

Cairo, August 11 , 2010 -TMG Holding reports for 1H 2010: EGP 3.5 BN consolidated revenue,11% higher than same period of last year, EGP 662 MN consolidated net profit after minority, 4% higher than same period last year and, EGP 2.18 BN of new sales value, a 135% increase over 1H 2009; started delivering units in Madinaty as per announced schedule; and inaugurated the operations of its fourth Hospitality Icon: the Kempinski Nile Hotel in downtown Cairo

TMG Holding, the leading Egyptian community real estate developer is delighted to announce its consolidated financial results for the first six months and the second quarter ending June 30, 2010.

Key Operational and Financial Highlights for the consolidated results of January to June 2010

- During 1H-10, TMG continued to deliver healthy revenue and profits. Total consolidated revenues for 1H-10 reached EGP 3,530 mn, 11% higher than EGP 3,187 mn consolidated revenues for 1H-09.
 - The increase in recognized revenue is the combined effect of:
 - (i) an 11% increase in the revenue recognized from real estate units that have been delivered and recognized accordingly; and
 - (ii) a 7% increase in the hotels revenue
 - Gross Profit for 1H-10 is EGP 964 mn, 13% higher than EGP 854 mn results of 1H-09.
 - Net profit before tax is EGP 863 mn for 1H-10, 14% higher than EGP 758 mn results of 1H-09.
 - Net profit after tax and minority of EGP 662 mn for 1H-10, is 4% higher than EGP 635 mn results of 1H-09.
- Total consolidated revenues for 2Q-10 reached EGP 1,923 mn, 17% higher than EGP 1,638 mn consolidated revenues for 2Q-09.
 - The increase in recognized revenue is the combined effect of:
 - (i) an 18% increase in the revenue recognized from real estate units that have been delivered and recognized accordingly; and
 - (ii) a 5% increase in the hotels revenue
 - Gross Profit for 2Q-10 is EGP 502 mn, 31% higher than EGP 385 mn results of 2Q-09.
 - Net profit before tax is EGP 441 mn for 2Q-10, 31% higher than EGP 335 mn results of 2Q-09.
 - Net profit after tax and minority of EGP 338 mn for 2Q-10, is 5% higher than EGP 321 mn results of 2Q-09.
- At June 30,2010, the Group's total assets reached EGP 53.8 bn, cash and cash equivalents amounted to EGP 1.84bn, representing approximately 3.4% of total assets; an amount close to total debt balance of EGP 2.2 bn, representing approximately 4% of total assets. The debt to equity ratio has remained at 1:12 times, reflecting the group's low gearing and prudent cash management.

Operating Performance

City & Community Complexes

a Y-o-Y growth of 135% in sales value

Total new sales of real estate units in 1H-10 amounted to EGP 2.18 bn compared to EGP 929 mn in 1H -09 reflecting a significant Y-o-Y growth of 135% in sales value. to for 2Q 2010, new sales amounted to EGP 1bn compared to EGP 487 mn for the same period last year.

For the second quarter consecutively, the sales figure came in line with TMG's budgeted figures for 2010. On the other hand, the cancellations figure is visibly reduced compared to the same period last year. Moreover, the cancellations are still within normal rates of 4.5% previously reported on the accumulated sales.

The contribution made by the year to date net sales value maintains the backlog of sold but unrecognized units at the level of EGP 23.3 bn to be recognized as per the units' delivery schedule over the next four years, starting second half of 2010.

Delivery of Residential Units in Madinaty

This Quarter has also witnessed the first deliveries in Madinaty that have started in April as per the designated schedule. Some of the units' owners have already moved to reside in the new city while others are still preparing their villas and apartments. The district center serving the first Group of apartment buildings is also operational with a metro supermarket, a pharmacy, a laundry and a clinic. A security company is also hired to watch over the city, same as in Rehab.

In parallel, the ministry of Housing represented in the New urban communities' authority has also started receiving its payment in kind in the form of finished apartments in compliance with the signed contract.

Hotels & Resorts

Inauguration of Kempinski Nile Hotel: the first exclusive boutique hotel catering to the needs of business travelers in downtown Cairo.

Kempinski Nile Hotel replaced an old hotel on the river banks in one of Cairo's most strategic downtown spots, the Garden City area. The interior design of the 191-room boutique style hotel is done by the world renowned French architect Pierre Yves Rochon. Its amenities and facilities will cater to the needs of business travelers and offer specialized facilities to the local business community, while as the management company, Kempinski, has long reflected the finest traditions of European hospitality for leisure and business guests alike.

