

**ALLIED FOR ACCOUNTING & AUDITING
(E&Y)**

**ARAB CHARTERED ACCOUNTANTS
(RSM INTERNATIONAL)**

**TALAAAT MOSTAFA GROUP HOLDING COMPANY
"TMG HOLDING"
(S.A.E)
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2011
TOGETHER WITH AUDITORS REPORT**

**AUDITORS REPORT TO THE SHAREHOLDERS OF TALAAT MOSTAFA
GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)**

Report on the Financial Statements

We have audited the accompanying consolidated financial statements of **TALAAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)**, represented in the balance sheet as at 31 December 2011, and the related statements of income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

These consolidated financial statements are the responsibility of the Company's Management, as Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Egyptian Accounting Standards and applicable Egyptian laws. Management responsibility includes selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Egyptian Standards on Auditing and applicable Egyptian laws. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, and evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above, give a true and fair view, in all material respects, of the consolidated financial position of **TALAAT MOSTAFA GROUP HOLDING COMPANY "TMG HOLDING" (S.A.E)** as of 31 December 2011, and of its financial performance and its cash flows for the year then ended in accordance with Egyptian Accounting Standards and the related applicable Egyptian laws and regulations.

**ALLIED FOR ACCOUNTING & AUDITING
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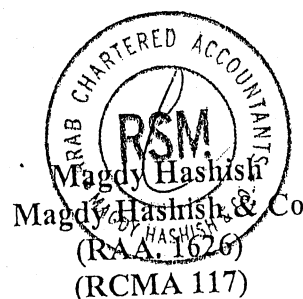
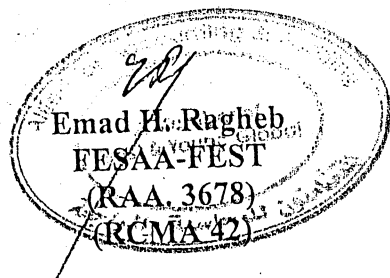
**ARAB CHARTERED ACCOUNTANTS
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Without Qualifying our Opinion, a new primary contract was signed between Arab Company for Projects and Urban Development – subsidiary Company - and The New Urban Communities Authority on 8 November 2010 relating to the 8000 feddans of Madinaty project and the in kind amount should not be less than LE 9.979 Billion and accordingly the value of the land of Madinaty project will be reconsidered up on the signing of the final contract of the land (note 14).

Without qualifying our opinion, as stated in note (38) of the notes to the financial statements, company's management not has available information to be able to disclose the impact of current events on assets, liabilities and results of business during the coming financial periods, as the values and the fundamental results may differ from those in future periods, if company's management has available of reliable indicators and implications, so can use these indicators and implications in determining the extent and size of those events on those assets and liabilities listed on the financial position.

Cairo: 8 March 2012

Auditors



**ALLIED FOR ACCOUNTING & AUDITING
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**ARAB CHARTERED ACCOUNTANTS
(RSM INTERNATIONAL)**

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

CONSOLIDATED BALANCE SHEET

As of 31 December 2011

	Notes	31/12/2011 LE	31/12/2010 LE
Non-Current Assets			
Property and Equipment	(4)	4,238,878,256	4,341,247,115
Projects Under Constructions	(5)	299,322,719	189,920,850
Investment Property	(6)	429,937,566	418,952,399
Goodwill	(7)	15,393,653,117	15,393,653,117
Investments in Associates	(8)	5030,166	4,496,462
Available for Sale Investments	(9)	55,094,990	53,254,920
Investments in Financial Assets Held to Maturity	(11)	516,701,569	483,837,951
Deffered tax assets	(28)	2,782,602	-
Total Non-Current Assets		20,941,400,985	20,885,362,814
Current Assets			
Work in Progress	(14)	15,182,971,369	13,800,270,971
Inventory – Net	(15)	31,828,554	34,218,987
Accounts and Notes Receivable	(13)	14,063,375,859	15,521,934,957
Prepayments and Other Debit Balances	(16)	2,412,130,439	2,910,347,047
Available for Sale Investments	(9)	25,845,508	25,845,508
Investment Debtors	(10)	808,962,565	808,212,565
Financial assets at fair value through profit and loss	(12)	197,162,614	298,682,002
Cash on Hand and at Banks	(17)	225,133,147	577,482,301
Total current assets		32,947,910,055	33,976,994,338
Current Liabilities			
Banks Overdraft		45,619,076	31,674,030
Creditors and Notes Payable	(18)	1,998,464,418	1,033,052,219
Bank Facilities	(26)	513,659,948	317,810,210
Current Portion of Loans and Facilities- Short-term	(26)	608,829,395	434,454,435
Customers Advance Payment	(19)	16,368,682,636	19,040,221,267
Dividends Creditors		14,886,950	16,495,077
Tax Authorities		132,579,804	184,917,906
Accrued Expense and Other Credit Balances	(20)	1,668,906,309	1,893,272,888
Total Current Liabilities		21,351,628,536	22,951,898,032
WORKING CAPITAL		11,596,281,519	11,025,096,306
TOTAL INVESTMENTS		32,537,682,504	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)	20,635,622,860	20,132,314,980
Legal Reserve	(22)	216,645,653	164,999,734
General Reserve	(23)	61,735,404	61,735,404
Net unrealized gains on available for sale investments	(24)	3,800,000	1,960,000
Accumulative translation adjustment		27,233,660	5,958,297
Reduction of the shareholders equity in affiliated companies	(25)	(30,089,758)	(30,089,758)
Retained earning		3,451,543,281	3,080,207,081
Net profit for year		577,509,293	940,008,374
TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY		24,952,234,180	24,357,094,112
Minority Interest		1,349,841,769	1,327,970,613
TOTAL SHAREHOLDERS' EQUITY		26,302,075,949	25,685,064,725
Non-current Liabilities			
Loans and Facilities – non-current	(26)	2,057,986,813	2,020,531,059
Non-current Liabilities	(27)	4,177,619,742	4,178,432,531
Deferred Tax Liability	(28)	-	26,430,805
Total Non- Current Liabilities		6,235,606,555	6,225,394,395
Total Shareholders' Equity and Nun- Current liabilities		32,537,682,504	31,910,459,120

Chairman
Tarek Talaat Mostafa

Financial Director
Ghaleb Ahmed Fayed

Auditors
Emad H, Ragheb

Auditors
Magdy Hashish

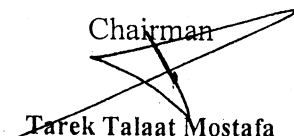
-The attached notes 1 to 40 are an integral part of these consolidated financial statements.
-Audit report attached.

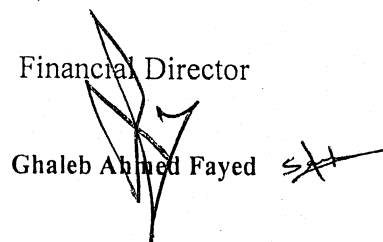
Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

CONSOLIDATED INCOME STATEMENT

For the year ended 31 December 2011

	Notes	From 1/1/2011 to 31/12/2011 LE	From 1/1/2010 to 31/12/2010 LE
Revenue	(29)	5,098,105,156	5,339,432,964
Cost of revenue	(29)	(3,911,560,611)	(3,817,063,411)
GROSS PROFIT		1,186,544,545	1,522,369,553
General and administrative expenses, marketing and sales expenses		(289,730,712)	(308,978,351)
Depreciation and amortization		(144,356,925)	(112,899,751)
Provisions	(13)	(2,250,000)	(623,370)
Provisions no longer required	(13)	224,289	697,482
Financial Assets impairment loss		-	(1,497,816)
Rent expenses		(34,685,732)	-
Operating Profit		715,745,465	1,099,067,747
Credit interest		19,510,301	27,891,733
Interest on bonds		28,769,100	30,323,921
Income from treasury bills		15,173	1,425,999
Finance cost		(185,396,844)	(174,616,068)
Dividends revenue	(30)	3,385,388	3,075,342
Revenue on sale of financial investments	(31)	3,226,183	17,078,574
Revenue of reevaluate financial assets at fair value through profit and loss	(12)	(25,454,096)	15,735,730
Share of profit of associates	(8)	289,904	2,051,462
Revenue of reevaluate Investment Property		-	135,168,894
Other income	(32)	61,916,333	52,196,000
Capital gain		19,546,565	3,823,748
Board of directors allowances		(667,650)	(720,600)
Foreign exchange (loss)		(35,969,258)	(9,489,171)
NET PROFIT FOR THE YEAR BEFORE TAX		604,916,564	1,203,013,311
Income tax	(28)	(103,644,719)	(193,407,001)
Deferred tax expense	(28)	29,213,407	(5,649,363)
NET PROFIT FOR THE YEAR AFTER TAX		530,485,252	1,003,956,947
Minority interest		(47,024,041)	63,948,573
NET PROFIT FOR THE YEAR (MOTHER COMPANY SHAREHOLDERS)		577,509,293	940,008,374

