

Cairo, February 28, 2010 -TMG Holding reports a Q-o-Q 22% increase in consolidated revenue and 59% increase in consolidated net profits after minority in the fourth quarter of 2009 which brings the financial year ended December 31, 2009 reported results to EGP 4.822 bn consolidated revenues and EGP 1.106 bn consolidated net profits after minority.

TMG Holding, the leading Egyptian community real estate developer is delighted to announce its consolidated financial results for the financial period ending December 31, 2009.

Key Operational and Financial Highlights for the consolidated results of January to December 2009

- During 2009, TMG continued to deliver healthy revenue and profits. Total consolidated revenues for 4Q-09 reached EGP467 mn with a 22% increase compared to EGP 382 mn consolidated revenues for 4Q-08. Net Revenue from operating hotels reported EGP 156 mn for 4Q-09, 16% higher than EGP 134 mn reported in 4Q-08 reflecting the gradual recovery of the tourism sector.
Gross profit for 4Q-09 reached EGP 202 mn, 59% higher than EGP 127 mn Gross profit for 4Q-08 as a result of a 22% increase in recognized revenue accompanied by a difference in the revenue mix and less cost of goods sold relating to the recognized revenue of real estate units.
Net profit before tax reported EGP 181 mn in 4Q-09, 148% higher than EGP 73 reported in 4Q-08. The net the profit after tax and minority reported EGP 167 mn for 4Q-09, 59% higher than EGP 105 mn results of 4Q-08. Q-o-Q net profit increase is due to less provisions and tax expenses reported in 4Q-09 compared to 4Q-08 in addition to an increase in other income which offset the increase in SG&A expenses and decrease in interest income as a result of the cash utilization in 2009.
- Y-o-Y, total consolidated revenues for 2009 reached EGP 4,822 mn with an 11% decrease compared to EGP 5,421 mn consolidated revenues for 2008. The less recognized revenue is the combined effect of:
 - (i) a 14% decrease in the revenue recognized from real estate units which is depending on the delivery schedule in addition to the variation in the mix of delivered units . More land sales and villas were recognized in the twelve months of Jan to Dec 2008 and boosted its revenue figure compared to the same period of 2009.
 - (ii) a 7% decrease in the hotels revenue due to the effect of the financial crisis on tourism flow and tourists spending in 2009 compared to 2008. In general, the hotels performance improved progressively over the twelve months to December 2009; Y-o-Y, the hotels revenue has reached EGP 540 mn in 2009 compared to EGP 584 mn in 2008.
- Gross Profit reached EGP 1,486 mn for 2009, 23% less than EGP 1,927 mn for 2008. This was mainly attributable to the variation in the real estate revenue mix; less villas land sales were recognized, hence higher cost of goods sold despite less recognized revenue. In addition there was the effect of 1Q and 2Q 09 lower margins and a slight increase in hotels costs despite less reported revenue.
Net profit after tax and minority reported EGP 1,106 mn for 2009, compared to EGP1,442 mn results of 2008. The decrease in net profit on a Y-o-Y basis is equivalent to the decrease in gross profit for the reasons stated above. The effect of an increase in SG&A expenses and decrease in other income and interest income in 2009 was surpassed by an increase in the net change in market value of investments, gain on sale of investments and a decrease in provisions and tax expenses.
- At December 31, 2009, the Group's total assets reached EGP 53.89 bn, cash and cash equivalents amounted to approximately EGP 2 bn; same as total debt with each representing approximately 3.7% 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

- Despite the pressures of the financial crisis, we have witnessed no defaults but rather a delay in payments of some customers that falls within the normal rates of operation. Moreover, all cancellations that took place since September 2008 were offset by new sales. Most of the cancellations were related to the huge sales of Madianty's small size unfinished apartments that were launched in June 2008. Construction of these units had not started at the time of cancellations and they were replaced by new sales of higher margin products in 2009. Total cancellations since September 2008 to the end of December 2009 have not exceeded 4.5% of the accumulated sales backlog.

Our focus today is on the development of the first batch of community services in Madinaty to complement the delivered residential units with the required facilities that will be ready to meet the varied needs of its residents starting from April 2010.

The community services have a plan of its own that covers complete service centers dedicated for each phase, in addition to 6.3 million square meters of land for the mega services to be developed over the life of the project and which are planned to be a pole of attraction not only for the city residents, but also for the residents of Greater Cairo and the Middle East Region.

