

Cairo, May 14, 2017 -TMG Holding reports EGP 1,286 MN consolidated revenue, EGP 289 MN consolidated net profit after minority and EGP 4,278 BN of new sales value for the first quarter of 2017.

TMG Holding, the leading Egyptian community real estate developer is glad to announce its consolidated financial results for the first quarter ending March 31, 2017.

Key Operational and Financial Highlights for the consolidated results of January 1st to March 31st, 2017

- During 1Q-17, TMG continued to deliver healthy revenue and profits. The following comparison is provided to shed the light on the quarterly and year on year performance.
- Total consolidated revenues for 1Q-17 reached EGP 1,286 MN, 6% higher than EGP 1,214 MN consolidated revenues for 1Q-16. The increase in recognized revenue is the combined effect of:
 - (i) A 1% increase in the revenue recognized from real estate units. The increase in revenue is mainly due to higher number of units delivered in 1Q-17 compared to 1Q-16.
 - (ii) A 56% increase in the hotels revenue, even though Sharm El Sheikh is still suffering from drop of tourism inflow, Cairo and Alexandria hotels witnessed healthy as shown in the detailed hotel operations.
 - (iii) A 19% decrease in revenue from services represented in malls rentals and maintenance work in Madinaty project.
- Gross Profit for 1Q-17 EGP 506 MN is 44% higher than EGP 352 MN for 1Q-16, the increase in gross Profit is driven by the increase in profitability of units delivered due to the revenue mix recognized. Also, the other revenues witnessed an improvement in profitability.
- Net profit after tax and minority of EGP 289 MN for 1Q-17 is 39% higher than EGP 208 MN for 1Q-16. The increase in net profit is driven by an increase in interest income and the decrease of income and deferred tax by 16%.
- At March 31, 2017, the Group's total assets reached EGP 65.7 BN, cash, marketable securities and other liquid investments amounted to approximately EGP 7.05 BN, and total debt amounted to EGP 5.01 BN (a net cash of EGP 2.04 BN). The debt to equity ratio is 1:6 times, reflecting the group's low gearing and prudent cash management.

Operating Performance

City & Community Complexes

EGP 4,278 BN in sales value achieved in 1Q 2017

Total new sales of real estate units amounted to EGP 4,278 BN for 1Q-17, compared to EGP 2,278 BN for the same period last year. The value of new sales has increased by approximately 88% year on year, which TMG considers to be a very positive indicator for the upcoming year.

And cancellations remain within normal rates

Total cancellations of the accumulated sales backlog since inception of related projects have not exceeded its normal rates of 4% up to the end of 1Q-17. Value of cancelled units is EGP 174 MN in 1Q-17 compared to EGP 156 MN for the same period last year.

At March 31, 2017: the backlog of sold but unrecognized units is around EGP 25 BN to be recognized as per the units' delivery schedule over the next four years.

Hotels & Resorts

- Year on year, Revenue from operating hotels has reached EGP 237 MN in 1Q-17 compared to EGP 152 MN in 1Q-16. The hotels KPI's and operational results are summarized as follows:
 - Four Seasons Nile Plaza reported GOP of 51% and NP of 43% in 1Q-17 compared to GOP of 49% and NP of 46% in 1Q-16. Average room rates is USD 219 in 1Q-17 compared to USD 314 in 1Q-16 and average occupancy rate of 65% compared to 54% for the same period last year.
 - Four Seasons Sharm El Sheikh reported GOP of -10% and NP of -19.5% in 1Q-17 compared to GOP of -6% and NP of 0.6% in 1Q-16. Average room rates is USD 207 in 1Q-17 compared to USD 259.5 in 1Q-16 and average occupancy rate of 16% compared to 22% for the same period last year.
 - Four Seasons San Stefano reported GOP of 25% and NP of 19% in 1Q-17 compared to GOP of 24% and NP of 20% in 1Q-16. Average room rates is USD 184 in 1Q-17 compared to USD 228.5 in 1Q-16 and average occupancy rate of 49% compared to 55% for the same period last year.
 - Kempinski Nile Hotel reported a GOP of 52% and 36% NP in 1Q-17 compared to GOP of 45% and 33% NP in 1Q-16. Average room rates is USD 110 in 1Q-17 compared to USD 139 in 1Q-16 and average occupancy rate of 75% compared to 56% for the same period last year.