Chairman

Tarek Talaat Mostafa

Financial Director

Ghaleb Ahmed Fayed

-The attached notes 1 to 40 are an integral part of these financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2011

	Issued and Paid up Capital	Legal Reserves	General Reserves	Net unrealized (losses) gains on available for sale	Accumulative translation adjustments	Reduce shareholders in affiliated companies/ Treasury stocks	Retained Earning	Net Profit for the year	Total	Minority interest	Total
	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE	LE
Balance at 1 January 2011	20,132,314,980	164,999,734	61,735,404	1,960,000	5,958,297	(30,089,758)	3,080,207,081	940,008,374	24,357,094,112	1,327,970,613	25,685,064,725
Transfer to retained earning	-	-	-	-	-	-	940,008,374	(940,008,374)	-	-	-
Bonus share issue (note 21)	503,307,880	-	-	-	-	-	(503,307,880)	-	-	-	-
Net profit for the period	-	-	-	-	-	-	-	577,509,293	577,509,293	(47,024,041)	530,485,252
Reconciliation on retained earning	-	-	-	-	-	-	(13,718,375)	-	(13,718,375)	-	(13,718,375)
Reconciliation on minority interest	-	-	-	-	-	-	-	-	-	68,895,197	68,895,197
Legal Reserve	-	51,645,919	-	-	-	-	(51,645,919)	-	-	-	-
Accumulative translation adjustments*	-	-	-	-	29,509,150	-	-	-	29,509,150	-	29,509,150
Net unrealized gains on available for sale	-	-	-	1,840,000	-	-	-	-	1,840,000	-	1,840,000
Balance as of 31 December 2011	20,635,622,860	216,645,653	61,735,404	3,800,000	35,467,447	(30,089,758)	3,451,543,281	577,509,291	24,952,234,180	1,349,841,769	26,302,075,949
Balance at 1 January 2010	20,302,035,500	162,740,218	25,747,613	(600,000)	-	(133,977,325)	1,682,046,129	1,106,174,370	23,144,166,505	1,684,636,138	24,828,802,643
Transfer to retained earning	-	-	-	-	-	-	1,106,174,370	(1,106,174,370)	-	-	-
Net profit for the year	-	-	-	-	-	-	-	940,008,374	940,008,374	63,948,573	1,003,956,947
Reconciliation on retained earning*	-	-	-	-	-	-	294,246,098	-	294,246,098	-	294,246,098
Reconciliation on minority interest**	-	-	-	-	-	-	-	-	-	(420,614,097)	(420,614,097)
Legal Reserve	-	2,259,516	-	-	-	-	(2,259,516)	-	-	-	-
Treasury Stocks redemption	(169,720,520)	-	35,987,791	-	-	103,887,567	-	-	(29,845,162)	-	(29,845,162)
Accumulative translation adjustments***	-	-	-	-	5,958,297	-	-	-	5,958,297	-	5,958,297
Net unrealized gains (losses) on available for sale	-	-	-	2,560,000	-	-	-	-	2,560,000	-	2,560,000
Balance as of 31 December 2010	20,132,314,980	164,999,734	61,735,404	1,960,000	5,958,297	(30,089,758)	3,080,207,081	940,008,374	24,357,094,112	1,327,970,613	25,685,064,725

* Accumulative translation adjustments is due to translation of the financial statements of Thabat for real estate development as foreign operation

- The attached notes 1 to 40 are an integral part of these consolidated financial statements.

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

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 31 December 2011

	Notes	From 1/1/2011 to 31/12/2011 LE	From 1/1/2010 to 31/12/2010 LE
CASH FLOWS FROM OPERATING ACTIVITIES			
Net profit for the period before tax and minority interest		604,916,564	1,203,013,311
Adjustment to reconciliation net profit with cash flow operating activities :			
Depreciation		140,115,742	107,920,467
Amortization for Hotels Inventory	(15)	4,241,183	4,979,284
(Discount) Financial Assets Held to Maturity Amortization	(11)	(1,316,941)	(1,194,846)
Provisions		2,250,000	623,370
Provisions (no longer required)		(224,289)	(697,482)
Loss on sale Financial Assets Held to Maturity	(11)	1,291,859	-
Loss of sale Financial Assets at Fair Value through Profit and Loss	(31)	(3,226,183)	(17,078,574)
Impairment Loss		-	1,497,816
(Revenue) of reevaluate investment property		-	(135,168,894)
Loss (Revenue) of reevaluate Financial Assets at Fair Value	(12)	25,454,096	(15,735,730)
Share of (profit) of Associates	(8)	(1,183,704)	(2,701,462)
Credit Interests, Bonds and Treasury Bills revenue	(33)	(48,294,574)	(59,641,653)
Reconciliation on retained earning and Minority Interest		19,176,822	441,890,236
Capital (Gain)	(4)	(19,546,565)	(3,823,748)
Foreign Exchange Loss (Gain)		35,969,258	9,489,171
Operating profit before changes in working capital		759,623,268	1,533,371,266
Change in Work in Progress	(14)	(1,382,700,398)	(2,365,865,195)
Change in Inventory		2,390,433	(10,590,240)
Change in Accounts and Notes Receivables	(13)	1,456,033,387	1,538,744,035
Change in Prepayments and Other Debit Balances *	(16)	492,468,136	668,567,727
Change in Creditors and Notes Payable	(18)	965,412,199	429,047,655
Change in current portion of non- current Liabilities		(812,789)	(64,638,243)
Change in Customers Advance Payment	(19)	(2,671,538,631)	(1,406,355,049)
Change in Dividends Creditors		(1,608,127)	14,604,104
Change in Financial Assets at Fair Value through Profit and Loss	(12)	79,291,475	195,233,562
Change in tax authorities		(155,982,821)	(142,709,134)
Change in Other Credit Balances	(20)	(224,366,579)	335,792,537
Net Cash flows (used in) provided from Operating Activities		(681,790,447)	725,203,025

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

CONSOLIDATED CASH FLOW STATEMENT – Continued
For the year ended 31 December 2011

CASH FLOWS FROM INVESTING ACTIVITIES

(Payment) on Purchasing of Property and Equipment and Projects Under Construction	(4,5)	(152,438,116)	(344,060,938)
Proceed from sale fixed assets	(4)	20,594,745	20,536,956
(Payment) on Purchasing of Financial Assets Held to Maturity	(11)	(32,838,536)	(147,000,000)
(Payment) from Available for sale Investments		(70)	(18,311,163)
(Payment) from Investments in Associates		(243,800)	(325,000)
(Payment) in Investment Debtors		(750,000)	(260,000)
Purchasing of minority interest		-	(826,671,570)
Dividend received from Aassociates	(8)	893,800	650,000
Net Cash flows (used in) Investing Activities		(164,781,977)	(1,315,441,715)

CASH FLOWS FROM FINANCING ACTIVITIES

Proceeds from minority interests**		36,000,000	-
(Payment) on Purchasing of Treasury Stocks		-	(29,845,162)
Collected Interest	(33)	54,043,046	44,817,727
Proceeds from Loans and Facilities	(26)	407,680,452	780,425,051
Net Cash flows Provided from Financing Activities		497,723,498	795,397,616
Foreign Exchange Impact***		(17,445,274)	(9,489,171)

NET CASH AND CASH EQUIVALENTS DURING THE YEAR

Cash and Cash Equivalents at the beginning of the year		545,808,271	350,138,516
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	(17)	179,514,071	545,808,271

The following accrued revenues and expenses are eliminated:

- *Change in Accrued Revenues amounted to LE 5,748,472 from other debit balances.
- **Share of minority in capital increase of Thabat Company for real estate development.
- *** includes the impact of foreign exchange in investment property and translation of foreign operation

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

1 BACKGROUND

- Talaat Mostafa Group Holding TMG Holding S,A,E, was established on 13 February 2007 under the provisions of law 95 of 1992 and its executive regulations and registered in Egypt under Commercial Registration numbered 187398 by date 3 April 2007, and the company period is 25 years.
- The main objective of the Company is participating in the incorporation of shareholding companies or participating in the capital increase of those companies,
- The company headquarter and legal place is 36, mosadek st, Dokki – giza – Arabic republic of Egypt.
- The financial statements issued by the board of directors dated 6 March 2012

2 Basis of preparing the financial statements and the significant accounting policies

- The financial statements of the holding company and the subsidiaries have been prepared according to the Egyptian Accounting Standards and the prevailing laws and local regulations,
- The financial statements have been presented in Egyptian Pound,
- The financial statements are prepared under the historical cost convention modified to include the measurement at of the fair value of financial investment, and financial assets valued at the fair value through the profit and losses

