

Cairo, June 1, 2011 -TMG Holding reports EGP 1.37 BN consolidated revenue, EGP 169 MN consolidated net profit after minority and EGP 568 MN of new sales value for 1Q 2011

TMG Holding, the leading Egyptian community real estate developer is glad to announce its consolidated financial results for the first quarter ending March 31, 2011.

Key Operational and Financial Highlights for the consolidated results of January to March 2011

- During 1Q-11, TMG continued to deliver healthy revenue and profits. Total consolidated revenues for 1Q-11 reached EGP 1,377 mn compared to EGP 1,606 mn consolidated revenues for 1Q-10. The decrease in recognized revenue is the combined effect of:
 - (i) a 12% decrease in the revenue recognized from real estate units. Deliveries from historical sales continued as planned and recognized as revenues accordingly. However, there was a change in revenue mix. less revenues is generated from new villas land sales this quarter and therefore the decrease in recognized revenue on a Y-o-Y basis;
 - (ii) a 50% decrease in the hotels revenue reflecting the effect of a severe decline in tourism flow and tourists spending in 1Q-11 compared to 1Q-10 on the hotels operations as further explained in “hotels and resorts” operating performance below.
- Gross Profit for 1Q-11 is EGP 348 mn compared to EGP 485 mn for 1Q-10 as deliveries continued from historical sales but margins of operating hotels got affected by low occupancy rates.
- Net profit after tax and minority is EGP 169 mn for 1Q-11 compared to EGP 324 mn for 1Q-10. The drop in net profit on a Y-o-Y basis is mainly attributable to an increase in SG&A which now includes the Saudi operations in addition to the Egyptian operations , a decrease in market value of financial investments as a result of the market conditions and an increase in interest expenses in line with the increase in long term debt that took place in second half of 2010 to finance hotels expansion and acquisitions and finally an increase in foreign exchange loss relating to hotel borrowing in USD.
- At March 31, 2011, the Group’s total assets reached EGP 54.2 bn, cash, marketable securities and other liquid investments amounted to approximately EGP 2 bn, representing approximately 3.6% of total assets; and total debt amounted to EGP 2.8 bn, representing approximately 5.1% of total assets. The debt to equity ratio is 1:9 times, reflecting the group’s low gearing and prudent cash management.

Operating Performance

City & Community Complexes

EGP 568 MN in sales value achieved in 1Q 2011

Total new sales of real estate units amounted to EGP 568 mn for 1Q 2011, compared to EGP 1.2 bn for the same period last year. Despite the Y-o-Y noted decline, the amount of sales achieved this quarter is good; taking into consideration the general market conditions and changes together with “Madinaty” legal dispute.

The contribution of January sales had a positive effect on the reported figures for 1Q 2011; however in February and March, even though sales continued, there was a tremendous slowdown on that front.

And cancellations remain within normal rates

Total cancellations of the accumulated sales backlog since inception of projects have not exceeded its normal rates of 4.5% up to the end 1Q-11. Value of cancelled units is EGP 174 mn in 1Q 2011 compared to EGP 368mn for the same period last year.

At March 31, 2010: the backlog of sold but unrecognized units exceeds the level of EGP 21 bn to be recognized as per the units’ delivery schedule over the next four years.

Hotels & Resorts

- Revenue from operating hotels has reached EGP 73 mn in 1Q-11 compared to EGP 145 mn in 1Q-10. On an operational level, the hotels KPI’s and operational results are summarized as follows:
 - Four Seasons Nile Plaza reported GOP of 34% and NP of 29 % in 1Q-11 compared to 64% and 55% respectively in 1Q-10. Average room rate is USD 293 in 1Q-11 compared to EGP 338 in 1Q-10 and average occupancy rate of 26 % compared to 63% for the same period last year.
 - Four Seasons sharm el sheikh reported GOP of 29% and NP of 22 % in 1Q-11 compared to 58% and 44% respectively in 1Q-10. Average room rates is USD 388 in 1Q-11 compared to EGP 446 in 1Q-10 and average occupancy rate of 30 % compared to 68% for the same period last year.
 - Four Seasons San Stefano reported a negative GOP in 1Q-11 compared to 12% GOP in 1Q-10. Average room rates is USD 221 in 1Q-11 compared to EGP 230 in 1Q-10 and average occupancy rate of 26 % compared to 43% for the same period last year.
 - Kempinski Nile Hotel, soft launched in July 2010, reported a negative GOP at an average room rate of USD 169 and average occupancy rate of 22% in 1Q-11.