The launch of this hotel brings the total number of operational hotel rooms to 875 rooms out of 2,600 total operational and committed rooms build-up and in line with the 5,000 rooms in 5 years plan.

Hotels operations

- Revenue from operating hotels has reached EGP 298 mn in 1H-10, 7% higher than EGP 277 mn in 1H-09. On an operational level, all hotels have kept their healthy KPI's and operational results as outlined below:
 - Four Seasons Nile Plaza reported GOP of 64% and NP of 54 % in 1H-10 compared to 65% and 52% respectively in 1H-09. Average room rates of USD 336 in 1H-10 are lower than EGP 375 in 1H-09 but an increase in occupancy rate from 57% to 61% helped improve the hotel's revpar and, a 17% increase in the F&B revenue compensated the decrease of room rates and maintained the total hotel's revenue and net profit.
 - Four Seasons sharm el sheikh reported GOP of 58% and NP of 44 % in 1H-10 compared to 56% and 43% respectively in 1H-09. Average room rates of USD 460 in 1H-10 are higher than USD 437 of 1H-09. This is accompanied by an increase in occupancy rate from 62% to 68% that enhanced the hotel's revenue and profitability.
 - Four Seasons San Stefano reported GOP of 25% and NP of 14% in 1H-10. Average room rates at USD 265 are also higher than 1H-09 rates of USD 249 and average occupancy rates at 52% are higher than 1H-09 rates of 43%.

	1H2010		1H2009		1H10/09	2Q-10		2Q-09		2Q10/09
	EGPmn		EGPmn		change	EGPmn		EGPmn		change
Revenues breakdown										
Revenues from units sold	3,189	90%	2,880	90%	11%	1,741	91%	1,478	90%	18%
Revenues from Hotels	298	9%	277	9%	7%	153	8%	145	9%	5%
Other revenues	43	1%	30	1%	44%	29	1%	15	1%	94%
Total consolidated revenue	3,530	100%	3,187	100%	11%	1,923		1,638	100%	17%
COGS breakdown										
Real Estate & Construction Cost	(2,381)	75%	(2,166)	75%	10%	(1,322)	76%	(1,158)	78%	14%
Hotels Cost	(161)	54%	(155)	56%	4%	(80)	53%	(88)	61%	-8%
Services Cost	(24)	55%	(12)	40%	98%	(19)	64%	(7)	47%	167%
Total cost of goods sold	(2,566)	73%	(2,333)	73%	10%	(1,421)	74%	(1,253)	76%	14%
Gross profit	964	27%	854	27%	13%	502	26%	385	24%	31%
Selling, General and Administrative Expenses	(161)	-5%	(183)	-6%	-12%	(83)	-4%	(84)	-5%	-1%
Provision expense/	(0.2)	0%	(0)	0%		-	0%	(0.3)	0%	-100%
interest income	37	1%	44	1%	-17%	19	1%	14	1%	42%
investment income	3	0%	13	0%	-77%	3	0%	11	1%	-76%
net change in market value of investments	2	0%	12	0%	-83%	(8)	0%	10	1%	-174%
Other income (expense)	15	0%	15	0%	-1%	5	0%	0	0%	2042%
Foreign exchange difference	3	0%	3	0%	-16%	3	0%	(0.3)	0%	-1255%
Net profit before tax	863	24%	758	24%	14%	441	23%	336	21%	31%
income tax and deferred tax	(157)	-4%	(89)	-3%	78%	(81)	-4%	(8)	0%	886%
Net Profit	706	20%	669	21%	5%	360	19%	328	20%	10%
Minority's share	(43)	-1%	(34)	-1%	26%	(22)	-1%	(7)	0%	229%
attributable to shareholders	662	19%	635	20%	4%	338	18%	321	20%	5%