3 Basis of consolidating the financial statements

- Eliminate all the Inter-company accounts and transactions as well as unrealized profit (loss) results from the transactions with the subsidiaries
- The non controlling interest is presented as a separate item in the consolidated balance sheet and the minority share in the net results of the subsidiaries is presented as a separate item in the consolidated income statement, in the case of the increase of minority share in the loss of the subsidiaries over there share in the net assets of those companies, the increase or any additional loss related to the minority to be recorded in the holding company share in the net results of those companies except the amount of loss that the minority approved before to bear it, in case of the subsidiaries achieved profit in the following periods of the above mentioned loss, the total profit to be recorded to the holding company share in results of the subsidiaries until all previously recorded loss is redeemed ,
- The company treat the transactions with the minority partners the same treatment with external parties, Profit or loss from the sale of share of the company to the minority to be recorded in the income statements, and purchase share from the minority results in as goodwill due to the different between the purchase price and the share in net assets acquired and the different between the book value and the net fair value of the assets acquired to be recorded in the equity.
- The consolidated financial statements include the assets, liabilities and the results of Talaat Mostafa holding company (the company) and all its subsidiaries that stated below, The subsidiary is the company that the holding company owns direct or indirect long term investment more than 50% of the capital that give the right to vote or have control,
- The subsidiaries are included in the consolidated financial statements starting from acquisition date to the date that control is stopped,
- Purchase methods is used to account for acquiring subsidiaries and the acquisition cost is measured by the fair value or the return that the company gave from assets, equity instruments or liabilities bear it or liabilities committed to bear it on behalf of the aquiree at the date of swab plus the additional costs related directly to the acquisition process , the net acquired assets including the proper liabilities are to be measured to determined its fair value at the date of acquisition despite any rights to minorities, the increase in the acquisition cost to the fair value of the company share in net assets is considered goodwill and if the cost of acquisition is less that above mentioned fair value of the nest assets the different to recoded in the consolidated income statement,

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

Significant Accounting Policies (continue)

The consolidated financial statements include the subsidiaries which controlled by Talaat Mostafa Group Company "TMG Holding" as a share bigger than 50% of the subsidiaries' paid capital.

The following are the subsidiaries that are included in the consolidated financial statements:

Arab company for projects and urban development (S,A,E)	99,99%
Alexandria company for real estate investment (S,A,E)*	96.93%
San Stefano company for real estate investment (S,A,E)**	72.18%
Alexandria for urban projects Company (S,A,E)***	40%
Thabat Company for real estate development****	50%

*Arab company for projects and urban development acquires 1, 64% of Alexandria company for real estate investment, and contribute in the following companies:

	Contribution
El masria for trading services(S.A.E)	99%
El rehab for management(S.A.E)	98%
Engineering for developed systems of building (S.A.E)	73.3%
El rehab for securitization(S.A.E)	100%
El Tayseer for real estate financing (S.A.E)	90%
Arab Egyptian company for entertainment projects(S.A.E)	50%
El rehab for entertainment and culture services(S.A.E)	96%
Madinaty for electromechanical power(S.A.E)	60%

** The company acquires with an indirect way 27, 82% of San Stefano Company for real estate investment through its subsidiary (Arab company for projects and urban development, Alexandria Company for real estate investment, Alexandria for urban projects Company).

*** Alexandria company for real estate investment acquires 60% of Alexandria for urban projects Company, and contribute in the following companies:

	Contribution
El rabwa for entertainment services (S.A.E)	95.5%
El masria for development and real estate projects(S.A.E)	90%
Alexandria for urban development(S.A.E) and its subsidiaries as follows:	60%
May fair for entertainment services (S.A.E)	95.5%
Port Venice for tourism development(S.A.E)	90.25%
Arab company for tourism and hotels investments (S.A.E) and its subsidiaries as follows:	83.31%
Nova park - Cairo(S.A.E)	99.99%
Alexandria Saudi for tourism projects(S.A.E)	97.59%
San Stefano for tourism investment (S.A.E)	84.44%
El Nile for hotels (S.A.E)	100%
Loxur for urban and tourism development (S.A.E)	

**** Thabat company for real estate development – Saudi Arabia and its issued capital is SR 125.000.000 and contributes in Areez Arab limited company with 98%

Foreign currency translation

The group's records are maintained in Egyptian pound, Transactions in foreign currencies during the year are recorded using the exchange rates prevailing on the transaction date, At the balance sheet date, monetary assets and liabilities denominated in foreign currencies are translated to Egyptian pound using the exchange rates prevailing on that date, Translation differences are recorded in the statement of income.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

Significant Accounting Policies (continue)

Property, plant and equipment

Property, plant and equipment is stated at cost less accumulated depreciation and any impairment in value, Depreciation is calculated on a straight line basis over the estimated useful lives of the assets as follows:

	Years
Buildings & constructions	20 - 80
Motor Vehicles	5
Tools & equipments	3 - 8
Furniture and other assets	5- 10
Computers	3 - 8
Marina Equipments	2 - 10

Projects under construction are depreciated when it is ready for use in the place and the condition of operating, then to be reclassified to the fixed assets category,

Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment, all other expenditure is recognised in the consolidated income statement as the expense is incurred,

Project under construction:

Projects under construction represent the amounts that are paid for the purpose of constructing or purchasing fixed assets until it is ready to be used in the operation, upon which it is transferred to fixed assets, Projects under construction are valued at cost,

Investment Property

Investment properties are the real estate's (Buildings, Lands or both) that are kept for renting or increase in its value; they are measured initially at cost, including transaction costs.

Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the balance sheet date. Gains or losses arising from changes in the fair values of investment properties are included in the income statement in the year in which they arise.

Investments

Investments in associates

Investments in associates are accounted for using the Equity method except for when investment are classified as available for sale according to the Egyptian accounting standards No, 32 None current assets held for sale and discontinued operations, these associates companies are those companies which the company has a major influence and which are not subsidiaries or joint venture, Investments in associates are recorded in the Balance sheet with cost,

in addition to company share of any changes in the net assets of associates company after deducting any impairment losses, the company's consolidated income statement reflect its share in the result of associates companies,

Available-for-sale investments

Available-for-sale investments are recognised and derecognised, on a trade date basis, when the Company becomes, or ceases to be, a party to the contractual provisions of the instrument; they are included in noncurrent assets unless management intends to dispose of the investments within 12 months of the balance sheet date.

Investments designated as available-for-sale investments are initially recorded at cost (except for non listed investments in the capital exchange market) and subsequently measured at fair value, Changes in fair value are reported as a separate component of equity, Upon elimination of investments, the previously reported as "cumulative changes in fair value" within equity is to be included in the consolidated income statement for the period, except for impairments loss, and for non listed investments is to be recorded at cost less impairment loss.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

Significant Accounting Policies (continue)

Financial Assets at Fair Value through profit or loss

Financial Assets at Fair Value through profit or loss includes financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss, Trade investments is acquired mainly for sale or repurchased in short periods.

Management designate the investments as financial assets at fair value through profit or loss according to the Egyptian accounting standard No, 25 requirements and those requirements do not apply to the noncurrent financial investments which its fair value cannot be reliably measured,

After the initial recognition, those investments to be measured at fair value and any defences to be recorded in the consolidated income statement.

Investments in Financial assets held to maturity

Investments in Bonds held to maturity with fixed or determinable payments that are not quoted in an active market, are carried at adjusted cost which represent the nominal value plus the bond premium or discount and the premium / discount to be amortized by using the effective rate method, the amortization amount to be added to the bonds revenue in the consolidated income statement.

Intangible assets - Goodwill

Goodwill represents the increase of the acquisition cost of the shares of the subsidiaries companies with the company share in the fair value of the net assets of those companies at the date of acquisition, Goodwill results from purchase subsidiaries is recorded as noncurrent assets and the goodwill results from purchase investments in associates recorded as investments in associates, at the end of each financial year the goodwill is tested for impairments and to be displayed at cost after deducting the impairment loss if exist

Work in progress

Properties acquired, constructed or in the course of construction for sale are classified as work in progress, Unsold properties are stated at the lower of cost or net sales value, Properties in the course of development for sale are stated at cost, The cost of development properties includes the cost of land and other related expenditure which are capitalized as and when activities that are necessary to get the properties ready for sale are in progress, Net sales value represents the estimated selling price less costs to be incurred in selling the property, The property is considered to be completed when all related activities, including the infrastructure and facilities for the entire project, have been completed

Management reviews the cost of the work in progress on yearly basis.