Hotels & Resorts

- Net to owner from operating hotels has reached EGP 223 mn in 2009 compared to EGP 257 mn in 2008. On an operational level, all hotels have kept their healthy KPI's and improved progressively as noted in the twelve months and fourth quarter results outlined below:
 - Four Seasons Nile Plaza reported a GOP of 58% and NP of 47% in 4Q-09 compared to 62% and 50% respectively in 4Q-08. Four Seasons sharm el sheikh reported a GOP of 59% and NP of 46% in 4Q-09 compared to 56% and 42% in 4Q-08. As for the Four Seasons San Stefano, it has reported a GOP of 14% in 4Q-09.
 - Four Seasons Nile Plaza reported GOP of 61% and NP of 49% in 2009 compared to 63% and 51% respectively in 2008. Average room rates of USD 366 in 2009 were 10% below 2008 level and a decrease in occupancy rate from 66% to 56% has somewhat affected the hotel's revpar. However, maintaining the F&B revenue at the level as same period last year helped to minimize the effect of drop in occupancy rates.
 - Four Seasons sharm el sheikh reported GOP of 54% and NP of 42% in 2009 compared to 52% and 40% respectively in 2008. Average room rates of USD 437 in 2009 were 10% higher than USD 400 of 2008 to compensate for the decrease in occupancy rate from 68% to 60% and preserve the hotel's revpar and profitability.
 - Four Seasons San Stefano reported GOP of 19% and NP of 9% in 2009. Average occupancy rates at 51% were in line with 2008 rates, however, average room rates at USD 273 were 15% below 2008 rates. Again, an increase in the F&B revenue above the same period last year compensated the drop in room rates. Overall, the hotel has reported a satisfactory performance with an 11 % increase in GOP and 21% in NP absolute figures in its second year of operation.

Key Operational Highlights for the financial year ended December 31, 2009

	2009		2008*		Y-o-Y change	4Q-09		4Q-08*		Q-o-Q change
	EGPmn		EGPmn			EGPmn		EGPmn		
Revenues breakdown										
Revenues from units sold	4,074	85%	4,763	88%	(14%)	157	34%	222	58%	(29%)
Revenues from Hotels	540	11%	584	11%	(7%)	156	33%	134	35%	16%
Other revenues	208	4%	74	1%	181%	154	33%	26	7%	493%
Total consolidated revenue	4,822	100%	5,421	100%	(11%)	467	100%	382	100%	22%
COGS breakdown										
Real Estate & Construction Cost	(2,898)	71%	(3,143)	66%	(8%)	(71)	45%	(194)	87%	(63%)
Hotels Cost	(317)	59%	(327)	56%	(3%)	(90)	58%	(60)	45%	51%
Services Cost	(121)	58%	(24)	33%	398%	(104)	68%	(1)	4%	10334%
Total cost of goods sold	(3,336)	69%	(3,495)	64%	(5%)	(265)	57%	(255)	67%	4%
Gross profit	1,486	31%	1,927	36%	(23%)	202	43%	127	33%	59%
Selling, General and Administrative Expenses	(335)	7%	(249)	5%	35%	(54)	12%	(64)	17%	(17%)
Provision expense/ provisions no longer required	7	0%	(19)	0%	137%	7	2%	(19)	5%	140%
interest income	38	1%	141	3%	(73%)	11	2%	56	15%	(79%)
investment income	36	1%	38	1%	(6%)	10	2%	9	2%	6%
gain on sale of investments	30	1%	9	0%	233%	1	0%	(4)	1%	125%
net change in market value of investments	14	0%	(37)	1%	138%	(8)	2%	(7)	2%	24%
Other income (expense)	32	1%	35	1%	(8%)	11	2%	(30)	8%	137%
Foreign exchange difference	4	0%	11	0%	(63%)	0	0%	5	1%	(96%)
Net profit before tax	1,312	27%	1,856	34%	(29%)	181	39%	73	19%	148%
income tax and deferred tax	(113)	2%	(196)	4%	(42%)	33	7%	35	9%	(5%)
Net Profit	1,199	25%	1,660	31%	(28%)	214	46%	107	28%	100%
Minority's share	(93)	2%	(218)	4%	(57%)	(47)	10%	(3)	1%	1483%
attributable to shareholders	1,106	23%	1,442	27%	(23%)	167	36%	105	27%	59%

