

Press Release

Orascom Development Egypt (ODE) completed the sale of its stake in Royal Azur Hotel and Club Azur Hotel and a land plot in the Makadi destination at a higher cash proceeds of c. EGP 408 million.

Cairo, December 27th, 2018 – Orascom Development Egypt (ODE) concluded the sale of Royal Azur and Club Azur Hotels as well as a land plot in the Makadi destination on the Red Sea. The sale was concluded at a higher enterprise value of c. EGP 856 million than the EGP 823 million that was previously announced. This will result in total cash proceeds of c. EGP 408 million (USD 22.8 million) compared to the c. EGP 387.1 million (USD 21.6 million) that was previously announced.

The sale will also result in the deconsolidation of EGP 260.1 million of debt held on Royal for Touristic and Development Company; the former owning company of the hotels.

We are also in the course of finalizing the documents for the completion of the sale of the Makadi Gardens Hotel which was sold for EGP 114.7 million (USD 6.4 million).

The proceeds of sale of the three hotels and the land plot in Makadi and of the Tamweel Group together with parts of the excess cash flow from operations, will all be geared towards reducing the debt balance as previously announced.

Khaled Bichara, Chief Executive Officer commented on the transaction: “The conclusion of the sale is a solid testament to our continuous delivery of our strategy. Since the beginning of year, the company has made significant strides to streamline and reshape its investments through monetizing its non-core assets. We will continue to wisely invest our capital to drive growth and prioritize our time and resources to build a stronger and sustainable organization.”

About Orascom Development Egypt (ODE):

Orascom Development Egypt (ODE) is the largest subsidiary of Orascom Development Holding (ODH). ODE is an integrated developer of resort towns in Egypt, with a vertically-integrated business model involving the development of residential units, hotels, and recreational facilities such as golf courses, town centers, and marinas, in addition to supporting infrastructure, such as hospitals, schools, and utilities. ODE currently owns a land bank of 49.9 million square meter and 24 hotels with a total of 4,918 rooms within four operating destinations. El Gouna, on the Egyptian Red Sea Coast in Hurghada, Taba Heights, on the Sinai Peninsula, Makadi in Hurghada and Byoum in Fayoum.

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