Finished units

Finished units are stated at the lower of cost or net realizable value, the consolidated income statement includes any decreases in the net realized value to the book value,

Inventories

Inventories are stated at the lower of cost or net realizable value,

The inventory of hotels suppleness since the opening of the hotel and required for the operation to be measured in the fair value and the decrease of the fair value to be recorded in the consolidated income statements

Accounts receivable, Debtors and notes receivable

Accounts receivable are stated at original invoice amount, all those amounts are reviewed annually to decide wither there is an indicator for impairment possibility in the assets value,

Credit Balances and accruals

Liabilities are recognised for amounts to be paid in the future for goods or services received, whether billed by the supplier or not,

Separation of assets and liabilities to short-and long-term

Assets which worth collected during the year after the date of financial statements be included within current assets either the assets that collectible date exceed the year date of financial statements be included within long-term assets,

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

Significant Accounting Policies (continue)

Related party transactions

Related party transactions performed by the Company within its normal business transactions are recorded based on the conditions set by the board of directors,

Employees Pension Plan

The company participates in the social insurance system in accordance to the social insurance laws no, 79 for the year 1975 and its amended and the company share in the social insurance cost to be charged to the consolidated income statement according to the accrual basis,

Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made, Provisions are reviewed at the balance sheet date and adjusted to reflect the current best estimate, Where the effect of the time value of money is material, the amount of a provision should be the present value of the expected expenditures required to settle the obligation,

Legal reserve

According to the Company's article of association, 5% of the net profits of the year is to be transferred to the legal reserve until this reserve reaches 50 % of the issued capital, The reserve is used upon a decision from the general assembly meeting based on the proposal of the board of directors,

Revenue recognition

Revenues results from the sale of units are recognized up on delivery of the units and the following terms are completed:

- A. The company transfers the main risks and rewards of ownership of the unit to the buyer
- B. The company has no longer continuing managerial involvement to the degree usually associated to the ownership, and has no longer effective control over the unit sold
- C. The amount of revenue can be measured reliably
- D. It is probable that the economic benefits associated to the transaction will flow to the company
- E. The cost incurred or will be incurred in respect of the transaction can be measured reliably
- F.

The company uses full contract methods in recognize revenue for the all sold units, which required to capitalize the costs under work in progress account till the salable units are completed and delivered to the customer, then revenue is recognized and match it with the related operation cost,

The revenue results from the sale of villas is recognized in the income statement according to the revenue incurred, where the selling amount of the land of the villa will be totally recognized upon choosing the client the land that will be build on it, the selling amount of the building and related construction amount of the villas will be recorded by uses full contract methods in recognize revenue upon delivering the villas to the client.

Hotels revenue is recognized according to the company shares from the profit of the hotels.

Revenue from share profit recorded when there is right to receive it,

Share of results of the associates is recognised according to the equity methods and based on the latest approved financial statements of those associates.

Interest income of the financial instruments is recognised in the consolidated income statement by using effective interest rate methods except for the financial instruments classified as for trade or financial assets at fair value through profit or loss.

Dividend income from financial assets at fair value through profit or loss or available for sale is recorded when there is right to receive it

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

Significant Accounting Policies (continue)

Recording the operational cost

Delivery minutes with the customers of the sellable units to the customers and revenue recognized of those units are the bases to record the operational cost related to those units which includes:

The direct and indirect costs

The construction cost of the sellable units according to the payment certificates of the contractors and suppliers that approved by the technical department of the company is recoded in work in progress account and the costs to be distributed to the sold units according to the following basis:

- Unit share of the land cost and units share of the land cost which was distributed as the land area of each units to the total area of the units in the project,
- The unit share from the actual and estimated costs that distributed based on the contracts and invoices of each sector from units , villas and retails in each phase
- The units share from the indirect actual and estimated costs are distributed based on the direct cost of each sector in each phase

Impairment of financial assets

The Company regularly assesses whether there is an indication that an asset could be impaired, The impairment loss of a financial assets that was measured with the amortized cost is to be measured as the different between the amortized cost of the book value and the present value of the projected cash flow by using the effective rate

The impairment loss related to financial assets available for sale to be calculated by using the present fair value, The remaining financial assets are estimated according to the groups level that have the same credit risk characterises,

Impairment loss is recognized in the consolidated income statement any subsequent reversal of an impairment loss is recognized in profit and loss, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date,

If the available for sale asset is impaired, an amount comprising the difference between its cost and its fair value, less any impairment loss previously recognised in the consolidated income statement, is transferred from equity to consolidated income statement, Reversal in respect of equity instruments classified as available for sale are recognised directly in the equity

A previously recognized impairment loss is reversed when there is a change in the recoverable amount of the asset to the extent of the previously recognized loss,

Impairment of non-financial assets

The company assesses at each reporting date wither there is an indication that an asset may be impaired,

An asset's recoverable amount is higher of an asset's or cash – generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount,

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre –tax discount rate that reflects current market assessments of the time value of money and risks specific to the asset, Impairment losses of continuing operations are recognised in the consolidated income statement in those expenses categories consistent with the function of impairment asset except for the property previously revaluated where the revaluation was taken to equity, In this case the impairment is also recognised in equity up to the amount of any previous revaluated,

Treasury stocks

The treasury shares (Company shares) are recorded with the cost and deducted from the owners' equity in the balance sheet, Any profit or loss proceeds of disposing these treasury stocks are being recorded within the owners' equity,

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

31 December 2011

Significant Accounting Policies (continue)

Accounting estimates

The preparation of financial statements in accordance with Egyptian Accounting Standards requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses during the financial years, Actual results could differ from these estimates,

Those estimates are reviewed on regularly basis and any differences in the estimates in the date of examining those estimates will affect only the period under examination and if those differences will affect the current period and the coming periods those differences to be recorded in the current and future periods,

Income tax

Income tax is calculated in accordance with the Egyptian tax law,

Deferred income tax is recognized using the liability method on temporary differences between the amount attributed to an asset or liability for tax purposes (tax base) and its carrying amount in the balance sheet (accounting base) using the applicable tax rate,

Deferred tax asset is recognized when it is probable that the asset can be utilized to reduce future taxable profits and the asset is reduced by the portion that will not create future benefit.

Cash flow statement

The cash flow statement is prepared using the indirect method, for the purpose of preparing the cash flow statements , the cash and cash equivalent include cash on hand , cash at bank , short term deposits , treasury bills with maturity date three months or less deducting the bank overdraft – if any,

Borrowing

Borrowings are initially recognized at the value of the consideration received, Amounts maturing within one year are classified as current liabilities, unless the Company has the right to postpone the settlement for a period exceeding twelve months after the balance sheet date, then the loan balance should be classified as long term liabilities,

Borrowing costs

Borrowing costs are recorded in the statement of income as financing expenses except the borrowing costs directly related to the acquisition, construction or production of a qualifying assets which is included as part of the cost of the asset, the borrowing cost amount that will be capitalized is determined based on the actual borrowing cost.

Suspend capitalisation of borrowing costs during extended periods in which it suspends active development of a qualifying asset.

Cease capitalizing of the borrowing costs when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

Expenses

All expenses including operating expenses, general and administrative expenses and other expenses are recognized and charged to the statement of income in the financial year in which these expenses were incurred,

Cash & cash equivalent

For the purpose of preparing consolidated cash flow statement, cash and cash equivalent at banks and on hands , time deposits treasury bills maturity date within three months , checks under collection (banks checks and accepted cheeks) and banks overdraft that will be paid on demand that consider a part of the assets management system in the company

Dividends

Dividends recognized as liability in the period in which the company General Assembly meeting decided to distribute profits,

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

31 December 2011

Significant Accounting Policies (continue)

Fair values

For investments traded in an active market, fair value is determined by reference to quoted market bid prices,
The fair value of interest-bearing items is estimated based on discounted cash flows using interest rates for items with similar terms and risk characteristics,

For unquoted equity investments, fair value is determined by reference to the market value of a similar investment or is based on the expected discounted cash flows,

Segment information

Segment is a major part of the group that produce products, services(Operational segment) or produce products, services in special economical environment (Geographical segment) and its profit and loss are deferent from the profit and loss of the other segments ,

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4 PROPERTY AND EQUIPMENT

	Lands	Buildings & Constructions	Motor Vehicles	Tools & Equipments	Furniture & Fixtures	Marine Equipment	Computers	Total
	LE	LE	LE	LE	LE	LE	LE	LE
Cost								
As of 1 January 2011	577,780,462	3,329,908,712	75,873,128	311,209,676	497,763,456	6,131,281	20,132,400	4,818,799,115
Additions	-	19,532,316	5,010,018	16,253,827	15,621,794	492	3,365,032	60,274,987
Transfer from Projects under construction		2,151,309	-	-	-	-	15,087,431	17,238,740
Transfer to work in process	(27,000)	(19,369,973)	-	(169,477)	(11,902,206)	-	-	(31,468,656)
Transfer to accounts payable	(35,000)	(150,250)	-	(1,810)	(150,000)	-	-	(337,060)
Foreign currency valuation	-	713,721	46,559	251,312	1,074,775	-	215,365	2,301,732
Disposals	(10,730,000)	(19,422,229)	(2,656,237)	(123,400)	(683,180)	-	(1,498,816)	(35,113,862)
As of 31 December 2011	566,988,462	3,313,363,606	78,273,468	327,420,128	501,724,639	6,623,281	37,301,412	4,831,694,996
Accumulated depreciation								
At 1 January 2011	-	(188,196,295)	(44,708,930)	(100,599,139)	(130,868,887)	(3,012,013)	(10,166,734)	(477,551,998)
Depreciation charge	-	(56,799,296)	(9,575,157)	(28,693,218)	(40,150,071)	(764,836)	(4,133,164)	(140,115,742)
Depreciation transferred to work in process		417,635	-	72,034	1,972,505	-	-	2,462,174
Foreign currency valuation	-	(473,350)	(28,795)	(86,821)	(239,961)	-	(117,929)	(946,856)
Disposals	-	19,422,229	2,393,570	94,465	561,360	-	864,058	23,335,682
As of 31 December 2011	-	(225,629,077)	(51,919,312)	(129,212,679)	(168,725,054)	(3,776,849)	(13,553,769)	(592,816,740)
Net book value As of 31 December 2011	567,050,462	3,087,734,529	26,354,156	198,207,449	332,999,585	2,846,432	23,747,643	4,238,878,256
As of 31 December 2010	577,780,462	3,141,712,417	31,164,196	210,610,537	366,639,569	3,119,268	9,965,666	4,341,247,115