Figures are rounded to the nearest million

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 30 June 2010

	Notes	2010 LE	31/12/2009 LE
Non-Current Assets			
Property and Equipment-Net	(4)	3,729,987,991	3,729,384,866
Projects Under Constructions	(5)	665,802,291	582,350,774
Goodwill	(6)	15,135,241,851	15,135,241,851
Available for Sale Investments	(7)	52,307,930	50,627,930
Investments in Associates	(8)	2,445,000	2,120,000
Bonds Held to Maturity	(10)	336,224,728	335,643,104
Total Non-Current Assets		19,922,009,791	19,835,368,525
Current Assets			
Work in Progress	(13)	11,928,437,852	11,718,189,283
Inventory – Net	(14)	30,559,472	28,613,092
Accounts and Notes Receivable	(12)	16,798,196,458	17,061,160,470
Prepayments and Other Debit Balances	(15)	3,093,763,658	3,073,022,407
Available for Sale Investments	(7)	7,601,335	7,601,335
Investment Debtors	(9)	1,305,304,298	1,304,980,161
Financial assets at fair value through profit and loss	(11)	273,478,780	461,101,260
Cash on Hand and at Banks	(16)	432,417,887	398,783,476
Total current assets		33,869,759,740	34,053,451,484
Current Liabilities			
Provisions	(27)	786,805	555,590
Banks Overdraft		59,052,257	48,644,960
Creditors and Notes Payable	(17)	1,068,431,794	604,004,564
Current Portion of Loans and Facilities	(25)	726,099,173	752,207,123
Current Portion of Long Term Liabilities	(26)	-	65,451,032
Customers Advance Payment	(18)	18,921,980,885	20,446,576,316
Dividends Creditors		17,949,393	1,890,973
Accrued Expense and Other Credit Balances	(19)	1,863,872,072	1,702,120,027
Total Current Liabilities		22,658,172,378	23,621,450,585
WORKING CAPITAL		11,211,587,363	10,432,000,899
TOTAL INVESTMENTS		31,133,597,153	30,267,369,424
Financed as follows:			
Owner's Equity			
Authorized Capital	(20)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(20)	20,132,314,980	20,302,035,500
Legal Reserves	(21)	164,999,734	162,740,218
General Reserves	(22)	61,735,404	25,747,613
Net unrealized gains (losses) on available for sale	(23)	1,080,000	(600,000)
Treasury Stocks	(24)	(30,089,758)	(133,977,325)
Retained earning		2,795,800,266	1,682,046,129
Net profit for the year		662,383,408	1,106,174,370
TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY		23,788,224,034	23,144,166,505
Minority Interest		1,707,753,705	1,684,636,138
TOTAL SHAREHOLDERS' EQUITY		25,495,977,739	24,828,802,643
Long Term Liabilities			
Loans and Facilities – long term	(25)	1,438,693,992	1,240,163,530
Long Term Liabilities	(26)	4,177,619,742	4,177,619,742
Deferred Tax Liability	(28)	21,305,680	20,783,509
Total Long Term Liabilities		5,637,619,414	5,438,566,781
Total Shareholders' Equity and Long Term liabilities		31,133,597,153	30,267,369,424

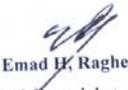
 Chairman

 Tarek Talaat Mostafa

Financial Director


 Ghaleb Ahmed Fayed

Auditors


 Emad H. Ragheb


 Magdy Hashish

 -The attached notes 1 to 37 are an integral part of these consolidated financial statements,
 -Audit report attached,

Translation of Financial Statements
originally issued in Arabic

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

CONSOLIDATED INCOME STATEMENT

For the period from 1 January 2010 to 30 June 2010

	Notes	From 1/1/2010 to 30/6/2010 LE	From 1/4/2010 to 30/6/2010 LE	From 1/1/2009 to 30/6/2009 LE	From 1/4/2009 to 30/6/2009 LE
Revenue	(29)	3,529,962,616	1,923,325,348	3,186,667,951	1,638,236,268
Cost of revenue	(29)	(2,565,505,811)	(1,421,468,183)	(2,333,223,016)	(1,253,696,283)
GROSS PROFIT		964,456,805	501,857,165	853,444,935	384,539,985
General and administrative expenses, marketing and sales expenses		(111,129,787)	(57,019,840)	(133,852,874)	(59,226,430)
Depreciation		(49,060,421)	(25,952,553)	(48,928,403)	(24,520,760)
Provisions		(231,214)	-	(272,016)	(272,016)
Operating Profit		804,035,383	418,884,772	669,990,942	300,520,779
Credit interest		19,960,448	10,970,064	26,595,355	5,395,109
Interest on bonds		15,083,193	7,554,088	14,280,670	7,770,348
Income from treasury bills		1,425,999	674,392	2,816,005	396,820
Dividends revenue	(30)	1,415,056	1,097,865	1,162,405	1,014,571
Revenue on sale of financial investments	(31)	1,614,495	1,568,612	12,092,198	10,221,915
Revenue of revalue financial assets at fair value through profit and loss	(11)	2,070,791	(7,721,140)	12,184,422	10,376,624
Other income	(32)	14,221,459	4,668,559	14,509,584	109,291
Capital gain		516,363	59,158	407,464	111,430
Board of directors allowances		(421,550)	(141,600)	(400,700)	(222,850)
Foreign exchange gain		2,839,064	3,291,192	3,398,970	(285,019)
NET PROFIT FOR THE PERIOD BEFORE TAX		862,760,700	440,905,962	757,438,015	335,409,018
Income tax	(28)	(156,727,959)	(79,337,912)	(84,244,688)	(5,910,588)
Deferred tax expense		(524,237)	(1,217,665)	(4,292,573)	(2,261,428)
NET PROFIT FOR THE PERIOD AFTER TAX		705,508,504	360,350,385	668,900,754	327,237,002
Minority interest		(43,125,096)	(22,043,869)	(34,342,053)	(6,693,000)
NET PROFIT FOR THE PERIOD(MOTHER COMPANY SHAREHOLDERS)		662,383,408	338,306,516	634,558,701	320,544,002
Earnings per share (LE/Share)	(33)	0.33	0.17	0.31	0.16

