

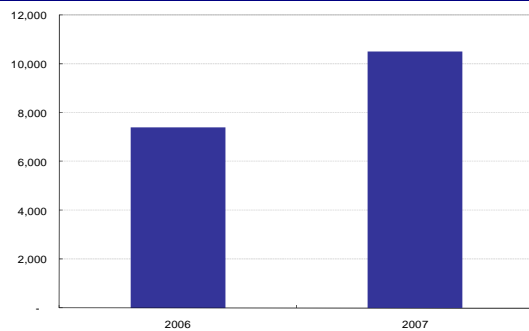


Talaat Moustafa Group Holding FY2007 Results Earnings Release

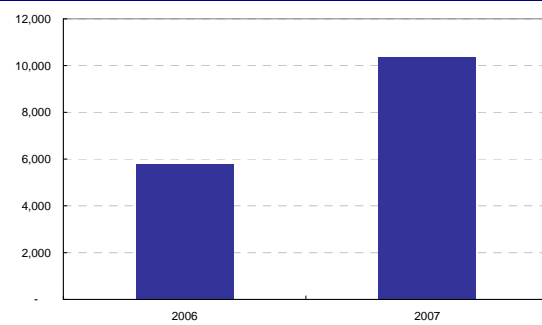
Cairo, February 3rd 2008 - Talaat Moustafa Group Holding (“TMG Holding”) the leading Egyptian community real estate developer with over 20 years of experience, is delighted to announce its Pro-forma consolidated financial statements for 2007.

Key Operating & Financial Highlights for 2007

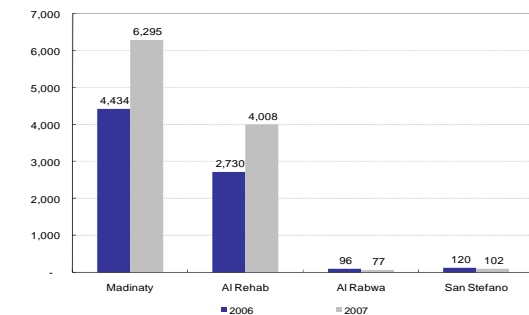
Real estate sales – units sold



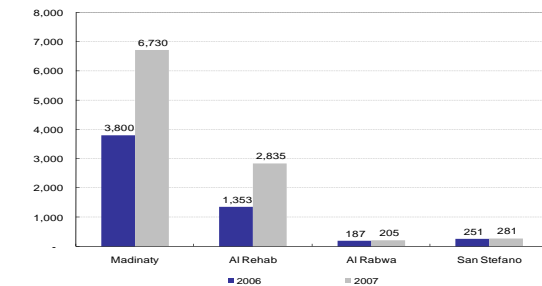
Real estate sales – LE mn



Real estate sales breakdown – units sold



Real estate sales breakdown – LE mn



During 2007, total sales amounted to LE 10,368 mn (10,520 units sold) in comparison of LE 5,801 mn (7,410 units sold) in 2006 showing a significant growth of 79% in sales and 42% in terms units sold compared to 2006.

Madinaty project accounted for 60% of total units sold in 2007, with a 42% increase in units' sales from 4,434 units in 2006 (6 months, since the launch of sales in July 2006), to 6,295 units in 2007. At the same time, Al Rehab project showed a 47% increase in units sold, reaching 4,008 units in 2007 and contributing 38% of the total units sold in 2007.

Madinaty project accounted for 65% of total sales in 2007, with 77% increase in sales from LE 3,800 mn in 2006 to LE 6,730 in 2007. At the same time, Al Rehab project showed a significant growth of 110% in sales, reaching LE 2,835 mn in 2007 and contributing 27% of total sales in 2007.

Real estate sales breakdown

	Units Sold					LE mn				
	2006	%	2007	% YoY Growth		2006	%	2007	% YoY Growth	
Madinaty	4,434	60%	6,295	60%	42%	3,800	66%	6,730	65%	77%
Al Rehab	2,730	37%	4,008	38%	47%	1,353	23%	2,835	27%	110%
Al Rabwa	96	1%	77	1%	-20%	187	3%	205	2%	9%
San Stefano	120	2%	102	1%	-15%	251	4%	281	3%	12%
Sharm El Sheikh	3	0%	12	0%	300%	5	0%	47	0%	803%
Nile Plaza	27	0%	26	0%	-4%	204	4%	269	3%	32%
Total	7,410	100%	10,520	100%	42%	5,801	100%	10,368	100%	79%

Revenues and cost of sales are recognized upon units' delivery. Accordingly, revenues are recognized on the income statement when the completed units are delivered to unit owners. As a result, total revenues figure recognized on the income statement does not reflect sales entered during the year, but is rather related to the completed and delivered units sold in prior periods.

The following table shows TMG's delivery schedule of sold units, with a total value to LE 16 bn .