- First degree mortgage on the land of san Stefano project – Alexandria and all the building on it that owned by both san Stefano for real estate investment and san Stefano for tourism investments
- First degree mortgage on the land of el Nile hotel, garden city – Cairo and all the building on it that to El Nile Co, also the garage and club land at 4 Ahmed Raghib St, garden city – Cairo
- First degree mortgage on the land and the building of four season hotel sharm el sheik in shark bay – sharm el sheik owned by Alexandria Saudi Co, for tourism investment
- First degree mortgage on the land and the building of four season hotel Nile plaza, Cairo owned by Nova Park Co, excluding the total sold or available for sale units and its share in the land
 - Amount of LE 10,730,000 is excluded from land and added to other credit balances as the process of transferring the wrights to the company not yet finished.

	LE	LE
Proceed from sale of fixed assets		20,594,745
Cost of sold fixed assets	24,383,862	
Accumulated depreciation of sold assets	<u>23,335,682</u>	<u>(1,048,180)</u>
		<u>19,546,565</u>

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

5 - PROJECTS UNDER CONSTRUCTIONS

	31/12/2011	31/12/2010
	LE	LE
Computers and Software	-	15.087.431
Villa - Sednawy	73,606,541	71.076.954
Hotel Assets	6,243,293	7.068.507
Luxor Project	68,168,787	-
Sharm El sheik Extended project	151,304,098	96.687.958
	<u>299,322,719</u>	<u>189.920.850</u>

6- Investment Property

Investment property balance LE 429,937,566 presented at fair value for land purchased in Saudi Arabia for reselling it

	31/12/2011	31/12/2010
	LE	LE
Balance at 1January 2011	418,952,399	283,783,505
Revenue of revalue investment property	-	135,168,894
Accumulative translation adjustments	10,985,167	-
	<u>429,937,566</u>	<u>418,952,399</u>

7- GOODWILL

	31/12/2011	31/12/2010
	LE	LE
Arab Company for Projects and Urban Development	12,235,313,553	12,235,313,553
Alexandria Company for Real Estate Investment*	2,992,171,784	2,992,171,784
San Stefano Company for Real Estate Investments	96,337,795	96,337,795
Alexandria Company for Urban Projects	69,829,985	69,829,985
	<u>15,393,653,117</u>	<u>15,393,653,117</u>

*In 14 July 2010 Nova park Co, (One the subsidiaries' in Arab Company for hotels and tourism investments) Acquire the minority interest 43,68% (233720 shares from total company shares of 535000 shares with the amount of LE 826,671,570 and a good will results due to the increase of the purchase price from the book value of the acquired share by amount LE (258,411,267)

Goodwill is tested on yearly basis to ensure if there is any decrease in its book value and the management of the group hasn't found any decrease,

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

8- INVESTMENTS IN ASSOCIATES

	Percentage	31/12/2011 LE	31/12/2010 LE
Hill / TMG for Projects and Construction Management	49%	2,311,380	1,470,000
Alexandria for Projects Management	32,5%	2,185,083	975,000
Share of results in Associats		1,183,704	2,701,462
Dividend received		(893,000)	(650,000)
Company share in capital increase of Alexandria for Projects Management		243,800	-
		<u>5,030,166</u>	<u>4,496,462</u>

9- AVAILABLE FOR SALE INVESTMENTS

	31/12/2011 LE	31/12/2010 LE
Available for sale investment – short term		
Dune groasses overseas Company	26,496	26,496
Tansy finance Company	26,496	26,496
Rockland Company	26,496	26,496
Housing Insurance Company	4,950,000	4,950,000
Shara North Marine Company	18,244,173	18,244,173
Egyptian For Real Estate refinance Company	2,055,560	2,055,560
Free Zone Industry Area East Port Saied	16,287	16,287
Egyptian Company for Marketing and Distribution	500,000	500,000
	<u>25,845,508</u>	<u>25,845,508</u>
Available for sale investment – long term		
Housing Development Bank Securities	57,930	57,930
Credentials investment fund Horus	48,320,000	46,480,000
El Tameer for Real Estate Finance Company	6,716,990	6,716,990
	<u>55,094,990</u>	<u>53,254,920</u>
	<u>80,940,498</u>	<u>79,100,428</u>

Available for sale investments that have no market price and its fair value can't be properly determined due to the nature of the unpredictable future cash flows, therefore it was recorded at cost,

The available for sale investments are classified into current and non-concurrent assets based on the purpose of the investment whether the acquisition for keeping the investments,

10- INVESTMENT DEBTORS

	31/12/2011 LE	31/12/2010 LE
Morsi El Sadid for Real Estate and Tourism Investment Company	807,942,565	807,942,565
Luxor for Real Estate and Investment Company	1,000,000	250,000
TMG for Commercial and Service projects	5,000	5,000
TMG for Commercial and Administrative Projects	5,000	5,000
TMG for Medical Projects	5,000	5,000
TMG for Entertainment Projects	5,000	5,000
	<u>808,962,565</u>	<u>808,212,565</u>

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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

31 December 2011

11- FINANCIAL ASSETS HELD TO MATURITY

Bonds held to maturity in governmental bonds are amounted to LE 516,701,569 in 309.700 bonds with nominal value LE 1000 per bond and maturity date is 2013 with 8, 55% interest rate, the interests is due semi annually, and 190000 bonds with nominal value LE 1000 per bond and maturity date is 2020 with 13% interest rate, the interests is due semi annually, and 19500 bonds with nominal value LE 1000 per bond and maturity date is 2014 with 13,35% interest rate, the interests is due semi annually the balance of bonds discounting issue amounted to 2,956,899 at 31 December 2011 and it is amortized at the maturity date of the interest, there are 212000 bonds are used as a collateral by el Watany bank for development as a guaranty for a loan received by Arab company for projects and urban development (subsidiary company).

	31/12/2011	31/12/2010
	LE	LE
Historical cost	550,409,000	487,909,000
Bonds discounting issue	(4,273,839)	(5,265,896)
Amortized value	546,135,161	482,643,104
Sold Bonds	(29,458,674)	-
Loss on sale bonds	(1,291,859)	-
Amortization of discounting bonds during the period	1,316,941	1,194,847
Balance of bonds	516,701,569	483,837,951

12- FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

	31/12/2011	31/12/2010
	LE	LE
Certificate of Deposit and Investment Funds *	37,054,326	222,609,161
Financial Portfolio Managed by both of Hermes for Assets Management and Arab African international bank *	39,467,808	76,061,757
Egyptian Cables Company	9,541	11,084
Treasury Bills	120,630,939	-
	197,162,614	298,682,002
Market value	31/12/2011	31/12/2010
	LE	LE
Book value of marketable securities before revaluation	(222,616,710)	(282,946,272)
Market value	197,162,614	298,682,002
	(25,454,096)	15,735,730

* The portfolio in 31 December 2011 has several stocks for companies listed in Egyptian capital market

13- ACCOUNTS AND NOTES RECEIVABLE

	31/12/2011	31/12/2010
	LE	LE
Accounts Receivables	278,839,779	169,674,015
Notes Receivables	13,787,543,269	15,352,742,420
Provision for general Risk	(2,507,189)	(481,478)
	14,063,875,859	15,521,934,957

General Risk provision as follow:

	31/12/2011	31/12/2010
	LE	LE
Balance 1/1/2011	481,478	555,590
Provisions through the year	2,250,000	623,370
Provisions used through the year	(224,289)	(697,482)
Balance 31/12/2011	2,507,189	481,478

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

31 December 2011

14-WORK IN PROGRESS

	31/12/2011	31/12/2010
	LE	LE
Land	3,795,828,104	3,869,236,725
Consultations and Designs	633,087,100	579,842,226
Construction Work	8,415,470,196	7,035,959,648
Indirect Expenses	2,338,585,969	2,315,232,372
	<u>15,182,971,369</u>	<u>13,800,270,971</u>

- According to the contract with the new urban communities' authority, Arab company for projects and urban development received 8,000 Feddans to build Madinaty project on several phases against 7% of the total built up area of the apartments' buildings of the land project,
- The company recognizes the cost of the land as an asset against the obligations due to the new urban communities' authority in accordance to the estimated cost calculated according to the expected delivered units related to the phase that work started in it,
- In 2010 a verdict was issued for the case raised against the new urban communities' authority to cancel the contract of selling the land of Madinaty, A committee was formed by a resolution from the prime minster to adjust the legal situation of the land of Madinaty , the committee reached to a decision to resell the land of Madinaty to Arab company for projects and urban development with a new contract dated 8 November 2010 and the in kind amount should not be less than LE 9,9 milliard, based on that the value of the land of Madinaty recorded above , will be considered up on signing the final contract of the land and in accordance to the actual cost that will be bearded due to the execution of the contract.
- A verdict was issued to accept the requests of the case no. 15777 for the year 65 J to accept the form and the subject to recognise the contract dated 8/11/2010 between the new urban communities' authority and the Arab company for projects and urban development, and the court stated that the high commion for valuation in the general authority for governemental services to reevaluate the area that not yet booked and sold to the others.