Chairman
Tarek Talaat Mostafa

Financial Director

Ghaleb Ahmed Fayed

-The attached notes 1 to 37 are an integral part of these financial statements,

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CONSOLIDATED CASH FLOW STATEMENT
 For the period from 1 January 2010 to 30 June 2010

	Notes	From 1/1/2010 to 30/06/2010 LE	From 1/1/2009 to 30/06/2009 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before tax and minority interest		862,760,700	757,438,015
Depreciation & Amortization		49,060,421	48,928,403
Revenue from bonds amortization	(10)	(581,624)	(631,477)
Provisions		231,215	(47,973,176)
(Revenue) of reevaluate financial assets at fair value through profit and loss	(11)	(2,070,791)	(12,184,422)
Credit Interests, bonds and treasury bills revenue		(36,469,640)	(43,692,029)
Reconciliation on retained earning and Minority Interest Capital (Gain)		(10,168,246)	(311,913,096)
Foreign Exchange (Gain)		(516,362)	(407,464)
Operating profit before changes in working capital		(2,839,064)	(3,398,970)
Change in work in progress		859,406,609	386,165,784
Change in inventory		(210,248,570)	34,663,057
Change in Accounts and Notes Receivables		(4,538,358)	3,016,889
Change in Prepayments and Other Debit Balances		262,964,012	257,955,084
Change in Creditors and Notes Payable		(2,946,957)	(583,933,072)
Change in current portion of long term liabilities		464,427,230	277,023,861
Change in current portion of long term Loans and Facilities		(65,451,032)	34,668,608
Change in Customers Advance Payment		(26,107,950)	99,541,259
Change in long term liabilities		(1,524,595,431)	(1,331,105,079)
Change in Dividends Creditors		(2,067)	(32,725,516)
Change in financial assets at fair value through profit and loss		16,058,420	(10,800)
Change in financial assets at fair value through profit and loss		189,693,271	(57,103,264)
Change in Other Credit Balances		5,024,086	(52,788,885)
Net Cash flows (used in) Operating Activities		(36,316,737)	(964,632,074)
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) on Purchasing of Property and Equipment and Projects Under Construction		(130,971,556)	(82,994,300)
Gain from sale fixed assets		964,834	411,209
proceeds (Payment) on Purchasing of Bonds Held to Maturity		-	246,567
Proceeds (Payment) from Available for Sale Investments		-	3,870,221
proceeds from Investments in Associates		(325,000)	795,275
(Payment) in Investment Debtors		(324,137)	(11,371,197)
Net Cash flows (used in) Investing Activities		(130,655,859)	(89,042,225)
CASH FLOWS FROM FINANCING ACTIVITIES			
(Increase) in Goodwill		-	(217,084,528)
(Payment) on Purchasing of Treasury Stocks		(29,845,162)	-
Collected Interest		18,675,346	39,438,636
proceeds (Payment) from Loans and Facilities		198,530,462	61,950,178
Net Cash flows Results from (used in) Financing Activities		187,360,646	(115,695,714)
Foreign Exchange Impact		2,839,064	3,398,970
NET CASH AND CASH EQUIVALENTS DURING THE YEAR		23,227,114	(1,165,971,043)
Cash and Cash Equivalents at the beginning of the YEAR		350,138,516	1,314,100,620
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(16)	373,365,630	148,129,577

Summary of C&C projects in Operation and Development

	Madinaty	Al Rehab I	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
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