Key Operational Highlights for the first quarter ending March 31, 2011

| | 1Q-11 | | 1Q-10 | | % |
|---|----------------|-------------|----------------|-------------|-------------|
| | EGP mn | | EGP mn | | change |
| Revenues breakdown | | | | | |
| Revenues from units sold | 1,275 | 93% | 1,447 | 90% | -12% |
| Revenues from Hotels | 73 | 5% | 145 | 9% | -50% |
| Other revenues | 29 | 2% | 14 | 1% | 108% |
| Total consolidated revenue | 1,377 | 100% | 1,607 | 100% | -14% |
| COGS breakdown | | | | | |
| Real Estate & Construction Cost | (948) | 74% | (1,036) | 72% | -8% |
| Hotels Cost | (64) | 87% | (80) | 55% | -21% |
| Services Cost | (17) | 60% | (5) | 38% | 223% |
| Total cost of goods sold | (1,029) | 75% | (1,121) | 70% | -8% |
| Gross profit | 348 | 25% | 485 | 30% | -28% |
| Selling, General and Administrative Expenses | (125) | -9% | (77) | -5% | 62% |
| Provision expense | - | 0% | (0.231) | 0% | -100% |
| interest expense | (48) | -3% | (23) | -1% | 110% |
| interest income | 13 | 1% | 17 | 1% | -23% |
| investment income | 2 | 0% | 1 | 0% | 92% |
| net change in market value of financial investments | (12) | -1% | 10 | 1% | -227% |
| Other income (expense) | 10 | 1% | 10 | 1% | 9% |
| Capital gain | 5 | 0% | 0.457 | 0% | 937% |
| Foreign exchange difference | (22) | -2% | (0.452) | 0% | 4664% |
| Net profit before tax | 171 | 12% | 422 | 26% | -59% |
| income tax and deferred tax | (20) | -1% | (77) | -5% | -75% |
| Net Profit | 151 | 11% | 345 | 21% | -56% |
| Minority's share | 18 | 1% | (21) | -1% | -185% |
| attributable to shareholders | 169 | 12% | 324 | 20% | -48% |