Key Operational Highlights for the first quarter ending March 31, 2017

	1Q-17		1Q-16		
	EGPmn		EGPmn		change
Revenues breakdown					
Revenues from units sold	956	74%	947	78%	1%
Revenues from Hotels	237	18%	152	13%	56%
Other revenues	93	7%	115	9%	-19%
Total consolidated revenue	1,286	100%	1,214	100%	6%
COGS breakdown					
Real Estate & Construction Cost	(562)	59%	(669)	71%	-16%
Hotels Cost	(154)	65%	(94)	61%	65%
Services Cost	(64)	69%	(99)	87%	-36%
Total cost of goods sold	(780)	-61%	(862)	-71%	-9%
Gross profit	506	39%	352	29%	44%
Selling, General and Administrative Expenses	(152)	-12%	(118)	-10%	29%
Depreciation expense	(34)	-3%	(33)	-3%	4%
Provision expense/provisions no longer required	-	0%	-	0%	
interest expense	(32)	-2%	(15)	-1%	118%
interest income	56	4%	29.7	2%	89%
investment income	6	0%	(3.6)	0%	-274%
net change in market value of financial investments	3	0%	5.6	0%	-53%
Other income (expense)	30	2%	30	2%	2%
Capital gain	0.2	0%	0.2	0%	-4%
Expenses of Accounts receivables sale	-	0%	-	0%	
Foreign exchange difference	(0.037)	0%	43.7	4%	-100%
Net profit before tax	383	30%	292	24%	31%
income tax and deferred tax	(78)	-6%	(92)	-8%	-16%
Net Profit	305	24%	199	16%	53%
Minority's share	(16.7)	-1%	8.4	1%	-299%
attributable to shareholders	288.5	22%	207.8	17%	39%

Translation of Financial Statements
originally issued in Arabic

Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

CONSOLIDATED STATEMENT OF INCOME (PROFIT OR LOSS)

For the Period ended 31 March 2017

	Notes	31/3/2017 LE	31/3/2016 LE
Revenue	(29)	1,285,905,881	1,213,746,074
Cost of revenue	(29)	(779,886,482)	(861,738,040)
GROSS PROFIT		506,019,399	352,008,034
General and administrative expenses, marketing and sales expenses		(152,206,083)	(117,622,154)
Depreciation and amortization		(34,396,468)	(33,070,117)
Credit interest	(33)	36,246,861	16,491,036
Interest on bonds	(33)	1,533,627	995,249
Bonds amortization	(11)	15,013	1,354,252
Income from treasury bills	(33)	18,203,542	10,817,922
Finance cost		(31,559,949)	(14,509,946)
Dividends revenue from financial assets at fair value through profit and loss	(30)	168,000	625,750
Gain on sale of financial assets at fair value through profit and loss	(31)	4,700,255	(1,224,574)
Gain of revalue financial assets at fair value through profit and loss	(12)	2,635,854	5,571,301
Share of profit (loss) of associates	(9)	1,416,989	(3,018,613)
Other income	(32)	30,103,107	29627099
Capital gain	(4)	181,300	188,408
Board of directors allowances		(169,600)	(198,050)
Foreign exchange (loss) gain		(37,259)	43,735,322
NET PROFIT FOR THE PERIOD BEFORE TAX		382,854,588	291,770,919
Income tax	(28)	(60,730,419)	(89,120,984)
Deferred tax	(28)	(16,895,763)	(3,256,677)
NET PROFIT FOR THE PERIOD		305,228,406	199,393,258
NET PROFIT FOR:			
Parent Company Shareholders		288,543,112	207,809,579
Non-Controlling Interest		16,685,294	(8,416,321)
		305,228,406	199,393,258

Chairman

 Tarek Talaat Mostafa

Financial Director

 Ghaleb Ahmed Fayed

-The attached notes (1) to (39) are an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME STATEMENT
For the Period ended 31 March 2017