15- INVENTORY

	31/12/2011	31/12/2010
	LE	LE
Hotels Operating Equipments & Supplies	23,002,761	27,982,045
Goods Stock	11,216,226	11,216,226
Additions	1,850,750	-
	<u>36,069,737</u>	<u>39,198,271</u>
Amortized Hotel Inventory	(4,241,183)	(4,979,284)
	<u>31,828,554</u>	<u>34,218,987</u>

16 – PREPAID EXPENSES AND OTHER DEBIT BALANCES

	31/12/2011	31/12/2010
	LE	LE
Advance Payment and Storage - Contractors and Accounts Payable	1,488,047,870	1,345,896,830
Contractors – Tashwinat	490,788,121	857,653,881
Hotels Current Accounts	199,933,805	205,801,687
Deposit with Others	2,582,323	3,116,235
Other Debit Balances	133,751,292	34,834,415
Letter of credit	13,716,290	80,146,038
Loans to Employees	232,250	1,242,581
Other Debtors	67,496,480	103,176,681
Prepaid expenses	390,519	6,550,876
Amounts paid for investments in companies under incorporation	1,581,121	252,568,983
	<u>2,398,520,071</u>	<u>2,890,988,207</u>
Accrued Revenue	13,610,368	19,358,840
	<u>2,412,130,439</u>	<u>2,910,347,047</u>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

31 December 2011

17 - CASH AND CASH EQUIVALENTS

	Local Currency	Foreign	Total	Total
	LE	Currency	31/12/2011	30/6/2010
	LE	LE	LE	LE
*Time Deposits	131,986,265	3,837,922	135,824,187	408,962,604
Banks Current Accounts	43,038,271	17,272,974	60,311,245	86,130,600
Cash on Hand	23,473,039	96,067	23,569,106	20,859,504
**Treasury Bills	2,035,845	-	2,035,845	58,818,356
***Cheques Under Collection	3,392,764	-	3,392,764	2,711,237
	<u>203,926,184</u>	<u>21,206,963</u>	<u>225,133,147</u>	<u>577,482,301</u>

*Time deposits due within three months

**Treasury Bills due within three months

***Cheques under collection represent banks cheques and accepted cheques,

For the purpose of preparing cash flow statement, the cash and cash equivalents consists of:

	31/12/2011	31/12/2010
	LE	LE
Cash on Hand and at Banks	225,133,147	577,482,301
Banks Overdraft	(45,619,076)	(31,674,030)
Cash and Cash Equivalents	<u>179,514,071</u>	<u>545,808,271</u>

18- CREDITORS AND NOTES PAYABLE

	31/12/2011	31/12/2010
	LE	LE
Contractors and Suppliers	478,063,738	230,372,641
Notes Payables	1,520,400,680	802,679,578
	<u>1,998,464,418</u>	<u>1,033,052,219</u>

19- CUSTOMERS ADVANCE PAYMENT

	31/12/2011	31/12/2010
	LE	LE
Customers down payment (Al Rehab Project)	195,544,499	501,229,687
Customers down payment (Al Rehab 2 Project)	3,902,782,300	4,221,722,529
Customers down payment (Madinaty Project)	11,869,550,970	13,845,829,758
Customers down payment (Al Rabwa Project)	291,983,981	342,108,287
Customers down payment (San Stefano Project)	108,617,237	116,454,852
Customers down payment (Nasmal El Ryide)	203,649	12,876,154
	<u>16,368,682,636</u>	<u>19,040,221,267</u>

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

20- ACCRUED EXPENSES AND OTHER CREDIT BALANCES

	31/12/2011	31/12/2010
	LE	LE
Retention	396,866,499	571,325,244
Other Credit Balances	100,127,485	128,620,345
Accrued Expenses and Creditors	249,663,443	268,535,407
Insurance for Other	101,497,892	106,425,422
Due to Customers	17,258,291	12,837,509
Contribution to the establishment - renew the club	19,817,387	14,582,659
Club Subscriptions	410,850,376	395,791,716
Units Insurance	372,824,936	395,154,586
	<u>1,668,906,309</u>	<u>1,893,272,888</u>

21 – CAPITAL

The company's authorized capital amounted to LE 50,000,000 and the issued and paid up capital LE 6,000,000 divided over 600000 share of LE 10 par value each in 3 April 2007,

According to the extra ordinary general assembly meeting dated 6 October 2007, the company's authorized capital was increased by LE 29,500,000 to become LE 30,000,000,000 and the issued and paid capital was amended to be LE 18,152, 035,500 divided over 1,815,203,550 share of LE 10 par value each through share swap with the subsidiaries companies,

According to the extra ordinary general assembly meeting dated 28 October 2007, the company's issued and paid capital was increased to be LE 20,302,035,500 divided over 2,030,203,550 shares recorded in the commercial register on 25 November 2007,

The amount increased amounted to 2,150,000,000 was paid with a premium share amounted to LE 1,6 per share by total amount LE 344,000,000,

According to the extra ordinary general assembly resolution dated 24 March 2010, The issued capital was reduced by the treasury stocks amounted of LE 169,720,520 par value as more than one year passed from the date of purchase and the issued capital is LE 20,132,314,980 (Twenty milliard and one hundred and thirty two million and fourteen thousand and nine hundred and eighty pound) Distributed to 2013231498 shares, recorded in the commercial register on 18 May 2010,

The extra ordinary general assembly resolution dated 31 March 2011 concent on increase the issued capital by issuing bonus shares deducted from the retained earnings to be LE 20,635,622,860 par value LE 10 per share divided to 2,063,562,286 shares, recorded in the commercial register on 24 May 2011,

22 – LEGAL RESERVE

Legal reserve amounted to 216,645,653 which represents the transferred amount of the shares Premium amounted to LE 344,000,000, and LE 1, 6 per share, part of the premium amounted to LE 185,880,702 was used to cover the IPO expenses, the remaining balance of LE 158,119,298 was transferred to the legal reserve, as well 5% of the net profit of the retained earnings of the prior years was also transferred to the legal reserve,

23- GENERAL RESERVES

The general reserve balance amounted LE 61,735,404 includes amount of LE 25,747,613 represents the different results from shares swap of the company with the subsidiaries amounted according to the Extra Ordinary General Assembly Meeting dated 6 October 2007 to transfer the different to general reserve

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In addition to amount of LE 35,987,791 represent the difference between the par value and the book value of the treasury stocks that were redeemed according to the extraordinary general assembly resolution dated 24 March 2010

24- NET UNREALIZED REVENUE ON AVAILABLE FOR SALE

The revaluation of available for sale investments resulted to unrealized revenue amounted to 3,800,000 LE which represented in the variation between the foreign exchange impact and the cost of the available for sale investments at the statement date,

25- REDUCTION OF THE SHAREHOLDERS EQUITY IN AFFILIATED COMPANIES

Alexandria Company for real estate investments (one of the subsidiaries) purchase 190759 shares of its shares as treasury stocks with total amount of LE 29,758,404 according to the listing and disclosure rules of the Egyptian exchange (Bursa) due to the voluntary withdrawal of Alexandria Company for real estate from listing in the Egyptian exchange Bursa, therefore the balance of those treasury stocks is presented in the consolidated financial statements of Talaat Mostafa group holding after non controlling interest

26- LOANS AND FACILITIES

	Short Term LE	Long Term LE	31/12/2011 LE	31/12/2010 LE
Banks Facilities	513,659,948	-	513,659,948	317,810,210
Loans *	<u>608,829,395</u>	<u>2,057,986,813</u>	<u>2,666,816,208</u>	<u>2,454,985,494</u>
	<u>1,122,489,343</u>	<u>2,057,986,813</u>	<u>3,180,476,156</u>	<u>2,772,795,704</u>

* The instalments due within the following year is recorded in the current liabilities and the loans are granted with commercial papers and financial securities,

27- LONG TERM LIABILITIES

	31/12/2011 LE	31/12/2010 LE
New Urban Communities Authority	4,177,619,742	4,177,619,742
Employee termination benefits	-	812,789
	<u>4,177,619,742</u>	<u>4,178,432,531</u>

28- INCOME TAX AND DEFERRED TAX LIABILITY

The income tax was calculated as follows:

	From 1 /1/ 2011 to 31/12/2011 LE	From 1 /1/ 2010 to 30/9/2010 LE
Net book profit before tax	604,916,564	1,203,013,311
Adjustments to the net book profit to reach the net tax profit	(186,228,085)	(235,978,306)
Net taxable profit	418,688,479	967,035,005
Income Tax with rate 20%	4,023,428	193,407,001
Income Tax with rate 25%	99,621,291	-
Income tax for the period	<u>103,644,719</u>	<u>193,407,001</u>

Tax rate was adjusted effective from 1 July 2011, accordingly the tax income till LE 10 m will be taxable at rate of 20% and the exceed of that will be applied to 25% tax rate

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The balance of deferred tax assets in 31 December 2011 is LE 2,782,602 which represents the different between taxes depreciation and accounting depreciation to the fixed assets item and it's calculation as follow:

	From 1 /1/ 2011 to 31/12/2011 LE	From 1 /1/ 2010 to 31/12/2010 LE
Accounting depreciation for assets	3,671,889,796	3,763,466,653
Taxes depreciation	(3,681,028,257)	-
Temporary differances	(9,138,461)	3,631,312,628
Deferred tax assets – 31 December 2011 20%	2,531,040	132,154,025
Deferred tax assets – 31 December 2011 25%	251,562	(26.430.805)
Deferred tax assets – 31 December 2011	2,782,602	-
Deferred tax – 31 December 2010	(26.430.805)	(26.430.805)
Deferred tax liability – 31 December 2011	29,213,407	20,781,442
	29,213,407	(5,649,363)

29- REVENUE AND COST OF REVENUE

	From 1 /1/ 2011 to 31/12/2011 LE	From 1 /1/ 2010 to 31/12/2010 LE
-Revenue from Sold Units	4,606,018,346	4.605.805.362
-Revenue from Hotels Operation	348,410,376	607.878.051
-Services Revenues	143,676,434	125.749.551
Total Revenues *	5,098,105,156	5.339.432.964
-Cost of Sold Units	3,524,138,370	3.394.535.234
-Cost of Hotels Operation	284,109,994	347.104.364
-Cost of Sold Services	103,312,247	75.423.813
Total Cost **	3,911,560,611	3.817.063.411

* The supervision revenue has been eliminated in amount LE 140,148,185

** The supervision cost has been eliminated in amount LE 204,070,048

Herein under the sectors analysis:

	Real Estate & Services	Tourism	General	31/12/2010	31/12/2010
Revenue	4,749,694,780	348,410,376	-	5,098,105,156	5,339,432,964
Cost of good sold	3,669,199,927	242,360,684	-	3,911,560,611	3,817,063,411
Gross Profit	1,080,494,853	106,049,692	-	1,186,544,545	1,522,369,553
Depreciation	32,955,156	91,186,855	20,214,914	144,356,925	112,899,749
Credit Interest	-	-	19,510,301	19,510,301	27,891,733
Investments Revenue	-	-	10,647,636	10,647,636	69,691,027
Other Revenue	-	-	81,687,187	81,687,187	56,019,748
Income Tax	-	-	74,431,314	74,431,314	199,056,363
Total Profits	799,926,694	(132,756,340)	(89,661,063)	577,509,291	940,008,375
Assets	33,348,675,014	4,191,064,777	-	37,539,739,791	38,603,017,595
Financial Investment	-	-	775,575,593	775,575,593	866,116,843
Unallocated Assets	-	-	15,573,995,655	15,573,995,655	15,404,123,829
Total Assets	33,348,675,014	4,191,064,777	16,349,571,575	53,889,311,039	54,873,258,267
Liabilities	25,704,343,164	1,857,028,204	-	27,561,371,368	29,027,377,691
Unallocated Liabilities	-	-	25,863,724	25,863,724	160,815,850
Total Liabilities	25,704,343,164	1,857,028,204	25,863,724	27,587,235,092	29,188,193,541

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

30- Dividends from financial investment

	From 1 /1/ 2011 to 31/12/2011	From 1 /1/ 2010 to 31/12/2010
	LE	LE
Dividends from Orascom Construction	276,047	424.653
Dividends from Telecom Egypt Co	230,321	310.029
Dividends from Arab African Bank Portfolio	912,665	583,954
Dividends from Alexandria for Projects Management	893,800	650,000
Dividends from CIB	185,026	55.95
Dividends from EFG-Hermes	-	417.3
Dividends from El Tameer Housing Finance Co,	123,815	115,180
Dividends from Other Companies	763,714	518,276
	<u>3,385,388</u>	<u>3,075,342</u>

31- REVENUE FROM SALE FINANCIAL INVESTMENTS

	From 1 /1/ 2011 to 31/12/2011	From 1 /1/ 2010 to 31/12/2010
	LE	LE
Sale price of financial investments	641,270,792	1,017,719,528
Book value of sold financial investments	(638,044,609)	(1,000,640,954)
	<u>3,226,183</u>	<u>17,078,574</u>

32- OTHER INCOME

	From 1 /1/ 2011 to 31/12/2011	From 1 /1/ 2010 to 31/12/2010
	LE	LE
Net revenue from El Rehab Club operation	16,598,155	19,896,929
Rents from rental units and usufruct	12,525,620	7,218,286
Other	30,992,558	25,080,785
British school – El Rehab	1,800,000	-
	<u>61,916,333</u>	<u>52,196,000</u>

32-T-BILL, BONDS, TIME DEPOSITS REVENUES

	From 1 /1/ 2011 to 31/12/2011	From 1 /1/ 2010 to 31/12/2010
	LE	LE
Credit interest	19.510.301	27.891.733
Bonds	28.769.100	30.323.921
Treasury Bills	15.173	1.425.999
	<u>48.294.574</u>	<u>59.641.653</u>
Change in accrued revenues	5.748.472	14.823.926
	<u>54.043.046</u>	<u>44.817.727</u>

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

34-TAX SITUATION

Talaat Mostafa group holding company

a. Corporate tax

The company is subject to income tax law no, 91 for the year 2005, since the company begin its operations in 3 April 2007 and tax return is presented on time and no tax inspection yet,

b. Salary tax

The company pays the deducted income tax of the employees on monthly basis and the quarterly income tax returns are submitted within the legal dates,

c. Stamp tax

The company pays the stamp tax on time specially the stamp tax due to the advertising expenses,

Arab company for projects and urban development

a. Corporate tax

The company presents its tax returns regularly and according to the legal times, the years till 2002 were examined and form no, (9-a) are received and the company paid the amounts due taking into consideration

That the company protest against what is stated in those forms regarding year 1996 (period before incorporation)

According to the court appeal no 4233 dated 25 July 2004 the company's project is tax exempted beginning 1 January 1997 for the phase I, beginning 1 January 1998 for the phase II and phase III for ten years also the phase IV and Phase V are exempted,

b. Salary tax

The company pays the deducted income tax of the employees on regularly basis, The Company's records were inspected for the years 1996 till 2000 and settlement is done to that date

The Company's records were inspected for the years 2001 till 2003 and paid the amount due

For the years 2004 till 2009 the tax returns are presented and amounts due are paid within the legal dates,

c. Stamp tax

Tax inspection took place for the Company's records for the years till 2005 and all tax due were paid; the company pays the stamp tax due on monthly basis according to law no, 11 for the year 1980 and adjusted by law no, 143 for the year 2006,

San Stefano Company for real estate investments

a. Corporate tax

The Company's records were inspected till 2004 and paid the amount due; the tax returns are submitted within the legal dates,

b. Salary tax

The Company's records were inspected till 2004 and paid the amount due, the foolowing years are under inspection

The company presents the tax returns and pays the amounts due within the legal dates,

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c. Stamp tax

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

Tax inspection took place for the Company's records for the years till 2005 and all tax due were paid,

Alexandria Company for real estate investments

a. Corporate tax

- The company submits the tax returns within the legal dates,
- The Company's records were inspected till 2001 and paid the amount due
- No tax inspection took place for the years 2002 till 2007,
- Under the new urban societies law, the company's Projects in Virginia beach resort in north coast and al rabwa in sheik zaid city enjoy a tax holiday for each project,

b. Salary tax

- The Company's records were inspected till 1997 and paid the amount due
- The Company's records were inspected for the years 1998 till 2001 and the tax assessment is not yet received,
- Tax inspection took place for the years 2002 till 2004,
- The company pays the tax due on regularly basis to the tax authority,

c. Stamp tax

- The Company's records were inspected and settled till 2004 and the tax due was paid,
- No tax inspection took place for the years 2004 till 2010,

Arab company for hotels and tourism investments

a. Corporate tax

No tax inspection took place till 2008 and the company submits the annual tax return according to form (28) within the legal dates and paid the amounts due accordingly,

b. Salary tax

- The company pays the deducted income tax of the employees on regularly basis within the legal dates, the company submits the quarterly salary tax return form (4-salary) plus the annual return within the legal dates
- No tax inspection took place for the years 2005 till 2009,

c. Stamp tax

- No tax inspection took place for the years 2005 till 2010,

Alexandria for Urban projects

a. Corporate tax

- The company submits the tax returns within the legal dates,
- The Company's records were inspected and settled till 2002 and the tax due was paid; the company enjoy a tax holiday under the new urban societies law,

b. Salary tax

- The company pays the deducted income tax of the employees on regularly basis within the legal dates and the tax return was presented according to law no, 91 for the year 2005,