**Reclassified for presentation purposes*


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 December 2009

	Notes	2009 L.E	2008 L.E
Non-Current Assets			
Property and Equipment-Net	(4)	3,729,384,866	3,774,020,037
Projects Under Constructions	(5)	582,350,774	408,725,730
Goodwill	(6)	15,135,241,851	14,918,115,697
Available for Sale Investments	(7)	50,627,930	42,261,482
Investments in Associates	(8)	2,120,000	2,665,275
Bonds Held to Maturity	(10)	335,643,105	334,695,967
Total Non-Current Assets		19,835,368,525	19,480,484,189
Current Assets			
Work in Progress	(13)	11,718,189,283	10,306,103,694
Finished Units		-	18,466,664
Inventory - Net	(14)	28,613,092	33,151,109
Accounts and Notes Receivable	(12)	17,061,160,470	18,152,033,456
Prepayments and Other Debit Balances	(15)	3,073,022,407	2,636,054,227
Available for Sale Investments	(7)	7,601,335	23,400,460
Investment Debtors	(9)	1,304,980,161	1,319,679,286
Financial assets at fair value through profit and loss	(11)	461,101,260	405,891,519
Cash on Hand and at Banks	(16)	398,783,476	1,424,992,021
Total current assets		34,053,451,484	34,319,772,436
Current Liabilities			
Provisions	(27)	555,590	-
Banks Overdraft	(16)	48,644,960	110,891,401
Creditors and Notes Payable	(17)	604,004,564	505,875,746
Current Portion of Loans and Facilities	(25)	752,207,123	480,800,306
Current Portion of Long Term Liabilities		65,451,032	32,725,517
Customers Advance Payment	(18)	20,446,576,316	21,726,054,725
Dividends Creditors		1,890,973	1,978,097
Accrued Expense and Other Credit Balances	(19)	1,702,120,027	1,475,085,707
Total Current Liabilities		23,621,450,585	24,333,411,559
WORKING CAPITAL			
TOTAL INVESTMENTS		30,267,369,424	29,466,845,095
Financed as follows:			
Owner's Equity			
Authorized Capital	(20)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(20)	20,302,035,500	20,302,035,500
Legal Reserves	(21)	162,740,218	158,119,298
General Reserves	(22)	25,747,613	25,747,613
Net unrealized gains (losses) on available for sale	(23)	(600,000)	-
Treasury Stocks	(24)	(133,977,325)	(169,899,138)
Retained earning		1,682,046,129	1,638,479,702
Net profit for the year		1,106,174,370	-
TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY		23,144,166,505	21,954,482,975
Minority Interest		1,684,636,138	1,994,171,695
TOTAL SHAREHOLDERS' EQUITY		24,828,802,643	23,948,654,670
Long Term Liabilities			
Loans and Facilities - long term	(25)	1,240,163,530	1,295,968,157
Long Term Liabilities	(26)	4,177,619,742	4,210,345,257
Deferred Tax Liability		20,783,509	11,876,983
Total Long Term Liabilities		5,438,566,781	5,518,190,397
Total Shareholders' Equity and Long Term liabilities		30,267,369,424	29,466,845,095


 Tarek Talaat Mostafa
 Financial Director


 Ghaleb Ahmed Fayed


 Emad H. Ragheb


 Magdy Hashish
 Auditors

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

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Translation of Financial Statements
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CONSOLIDATED INCOME STATEMENT

For the period from 1 January 2009 to 31 December 2009

	Notes	2009 LE	From 3/4/2007 to 31/12/2008 LE
Revenue	(29)	4,822,123,471	5,852,301,563
Cost of Revenue	(29)	(3,335,690,479)	(3,752,573,966)
GROSS PROFIT		1,486,432,992	2,099,727,598
General and Administrative Expenses, Marketing and Sales Expenses		(232,736,354)	(149,451,924)
Depreciation and Amortization		(101,323,315)	(102,628,875)
Provisions		(555,590)	(850,000)
Provisions no longer required		7,748,347	4,744,882
Bad Debts		-	(18,040,032)
Operating Profit		1,159,566,080	1,833,501,652
Credit Interest		37,900,443	160,647,513
Interest on Bonds		29,470,433	7,074,967
Income from Treasury Bills		4,758,796	32,648,944
Dividend Income	(31)	1,036,103	7,782,054
Revenue (Loss) on sale of financial investments	(30)	29,849,340	(9,505,254)
Revenue (Loss) of reevaluate financial assets at fair value through profit and loss	(11)	13,566,025	(29,931,864)
Company's share in associates Profits		487,500	(36,535,178)
Board of Directors Allowances		(699,250)	(1,098,350)
Other Income	(32)	31,869,051	38,358,761
Capital Gain		560,089	1,312,443
Foreign Exchange Gain		4,226,193	12,809,998
NET PROFIT FOR THE YEAR BEFORE TAX		1,312,590,803	2,017,065,686
Income Tax	(28)	(104,450,676)	(187,907,838)
Deferred Tax Expense		(8,715,648)	(8,863,407)
NET PROFIT FOR THE YEAR AFTER TAX		1,199,424,479	1,820,294,441
Minority Interest		(93,250,109)	(181,814,738)
NET PROFIT FOR THE YEAR (MOTHER COMPANY SHAREHOLDERS)		1,106,174,370	1,638,479,703
Earnings Per Share (LE/Share)	(33)	0.55	0.81