Consolidated Financial Statements

 Translation of Financial Statements
 originally issued in Arabic

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

CONSOLIDATED BALANCE SHEET

As of 31 March 2011

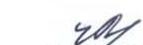
| | Notes | 31/3/2011 LE | 31/12/2010 LE |
|--|-------|-----------------------|-----------------------|
| Non-Current Assets | | | |
| Property and Equipment | (4) | 4,304,315,822 | 4,341,247,115 |
| Projects Under Constructions | (5) | 196,566,102 | 189,920,850 |
| Investment Property | (6) | 424,444,983 | 418,952,399 |
| Goodwill | (7) | 15,393,653,117 | 15,393,653,117 |
| Investments in Associates | (8) | 3,572,881 | 53,254,920 |
| Available for Sale Investments | (9) | 54,534,920 | 4,496,462 |
| Bonds Held to Maturity | (11) | 527,151,529 | 483,837,951 |
| Total Non-Current Assets | | 20,904,239,354 | 20,885,362,814 |
| Current Assets | | | |
| Work in Progress | (14) | 13,993,074,569 | 13,800,270,971 |
| Inventory – Net | (15) | 38,460,521 | 34,218,987 |
| Accounts and Notes Receivable | (13) | 15,039,151,924 | 15,522,416,435 |
| Prepayments and Other Debit Balances | (16) | 2,744,898,769 | 2,910,347,047 |
| Available for Sale Investments | (9) | 25,766,020 | 25,845,508 |
| Investment Debtors | (10) | 808,962,565 | 808,212,565 |
| Financial assets at fair value through profit and loss | (12) | 304,659,753 | 298,682,002 |
| Cash on Hand and at Banks | (17) | 332,370,705 | 577,482,301 |
| Total current assets | | 33,287,344,826 | 33,977,475,816 |
| Current Liabilities | | | |
| Provisions | (28) | 481,478 | 481,478 |
| Banks Overdraft | | 35,111,362 | 31,674,030 |
| Creditors and Notes Payable | (18) | 1,054,851,660 | 1,033,052,219 |
| Current Portion of Loans and Facilities | (26) | 807,827,608 | 752,264,645 |
| Customers Advance Payment | (19) | 18,179,023,787 | 19,040,221,267 |
| Dividends Creditors | | 16,327,489 | 16,495,077 |
| Tax Authorities | | 206,165,413 | 184,917,906 |
| Accrued Expense and Other Credit Balances | (20) | 1,731,731,643 | 1,893,272,888 |
| Total Current Liabilities | | 22,031,520,440 | 22,952,379,510 |
| WORKING CAPITAL | | 11,255,824,386 | 11,025,096,306 |
| TOTAL INVESTMENTS | | 32,160,063,740 | 31,910,459,120 |
| Financed as follows: | | | |
| Owner's Equity | | | |
| Authorized Capital | (21) | 30,000,000,000 | 30,000,000,000 |
| Issued and Paid up Capital | (21) | 20,132,314,980 | 20,132,314,980 |
| Legal Reserves | (22) | 216,645,653 | 164,999,734 |
| General Reserves | (23) | 61,735,404 | 61,735,404 |
| Net unrealized gains on available for sale investments | (24) | 3,240,000 | 1,960,000 |
| Accumulative translation adjustment | | 18,145,666 | 5,958,297 |
| Treasury Stocks | (25) | (30,089,758) | (30,089,758) |
| Retained earning | | 4,127,939,328 | 3,080,207,081 |
| Net profit for the period/year | | 169,436,683 | 940,008,374 |
| TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY | | 24,699,367,956 | 24,357,094,112 |
| Non controlling interest | | 1,309,288,922 | 1,327,970,613 |
| TOTAL SHAREHOLDERS' EQUITY | | 26,008,656,878 | 25,685,064,725 |
| Nun-current Liabilities | | | |
| Loans and Facilities – nun-current | (26) | 1,945,612,512 | 2,020,531,059 |
| Nun-current Liabilities | (27) | 4,178,448,263 | 4,178,432,531 |
| Deferred Tax Liability | (29) | 27,346,087 | 26,430,805 |
| Total Nun- Current Liabilities | | 6,151,406,862 | 6,225,394,395 |
| Total Shareholders' Equity and Nun- Current liabilities | | 32,160,063,740 | 31,910,459,120 |

 Chairman

 Tarek Talaat Mostafa

 Financial Director

 Ghaleb Ahmed Fayed

 Auditors

 Emad H. Ragheb

 Auditors

 Magdy Hashish

 -The attached notes 1 to 38 are an integral part of these consolidated financial statements.
 -Review report attached.

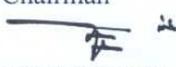
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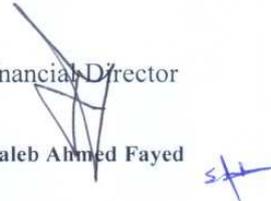
 CONSOLIDATED INCOME STATEMENT
 For the period from 1 January 2011 to 31 March 2011