	Notes	31/3/2017 LE	31/3/2016 LE
Net profit for the period		288,543,112	207,809,579
Other Comprehensive Income			
Revaluation of available for Sale Investments	(10)	(412,978)	5,420,344
Income tax of other comprehensive income		-	(1,396,465)
Comprehensive Income After Tax		<u>(412,978)</u>	<u>4,023,879</u>
Total Comprehensive Income For The Period		<u>288,130,134</u>	<u>211,833,458</u>
Total Comprehensive Income For:			
Parent Company Shareholders		288,130,134	211,833,458
Non-Controlling Interest		16,685,294	(8,416,321)
		<u>304,815,428</u>	<u>203,417,137</u>

-The attached notes (1) to (39) are an integral part of these financial statements.

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CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As of 31 March 2017

	Notes	31/3/2017 LE	31/12/2016 LE
Assets			
Non-Current Assets			
Property and Equipment	(4)	3,789,591,392	3,807,610,058
Investment Property	(5)	114,082,246	114,471,374
Intangible Assets	(6)	637,746	682,199
Projects Under Constructions	(7)	2,066,549,422	1,991,985,784
Goodwill	(8)	14,101,482,464	14,101,482,464
Investments in Associates	(9)	2,421,299	1,004,311
Available for Sale Investments	(10)	99,895,360	100,308,338
Investments in Financial Assets Held to Maturity	(11)	2,139,435,636	1,978,924,530
Total Non-Current Assets		22,314,095,565	22,096,469,058
Current Assets			
Finished Unites		23,108,613	23,108,613
Development properties	(14)	20,955,070,409	19,896,624,611
Inventory	(15)	45,121,331	28,031,155
Accounts and Notes Receivable	(13)	15,853,294,485	15,521,833,066
Prepayments and Other Debit Balances	(16)	2,470,672,901	2138532996
Available for Sale Investments	(10)	27,491,897	27491897
Investments in Financial Assets Held to Maturity	(11)	598,527,350	753,171,281
Financial assets at fair value through profit and loss	(12)	78,639,955	74,229,272
Cash on Hand and at Banks	(17)	3,409,055,292	3,257,758,634
Total Current Assets		43,460,982,233	41,720,781,525
Total Assets		65,775,077,798	63,817,250,583
Equity			
Authorized Capital	(22)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(22)	20,635,622,860	20,635,622,860
Legal Reserve	(23)	250,250,347	236,367,496
General Reserve	(24)	61,735,404	61,735,404
Net unrealized gain on available for sale investments	(25)	51,836,286	52,249,264
Accumulative translation adjustment		2,268,492	2,268,492
Retained earning		5,934,125,006	5,424,549,151
Net profit for the period/ year		288,543,112	826,545,440
TOTAL PARENT COMPANY SHAREHOLDERS EQUITY		27,224,381,507	27,239,338,107
Non-Controlling Interest		908,128,618	899,203,684
TOTAL SHAREHOLDERS' EQUITY		28,132,510,125	28,138,541,791

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**CONSOLIDATED STATEMENT OF
FINANCIAL POSITION**
As of 31 March 2017

	Notes	31/3/2017 LE	31/12/2016 LE
Non-Current Liabilities			
Non-current Loans	(26)	2,861,585,084	3,022,648,591
Non-current Liabilities	(27)	1,805,046,052	1,792,348,851
Deferred Tax Liability	(28)	97,958,337	81,062,572
Total Non- Current Liabilities		4,764,589,473	4,896,060,014
Current Liabilities			
Banks Overdraft		13,025,087	12,860,992
Bank Facilities	(26)	1,414,712,471	945,380,894
Current Portion of Loans and Facilities	(26)	722,307,894	766,140,133
Creditors and Notes Payable	(18)	2,909,467,529	3,371,670,388
Customers Advance Payment	(19)	21,913,158,966	20,357,845,672
Dividends Creditors	(20)	373,164,136	70,168,630
Accrued income tax	(28)	371,490,738	379,831,696
Accrued Expense and Other Credit Balances	(21)	5,160,651,379	4,878,750,373
Total Current Liabilities		32,877,978,200	30,782,648,778
Total Liabilities		37,642,567,673	35,678,708,792
Total Equity and Liabilities		65,775,077,798	63,817,250,583

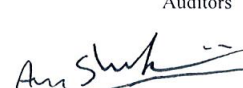
Chairman



Tarek Talaat Mostafa

Financial Director


Ghaleb Ahmed Fayed

Auditors


Amr El Shaabini


Magdy Hashish

-The attached notes (1) to (39) are an integral part of these consolidated financial statements.
-Review report attached.