Chairman
Jarek Talaat Mostafa

Financial Director
Ghaleb Ahmed Fayed

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

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

CONSOLIDATED CASH FLOW STATEMENT
 For the period from 1 January 2009 to 31 December 2009

	Notes	2009	From 3/4/2007 to 31/12/2008
		LE	LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before tax and minority interest		1,312,590,803	2,017,065,685
Depreciation & Amortization		101,323,315	102,628,875
Revenue from bonds amortization		(1,193,993)	(316,237)
Provisions		(47,689,602)	48,245,192
Provisions no longer required		(7,748,347)	-
Bad Debts		-	18,040,032
Revenue (Loss) of reevaluate financial assets at fair value through profit and loss		(13,566,025)	36,535,178
Share of results of associates		(487,500)	9,505,254
Credit Interests, bonds and treasury bills revenue		(72,129,673)	(175,504,537)
Minority Interest		(93,250,109)	(181,814,738)
Capital (Gain)		(560,089)	(1,312,443)
Foreign Exchange (Gain)		(4,226,193)	(12,809,998)
Operating profit before changes in working capital		<u>1,173,062,587</u>	<u>1,860,262,264</u>
Change in work in progress		(1,412,085,588)	(10,306,103,694)
Change in Finished Units		18,466,664	(18,466,664)
Change in inventory		(1,489,096)	(33,151,109)
Change in Accounts and Notes Receivables		1,090,872,986	(18,152,033,456)
Change in Prepayments and Other Debit Balances		(432,458,749)	(2,649,559,345)
Change in Creditors and Notes Payable		98,128,818	309,104,501
Change in current portion of long term liabilities		271,406,755	480,800,366
Change in current portion of long term Loans and Facilities		32,725,516	32,725,516
Change in Customers Advance Payment		(1,279,478,409)	7,365,788,041
Change in long term liabilities		(32,534,637)	18,582,488,924
Change in Dividends Creditors		(87,123)	1,978,096
Change in financial assets at fair value through profit and loss		(41,643,716)	(442,426,697)
Change in Other Credit Balances		214,498,995	1,426,840,515
Net Cash flows (used in) Operating Activities		<u>(300,614,997)</u>	<u>(1,541,752,742)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
(Payment) on Purchasing of Property and Equipment and Projects Under Construction		(225,429,314)	(4,285,374,642)
Gain from sale fixed assets		1,703,328	1,312,443
proceeds (Payment) on Purchasing of Bonds Held to Maturity		246,855	(334,379,730)
Proceeds (Payment) from Available for Sale Investments		6,832,677	(80,361,067)
proceeds from Investments in Associates		75,000	(10,950,529)
(Payment) in Investment Debtors		14,699,125	(1,306,200,161)
Net Cash flows (used in) Investing Activities		<u>(201,872,329)</u>	<u>(6,015,953,686)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
proceeds from Capital Issue		-	5,567,786,713
Cgange in Goodwill results from acquire the Minority Interest		(217,126,153)	-
Adjustments to retained earning		49,145,124	-
Change in Minority Interest		(309,535,557)	1,994,171,695
(Payment) on Purchasing of Treasury Stocks		-	(169,899,138)
Collected Interest		67,620,242	170,969,623
proceeds (Payment) from Loans and Facilities		(55,804,627)	1,295,968,157
Net Cash flows (used in) Results from Financing Activities		<u>(465,700,971)</u>	<u>8,858,997,050</u>