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Al rabwa for entertainment services

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

a. Corporate tax

- The company submits the tax returns within the legal dates,
- No tax inspection took place till 2008 and the company enjoy a tax holiday under the new urban societies law,

b. Salary tax

- The company pays the deducted income tax of the employees on regularly basis within the legal dates,

c. Stamp tax

- No tax inspection took place till 2007,
- The Company's records were inspected and settled till 2001 and the tax due was paid

d. Sales tax

- The company submits the sales tax returns within the legal dates,

Al Masria for development and real estate projects

a. Corporate tax

- The company submits the tax returns within the legal dates,
- The Company's records were inspected till 2004 and the tax assessment is not yet received,
- tax inspection took place for 2005
- No tax inspection took place till 2009

b. Salary tax

- The Company's records were inspected till 2000 and paid the amount due
- The Company's records were inspected for the years 2001 till 2004 and the tax assessment is not yet received,
- No tax inspection took place from 2005 till 2009

c. Stamp tax

- The Company's records were inspected and settled till 2004 and the tax due was paid,
- No tax inspection took place for the years till 2009,

El Nile for hotels

- The company submits the tax returns within the legal dates and the tax due is paid if -exicist,

San Stefano For tourism investment

- The company enjoy a tax holiday for 5 years from operation date and No tax inspection took place,
- The company submits the tax returns within the legal dates,

Nova Park -Cairo Company

a. Corporate tax

- The Company's records were inspected and settled till 2004 and the tax due was paid
- The company submits the tax returns within the legal dates and paid the amounts due accordingly,

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b. Salary tax

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- The Company's records were inspected and settled till 2004 and the tax due was paid
- The company pays the deducted income tax of the employees on regularly basis within the legal dates, the company submits the quarterly salary tax return within the legal dates

c. Stamp tax

- The Company's records were inspected and settled till 2004 and the tax due was paid
- The company pays the stamp tax on time specially the stamp tax due to the advertising expenses,

Alexandria Saudi company for tourism projects

a. Corporate tax

- The Company's records were inspected and settled till 2004 and the tax due was paid
- The company submits the tax returns within the legal dates and paid the amounts due accordingly,
- The company enjoy a tax holiday for 10 years ended in 31 December 2011

b. Salary tax

- The Company's records were inspected and settled till 2004 and the tax due was paid
- The company pays the deducted income tax of the employees on regularly basis within the legal dates, the company submits the quarterly salary tax return within the legal dates

c. Stamp tax

- The Company's records were inspected and settled till 2006 and the tax due was paid
- The company pays the stamp tax on time specially the stamp tax due to the advertising expenses,

Mayfair Company for entertainment services

a. Corporate tax

- The company starts operation in 2005 and no tax inspection took place till the date of issuing the financial statements and the company enjoy a tax holiday under the new urban societies law,

b. Salary tax

- The company pays the deducted income tax of the employees on regularly basis within the legal dates,

c. Stamp tax

- No tax inspection took place till to the date of issuing the financial statements,

d. Sales tax

- The company submits and pays the sales tax returns on monthly basis,

Port Venice for tourism development

a. Corporate tax

- The company does not start its activities yet and enjoy a tax holiday under the investments guarantees and bonus law but the company submits the annual tax return according to the income tax law no,91 for the year 2005,

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b. Salary tax

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

There is no amount subject to income tax for the salaries as the company does not start its activities yet and no tax inspection took place yet

c. Stamp tax

- No tax inspection took place till to the date of issuing the financial statements,

d. Sales tax

- The company is not subject to sales tax law,

35- RELATED PARTY TRANSACTIONS

To accomplish the company's objectives, the company deals with some related companies with the same terms of the other parties, it delegates some assignments in El Rehab City's project to them, and it may as well Pay off or settle some balances on behalf of them, these transactions balances appeared in the Assets and Liabilities in the Balance Sheet

Alexandria Company for construction S,A,E is the main contractor for the companies' projects under the contracts signed by the companies,

TMG company for real estate and tourism investment - some of the board members participate in it – owns 49,80% of Talaat Mostafa Group Holding

Total transactions

	31/12/2011		31/12/2010		Type of Transaction
	Construction Works	Management fees	Construction Works	Management fees	
	LE	LE	LE	LE	
Virginia Owners Union	-	1,100,000	-	1,100,000	Management
El basateen company	20,740,171	-	12,728,940	-	Service
Alexandria for Construction	4,110,099,681	-	3,728,059,539	-	Contractor
Hany Sary Elden for legal consulted		322,380		1,216,260	Legal Consultancy

The related party transactions that is included in the balance sheet statement:

	31/12/2011		31/12/2010	
	Notes Receivable	Notes payable	Notes Receivable	Notes payable
	LE	LE	LE	LE
Alexandria for Constructions Company	-	16,650,568	-	16,753,000

36- Contingent and other obligation contracted

There's no any contingent obligations unrecorded in the financial statements

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37-Financial instruments and risk management

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

The Company's financial instruments are represented in financial assets and financial liabilities, The financial assets include cash on hand and at banks, account receivable, debtors and other debit balances, the financial liabilities include banks overdrafts, accounts payable, creditors and other credit balances,

The significant accounting policies applied for the recognition and measurement of the above mentioned financial assets and liabilities and the related income and expenses

Herein under the significant risk related to the financial instruments as well as the significant policies and procedures that applied by the company to reduce those risks,

A, Credit Risk

Credit risk represents the risk of default of the customers from not paying the amounts due, this risk is limited due to the expand number of customers that the company deals with and having sufficient guarantees to reduce the risk of default a customer , also follow up the customers through specific departments,

B, Interest Rate Risk

The company mitigates the impact of the interest rate changes on its operational results and the value of its financial assets and liabilities,

C, Foreign currency risk

The foreign currency risk is the risk that the value of the financial assets and liabilities and the related cash inflows, and out flows in foreign currencies will fluctuate due to changes in foreign currency exchange rates, this risk is limited as most of the company's transactions are in local currency,

D, Liquidity risk

The Group monitors its risk to a shortage of funds using a recurring liquidity planning tool.

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts, bank loans, debentures, preference shares, finance leases and hire purchase contracts,

38-Important Events

Tourism Sector

Came Arab Republic of Egypt during the first quarter of 2011 events has significant impact on the tourism sectors in general and specially on the hotels occupancy percentage which leads to significant reduction of hotels revenues starting from january 2011, this reduction in the hotels revenues due to the reduction in the occupancy percentages does not meet with similar reduction in the expenses due to the fixed cost that hotel bear dispite of the occupancy percentage. It is therefore possible that the events referred to has a material impact on the financial statements for the coming periods, and still is not possible at present to expect the the expected extend and the time period which is expected the end of those events and their effects.

Real Estate Sector

Came Arab Republic of Egypt during the first quarter of 2011 events has significant impact on the economic sectors in general and led to significant reduction of economic activities, It is therefore possible that the events referred to has a material impact on assets, liabilities and redemption value as well as the results of business during the coming period, and still is not possible at present to quantify this influence on assets and liabilities included the financial statements present, where the impact size of the events referred to depends on the expected extend and the period time which is expected the end of those events and their effects

On 17 october 2011 the egyptain fianacial supervisory authority issued a decision no. (84) to suspend the activities of el tayseer company for real estate finance(owned by the group) for 90 days according to article (42) from the law of real estate finance market no. 148 for the year 2011 and to the voilations mentioned in egyptain fianacial supervisory authority issued letter no. 1252 dated 26 october 2011.

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39-Subsequence Events

According to the resulation of the extraordinary general assemblery of el rehab for securitization (owned by the

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

group) dated 18 december 2011 to issue bonds monthly (first issued) nominal for trade and can not be transfer to shares and have the right for early redemption starting from coupon no 19 and for period not less than maximum 4 years with amount maximom LE 212,000,000, par value LE 100 per bond amortized monthly with fixed annual yield paid monthly from 12% to 14.80% for the first tsack (13months) and from 12.50% to 15.90% for the second stack (48months) and 100% of those bond will be offered to a private offer.

The bonds will be issued against asecuritization portofolio with total amount of LE 260.161.062 and its maximom present value is LE 224.446.669

40- Comparison numbers

The comparison numbers has been reclassified to the prior period to match the current period,

	2010	Reclassification	2010 After Reclassification	2011
Other credit balances	2,078,190,794	(184,917,906)	1,893,272,888	1,669,264,319
Tax authority	-	184,917,906	184,917,906	132,579,804
Bonds interest	1,425,999	30,323,921	30,323,921	28,769,100
Treasury bill revenue	30,323,921	1,425,999	1,425,999	15,173