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CONSOLIDATED CASH FLOW STATEMENT

For the period ended 31 March 2017

	Notes	31/3/2017 LE	31/3/2016 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before tax and minority interest		382,854,588	291,770,919
Adjustment to reconciliation net profit with cash flow operating activities:			
Depreciation & Amortization	(4,5,6)	34,396,468	33,070,117
(Discount) Financial Assets Held to Maturity Amortization	(11)	(15,013)	(1,354,252)
Credit Interests and Treasury Bills (revenue)	(33)	(55,984,030)	(28,304,207)
Dividends (revenue) of Financial Assets at Fair Value through Profit and Loss	(30)	(168,000)	(625,750)
(Gain) Loss from selling Financial Assets at Fair Value through Profit and Loss	(31)	(4,700,255)	1,224,574
(Gain) of reevaluate Financial Assets at Fair Value through Profit and Loss	(12)	(2,635,854)	(5,571,301)
Share of (Gain) Loss of Associates	(9)	(1,416,989)	3,018,613
Capital (Gain)	(4)	(181,300)	(188,408)
Foreign Exchange Loss (Gain)		37,259	(43,735,322)
Operating profit before changes in working capital		352,186,874	249,304,983
Change in Development properties	(14)	(1,058,445,798)	(335,450,727)
Change in Inventory	(15)	(17,090,176)	2,983,519
Change in Accounts and Notes Receivables	(13)	(331,461,419)	444,527,569
Change in Prepayments and Other Debit Balances	(16)	(315,635,458)	(165,317,586)
Change in Creditors and Notes Payable	(18)	(462,202,859)	(304,452,777)
Change in long term Liabilities	(27)	12,697,201	662,112
Change in Customers Advance Payment	(19)	1,555,313,294	447,889,126
Change in Dividends Creditors	(20)	-	7,347,570
Change in Financial Assets at Fair Value through Profit and Loss	(12,31)	2,925,426	5,972,742
Paid of accrued income tax	(28)	(69,071,377)	(85,215,163)
Change in Other Credit Balances	(21)	281,901,006	81,666,336
Net Cash flows (used in) provided from Operating Activities		(48,883,286)	349,917,704
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) on Purchasing of Fixed Assets, Intangible Assets and Projects Under Construction	(4,5,6,7)	(90,967,656)	(127,567,430)
Proceeds from sale of Fixed Assets	(4)	641,100	213,961
(Payment) for Financial Assets Held to Maturity	(11)	(5,867,175)	(84,867,620)
Proceeds from Dividends Revenue	(30)	168,000	625,750
Net Cash flows (used in) Investing Activities		(96,025,731)	(211,595,339)
CASH FLOWS FROM FINANCING ACTIVITIES			
Collected Credit Interests and Treasury Bills Revenue	(33)	39,494,596	18,921,235
Cash Dividends		(79,494)	-
Proceeds from Loans and Facilities	(26)	264,435,831	91,250,282
Net Cash flows provided from Financing Activities		303,850,933	110,171,517
Foreign Exchange Impact		(37,259)	43,735,322
NET CASH AND CASH EQUIVALENTS DURING THE PERIOD		158,904,657	292,229,204
Cash Adjustments*		(7,772,094)	(12,088,694)
Cash and Cash Equivalents at the beginning of the period		3,244,897,642	1,531,003,613
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	(17)	3,396,030,205	1,811,144,123

*The Cash Adjustments transaction represents the eliminations among subsidiaries and the foreign currency impacts for foreign bodies.

