%**	**5.7%**
Investment income	0.9	1.4
Other gains and losses	1.2	(12.6)
Administrative expenses	(9.1)	(9.3)
Finance costs	(8.0)	(10.3)
Share of associates losses	(3.5)	(4.1)
Loss before tax	**(11.5)**	**(31.4)**
Income tax expense	(1.0)	(0.5)
Loss for the period	**(12.5)**	**(31.9)**
Attribute to:		
ODH Shareholders	**(13.2)**	**(26.4)**
Non-controlling interests	0.7	(5.5)
Basic EPS (CHF)	**(0.3)**	**(0.6)**

Balance Sheet (CHF mn)	31.03.17	31.12.16
Property, plant and equipment	**743.3**	**762.6**
Inventories	122.7	125.0
Receivables	94.3	98.3
Cash and bank balances	89.2	80.8
Investments in associates	74.6	78.6
Other assets	87.9	72.8
Non-current assets held for sale	76.6	67.2
Total assets	**1,288.6**	**1,285.3**
Borrowings	361.6	369.6
Payables	34.6	36.3
Provisions	69.0	68.6
Other liabilities	182.0	165.0
Liabilities related to assets held for sale	64.7	54.1
Total liabilities	**711.9**	**693.6**
Non-controlling interests	141.7	140.5
Equity attributable to ODH shareholders	435.0	451.2
Total liabilities and equity	**1,288.6**	**1,285.3**

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 4:00 pm CET/CLT (Zurich and Cairo Time)

Orascom Development invites you to its Q1 2017 results conference call on 16 May 2017 at 4:00 pm CET/CLT (Zurich and Cairo 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: 94037395
- International: +44 (0) 1452 555 566
- Switzerland Toll Free: 0800 828 006
- Switzerland Local Number: 0315 800 059
- 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: # 94037395
- International: +44 (0) 1452 55 00 00
- UK National: 08717000145
- US Toll Free: 1866 247 4222
- Available until 30 May 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.

Contact for Investors:
Sara El Gawahergy
Head of Investor Relations
Tel: +20 224 61 89 61
Tel: +41 418 74 17 11
Email: ir@orascomdh.com

Contact for Media Relations:
Philippe Blangey
Partner
Dynamics Group AG
Tel: +41 432 68 32 35
Email: prb@dynamicsgroup.ch