| | Notes | From 1 /3/ 2011 to 31 /3/ 2011 LE | From 1 /3/ 2010 to 31 /3/ 2010 LE |
|--|-------|---|---|
| Revenue | (30) | 1,377,279,418 | 1,606,637,269 |
| Cost of revenue | (30) | (1,029,475,039) | (1,121,338,334) |
| GROSS PROFIT | | 347,804,379 | 485,298,935 |
| General and administrative expenses, marketing and sales expenses | | (93,533,678) | (54,109,947) |
| Depreciation | | (31,543,633) | (23,107,868) |
| Provisions | | - | (231,214) |
| Operating Profit | | 222,727,068 | 407,849,906 |
| Credit interest | | 5,205,346 | 8,990,384 |
| Interest on bonds | | 7,555,602 | 7,529,105 |
| Income from treasury bills | | - | 751,607 |
| Finance cost | | (47,701,749) | (22,699,294) |
| Dividends revenue | (31) | 1,014,926 | 317,191 |
| Revenue on sale of financial investments | (32) | 239,638 | 45,883 |
| (Loss) Revenue of revalue financial assets at fair value through profit and loss | (12) | (12,392,262) | 9,791,931 |
| Share of profit of associates | | 884,081 | - |
| Other income | (33) | 10,416,651 | 9,552,900 |
| Capital gain | | 4,743,005 | 457,205 |
| Board of directors allowances | | (174,750) | (279,950) |
| Foreign exchange (loss) | | (21,541,604) | (452,128) |
| NET PROFIT FOR THE PERIOD BEFORE TAX | | 170,975,952 | 421,854,740 |
| Income tax | (29) | (18,586,455) | (77,390,047) |
| Deferred tax expense/revenue | | (915,282) | 693,428 |
| NET PROFIT FOR THE PERIOD AFTER TAX | | 151,474,215 | 345,158,121 |
| Non controlling interest | | 17,962,468 | (21,081,227) |
| NET PROFIT FOR THE PERIOD(MOTHER COMPANY SHAREHOLDERS) | | 169,436,683 | 324,076,894 |
| Earnings per share (LE/Share) | (34) | 0.084 | 0.16 |

Chairman


 Tarek Talaat Mostafa

Financial Director


 Ghaleb Ahmed Fayed

-The attached notes 1 to 38 are an integral part of these financial statements.

Translation of Financial Statements
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Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2011 to 31 March 2011

| | Notes | From 1 /3/ 2011 to 31 /3/ 2011 LE | From 1 /3/ 2010 to 31 /3/ 2010 LE |
|--|-------|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit for the period before tax and non controlling interest | | 170,975,952 | 421,854,739 |
| ADJUSTMENTS TO RECONCILE THE NET PROFIT WITH THE CASH FLOW FROM OPERATION | | | |
| Depreciation & Amortization | | 31,543,633 | 24,436,155 |
| Revenue from bonds amortization | (11) | (313,374) | (287,064) |
| Provisions | | - | 231,215 |
| (Loss) revenue of reevaluate financial assets at fair value through profit and loss | (12) | 12,392,262 | (9,791,931) |
| Share of profit of associates | | (884,081) | - |
| Reconciliation on retained earning and Non controlling interest | | 158,650,568 | (17,271,096) |
| Credit Interests, bonds and treasury bills revenue | | (12,760,948) | (1,513,155) |
| Capital (Gain) | | (4,743,005) | (457,205) |
| Foreign Exchange Differences | | 21,541,604 | 452,128 |
| Operating profit before changes in working capital | | 376,402,611 | 417,653,786 |
| Change in work in progress | | (182,073,596) | (106,473,140) |
| Change in inventory | | (5,392,365) | (134,698) |
| Change in Accounts and Notes Receivables | | 483,264,511 | (75,285,997) |
| Change in Prepayments and Other Debit Balances | | 165,080,139 | (133,575,265) |
| Change in Creditors and Notes Payable | | 20,046,391 | 522,704,872 |
| Change in current portion of non- current liabilities | | - | (32,725,516) |
| Change in Customers Advance Payment | | (861,197,480) | (717,870,310) |
| Change in Dividends Creditors | | 167,588 | - |
| Change in financial assets at fair value through profit and loss | | (18,370,013) | 24,458,368 |
| Change in Tax Authorities | | 21,247,507 | 21,695,550 |
| Change in Other Credit Balances | | (180,127,699) | 26,429,532 |
| Net Cash flows (used in) Operating Activities | | (180,952,406) | (53,122,818) |