- The attached notes (1) to (39) are an integral part of these consolidated financial statements.

	Madinaty	AI Rehab I (9)	AI Rehab II	AI Rabwa I	AI Rabwa II
Total Land area(1) (m2)	33,600,000	6,140,400	3,760,000	1,318,800	819,028
To be dev. land area(2) (m2)	33,600,000	924,225	3,760,000	0	819,028
To be dev. built up area(3) (m2)	20,856,908	223,740	2,292,260	0	119,071
CBRE Value – June 30, 2008	EGP 17.82 BN	EGP 1.92 BN	EGP 5.86 BN		EGP 238.28 MN
% owned(6)	99.9%	99.9%	99.9%	98.6%	98.6%
Location	New Cairo	New Cairo	New Cairo	El Sheikh Zayed	El Sheikh Zayed
Exp. Population	600,000	120,000	80,000	3,240	1,725
Commence(4)	July 2006	November 1996	July 2006	December 1994	January 2006
Expected Completion(5)	2026	2012	2020	2006	2012
Amenities	Various including: 45 hole golf course 22 schools 1 university 8 hotels commercial parks (offices & retail) 1 hospital	4 schools 7 mosques 1 church 1 office park 2 shopping malls	4 Mosques 2 schools 1 shopping mall 1 club house	1 shopping mall Cinema 9 hole golf course Sports pavilion	9 hole golf course