. 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

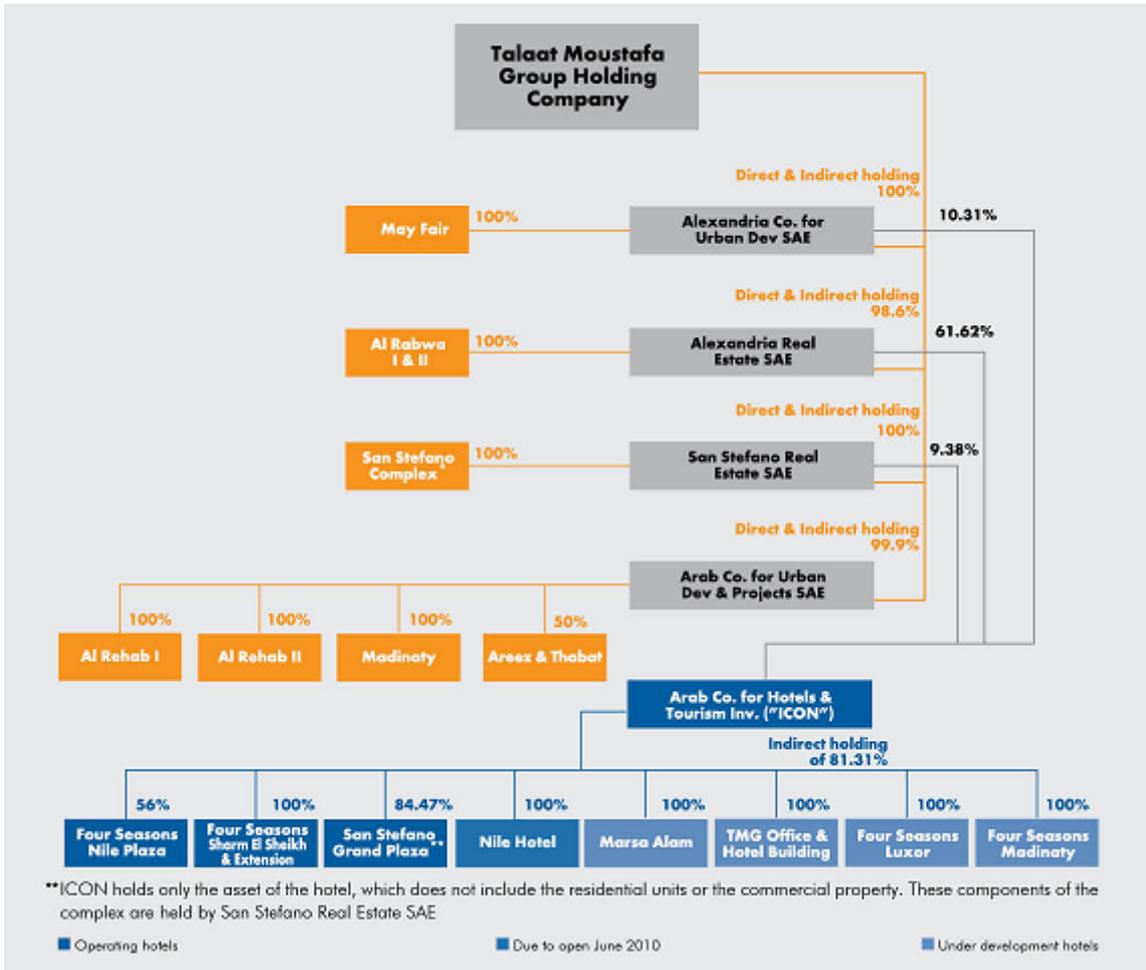
	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Nile Hotel
% owned(1)	100%	56.31%	84.47%	100%
Location	Sharm El Sheikh	Cairo	Alexandria	Cairo
Rooms/keys	200	366	118	191
Units	146	128	945	0
Sold	144	121	887	n/a
Ave. price	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a
CBRE 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	Jun- 10
Star rating	5 Star	5 Star	5 Star	5 Star
Facilities	8 restaurants	9 restaurants	9 restaurants	4 restaurants
	2 lounge bars	Spa	Marina	4 meeting rooms
	Spa	Ballroom	Shopping mall	Business centre
	Ballroom	11 meeting rooms	Offices	Executive club
	4 meeting rooms	Business centre	Casino	Mini business centre
	Business centre	Shopping mall	Ballroom	

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

4. Value of land only

Group Structure



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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