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Talaat Mostafa Group Holding Company "TMG Holding" S.A.E
 CONSOLIDATED CASH FLOW STATEMENT - Continued
 For the period ended 31 March 2011

CASH FLOWS FROM INVESTING ACTIVITIES

| | | |
|---|---------------------|--------------|
| (Payment) on Purchasing of Property and Equipment and Projects Under Construction | (10,703,121) | (46,159,241) |
| Gain from sale fixed assets | 5,450,819 | 473,307 |
| proceeds (Payment) on Purchasing of Bonds Held to Maturity | (43,000,204) | - |
| (Payment) in Investment debetors | 750,000 | (9,190,545) |
| Net Cash flows (used in) Investing Activities | (47,502,506) | (54,876,479) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | |
|---|-------------------------|--------------------|
| Collected Interest | 20,803,172 | 9,646,527 |
| proceeds (Payment) from Loans and Facilities | (19,355,584) | 95,392,954 |
| Net Cash flows received from Financing Activities | 1,447,588 | 105,039,481 |
| Foreign Exchange Impact | (21,541,604) | (452,128) |
| NET CASH AND CASH EQUIVALENTS DURING THE PERIOD | (248,548,928) | (3,414,011) |
| Cash and Cash Equivalents at the beginning of the period | 545,808,271 | 350,138,516 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | (17) 297,259,343 | 346,724,505 |

The following accrued revenues and expenses are eliminated:

- Accrued Revenues amounted LE 8,042,224 from other debit balances.
- Due amounts to tax authority amounted LE 18,586,455 from other credit balances.

- The attached notes 1 to 38 are an integral part of these consolidated financial statements.

Summary of C&C projects in Operation and Development

| | Madinaty | Al Rehab I (9) | Al Rehab II | Al Rabwa I | Al Rabwa II | Saudi JV |
|---|--|---|---|--|--------------------|--|
| Total Land area(1) (m2) | 33,600,000 | 6,140,400 | 3,760,000 | 1,318,800 | 819,028 | 4,000,000(8) |
| To be dev. land area(2) (m2) | 33,600,000 | 924,225 | 3,760,000 | 0 | 819,028 | 3,000,000 |
| To be dev. built up area(3) (m2) | 20,580,644 | 24,225 | 2,815,609 | 0 | 118,320 | 1,214,075 |
| % of sold BUA | 30% | | 49% | | 59% | |
| CBRE Value – June 30, 2008 | EGP 17.82 bn | EGP 1.92 bn | EGP 5.86 bn | | EGP 238.28 mn | SR 800.32 mn (8) |
| % owned(6) | 99.9% | 99.9% | 99.9% | 98.6% | 98.6% | 50% |
| Location | New Cairo | New Cairo | New Cairo | El Sheikh Zayed | El Sheikh Zayed | Riyadh (7) |
| Exp. Population | 600,000 | 120,000 | 80,000 | 3,240 | 1,725 | 16,800 |
| Commence(4) | July 2006 | November 1996 | July 2006 | December 1994 | January 2006 | 2010 |
| Orig. Completion(5) | 2026 | 2011 | 2020 | 2006 | 2012 | 2013 |
| Revised completion | 2020 | 2011 | 2017 | 2006 | 2012 | 2013 |
| 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 | Medical centre Shopping mall Mosques Sports club Government services |

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. Riyadh – authorization obtained