1. Land area procured

2. Area of land still to be developed as per CBRE report

3. The built up area ("BUA") still to be developed under phasing plan as per the CBRE report

4. Launch of sales

5. Delivery of final unit assumed in the CBRE report

6. Effective ownership

7. Land value only –

Includes additional 1 MN sqm of land procured for future development

8. all sold except phase 6

Summary of H&R Assets in Operation

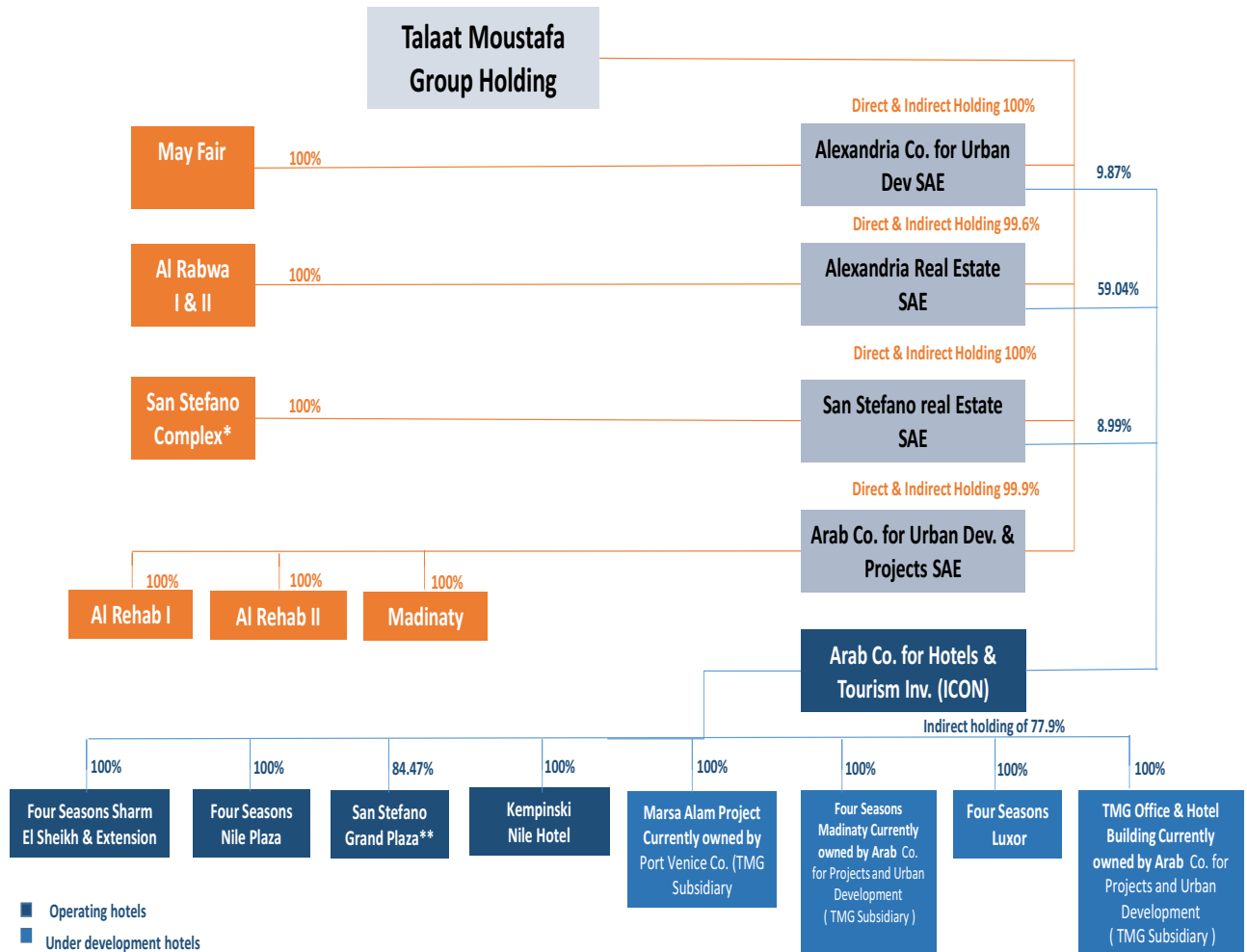
	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Kempinski Nile Hotel
% owned(1)	100%	100%	84.47%	100%
Location	Sharm El Sheikh	Cairo	Alexandria	Cairo
Rooms/keys	200	366	118	191
Units	146	128	945	0
Sold	144	125	924	n/a
Ave. price	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a
CBRE Value (30- Jun-08)	EGP 1.99 billion (3)	EGP 2.44 billion	EGP 2.36 billion	EGP 523.57 MN
Commence	Nov-98	Sep-97	Feb-99	Aug-03
Complete(2)	May-02	Aug-04	Jul-07	Jul- 10
Star rating	5 Star	5 Star	5 Star	5 Star
Facilities	8 restaurants 2 lounge bars Spa Ballroom 4 meeting rooms Business center	9 restaurants Spa Ballroom 11 meeting rooms Business center Shopping mall	9 restaurants Marina Shopping mall Offices Ballroom	4 restaurants 4 meeting rooms Business center Executive club Mini Business Center

1. % owned by ICON, which is 81% indirectly owned by TMG

2. Commencement of operations

3. Including EGP 1.03 bn related to Marsa AL Sadeed (extension) which is 100% owned by TMG

Group Structure



- Operating hotels
- Under development hotels

*ICON holds only the asset of the hotel, which doesn't include the residential units or the commercial property. These components of the complex are held by San Stefano Real Estate SAE

About TMG Holding

TMG Holding has under its umbrella a group of companies:

- Arab Company for Projects and Urban Development, which owns and manages:
 - AL-Rehab and Madinaty projects in New Cairo District
- Alexandria Real Estate Investment Company, which owns and manages:
 - AL-Rabwa Compound in EL-Sheikh Zayed City
- San Stefano Real Estate Investment Company, which owns and manages:
 - San Stefano Alexandria
- Alexandria Company for Urban Projects, which owns and manages:
 - May Fair Project in AL-Shorouk City
- Arab Company for Hotel and Tourist Investments, which owns controlling stakes in its investments in:
 - Four Seasons Nile Plaza in Garden City
 - Four Seasons Resort Sharm EL-Sheikh
 - Four Seasons Alexandria at San Stefano
 - Kempinski Nile Hotel in Cairo
 - Under development Hotels

Capital:

Issued and paid-in capital: EGP 20.635 BN

Number of shares: 2.063 BN at a par value of EGP 10/share

Shareholders' Structure:

- TMG RE & Tourism Investment (including Talaat Mostafa Family & Saudi group) 50.27%
- Other major shareholders 25.75%
- Other major shareholders including free float 23.98%

Investor Relations Contacts:

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