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Foreign Exchange Impact	4,226,193	12,809,998
NET CASH AND CASH EQUIVALENTS DURING THE YEAR	(963,962,101)	1,314,100,620
Cash and Cash Equivalents at the beginning of the YEAR	1,314,100,620	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(16) 350,138,517	1,314,100,620

The following accrued revenues and expenses are eliminated:

- Accrued Revenues amounted LE 4,534,914 from other debit balances
- Due amounts to tax authority amounted LE 104,450,677 from other credit balances
- Minority interest includes the amount of LE 325,999,479 paid to purchase the minority interest (Note 6)

- 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	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)	16,652,942	24,225	2,571,395	0	118,320	1,214,075
Percent of Sold Residential BUA	32.6%	see(9)	42.8%	100%	59.2%	N.A.
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	2 H 2009
Orig. Completion(5)	2026	2011	2020	2006	2012	2011
Revised completion	2020	2011	2017	2006	2012	2011
Amenities	Various including: 45 hole golf course 15 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 and Development

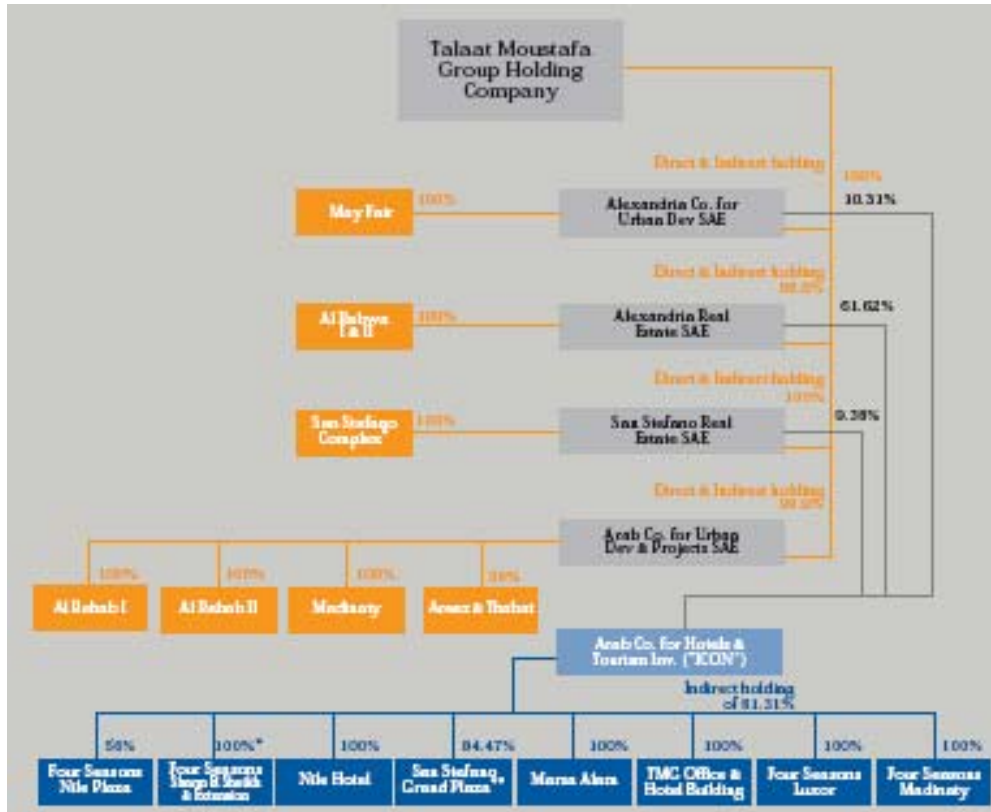
	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Nile Hotel
% owned(1)	100%	56.31%	84.47%	100%
Location	Sharm El Sheikh	Cairo	Alexandria	Cairo
Rooms/keys	200	365	127	190
Units	146	128	945	0
Sold	144	121	866	n/a
Ave. price	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a
CBRE 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	2010
Star rating	5 Star	5 Star	5 Star	Planned 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
 - Nile Hotel in Cairo

Capital:

Issued and paid-in capital: EGP 20.30 bn

Number of shares: 2.03 bn at a par value of EGP 10/share

Shareholders' Structure:

- TMG RE & Tourism Investment (including Talaat Mostafa Family & Saudi group) 49.85%
- Other major shareholders 25.75%
- Other major shareholders including free float 24.40%

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