8. Land value only –

Includes additional 1 mn sqm of land procured for future development

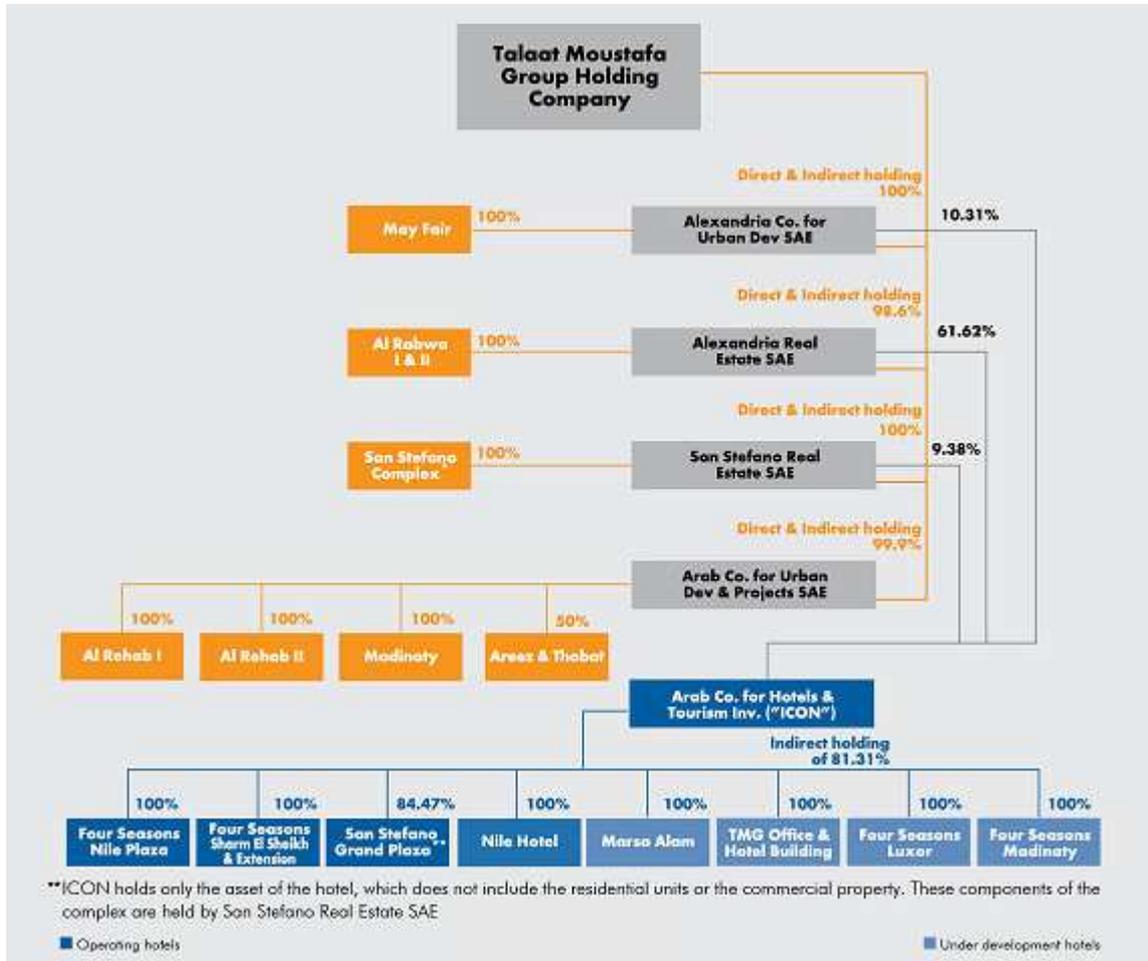
9. all sold except phase 6

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 Sold | 146 144 | 128 121 | 945 893 | 0 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 Complete(2) | Nov-98 May-02 | Sep-97 Aug-04 | Feb-99 Jul-07 | Aug-03 Jul- 10 |
| Star rating | 5 Star | 5 Star | 5 Star | 5 Star |
| Facilities | 8 restaurants 2 lounge bars Spa Ballroom 4 meeting rooms Business centre | 9 restaurants Spa Ballroom 11 meeting rooms Business centre Shopping mall | 9 restaurants Marina Shopping mall Offices Ballroom | 4 restaurants 4 meeting rooms Business centre Executive club Mini business centre |

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



**ICON holds only the asset of the hotel, which does not 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
- Areez and Thabat

Capital:

Issued and paid-in capital: EGP 20.13 bn

Number of shares: 2.013 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%

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