TMG unit delivery schedule (as of 31 December 2007)

	2008		2009		2010		2011	
	Units	LE mn	Units	LE mn	Units	LE mn	Units	LE mn
C&C								
.Madinaty	-	-	-	-	5,235	4,446	5,616	5,982
Al Rehab	1,124	362	1,456	543	2,114	1,208	3,225	2,243
AL Rabwa	45	82	67	131	68	154	26	85
H&R								
San Stefano- resi.	186	463	105	246	27	47	2	2
San Stefano- comm.	3	4	-	-	-	-	-	-
Nile Plaza	16	163	-	-	-	-	-	-
Sharm El Sheikh	3	6	-	-	-	-	-	-
Total	1,377	1,080	1,628	920	7,444	5,855	8,869	8,312

FY2007 Overview

TMG Holding (FY 2007 Pro-forma results)	Value (LE mn)
Total long term assets	33,311.2
Net working capital	7,151.3
Total investments	39,462.4
Total shareholders equity before minority interest	21,808.8
Total revenues	1,866.7
Gain on sale of investments & other	1,061.6
Net profit after tax and minority interest	1,324.4

Total pro-forma consolidated revenues for 2007 reached LE 1.87 bn. Revenue from real estate development business accounted for 86% of revenues, with hotels net revenues and services revenues accounting for the remaining 14%. Gross profit reached LE 850 mn implying a gross profit margin of 45.6%. Gross profit from real estate reported LE 614 mn, implying a gross profit margin of 38%. Net profit recorded LE 1.324 billion for 2007¹.

Total assets reported LE 43.2 bn of which cash and cash equivalent amounted to LE 4.3 bn representing 10% of total assets. On the other hand, total liabilities reported LE 18.8 bn of which debt amounted to LE 2.1 bn implying a net cash position of LE 2.2 bn.

Performance

Revenues breakdown	LE mn	%
Revenues from units sold	1,611.8	86%
Hotels net revenues	232.9	13%
Other revenues	22.1	1% %
Total	1866.7	100%
COGS breakdown	LE mn	%
Real Estate & Construction Cost	997.1	98%
Services Cost	19.4	2%
Total	1,016	100%
		LE mn
Gross profit		850.2
SG&A		(283.8)
Interest income		82.7
Other income		42.7
Investment income		69.2
Capital gain		1
Gain on sale of investments		560.1
Increase in company's share of the net fair value determined in the assets and liabilities acquired by purchasing cost		501.5
Net change in market value of investments		10.6
Foreign exchange difference		(3.5)
Profit before tax		1,831.0
Taxes		(51.5)
Minority Interest		(455.1)
Net profit		1,324

¹ Pro-forma consolidated results assumes that the acquisition of TMGs' subsidiaries took place on January 1st 2007 instead of the actual date which is October 28th 2007

City and Community complexes (C&C)

TMG is the largest local real-estate developers. The group owns Madinaty and Al Rehab City, and two other luxurious compounds, May Fair in Shourouk and Al Rabwa I & II in Six of October.

Key performance indicators

A. Madinaty: An international city in Egypt

Total sales in 2007 amounted to LE 6.7 bn (6,295 units) in comparison to LE 3.8 bn (4,434 units) in 2006 (6 months, since the launch of sales in July 2006) showing a growth of 77% and 42% in sales and sold units, respectively. Moreover, the continuous increase in average selling prices of both villas and apartments from LE 5,479 psm and LE 2,400 psm in 2006 to reach LE 6,981 psm and LE 3,205 psm by the end of 2007, respectively, explains the significant increase in sales. Starting 2008, average selling prices witnessed another increase in both villas and apartments to LE 8,088 psm and LE 3,554 psm, respectively.

B. Al Rehab: A new vision for life in Egypt

During 2007, the company sold 4,008 units compared with 2,730 units in 2006. Total sales in 2007 amounted to LE 2.8 bn in comparison to LE 1.4 bn in 2006 showing a remarkable growth of 110%. Said growth resulted from the 47% increase in units sales coupled with increase in average selling prices of both villas and apartments by 41% and 65% to LE 8,170 psm and LE 3,460 psm, respectively. Starting 2008, average selling prices witnessed another increase in both villas and apartments to LE 9,360 psm and LE 4,045 psm, respectively.

C. Al Rabwa: Life as it should be

During 2007, the company sold 77 units compared with 97 units in 2006. Total sales in 2007 amounted to LE 205 mn in comparison to LE 187 mn in 2006 showing a growth of 10% resulting from 25% increase in villas average selling prices from LE 6,983 psm in 2006 to LE 8,705 psm in 2007. Starting 2008, average selling prices witnessed another increase in villas to LE 11,930 psm.

D. Summary of C&C projects in operations and developments

	Madinaty	Al Rehab I	Al Rehab II	Al Rabwa I	Al Rabwa II	Saudi JV
Total Land area ⁽¹⁾ (m ²)	33,600,000	6,140,400	3,760,000	1,318,800	819,028	3,000,000
To be dev. land area ⁽²⁾ (m ²)	33,600,000	924,225	3,760,000	0	819,028	n/a
To be dev. built up area ⁽³⁾ (m ²)	16,068,886	24,225	2,571,395	0	118,320	n/a
% 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 (Jeddah potentially)
Exp. population	600,000	120,000	60,000	3,240	1,725	TBC
Commence ⁽⁴⁾ Orig.	July 2006	November 1996	July 2006	December 1994	January 2006	TBC
Completion ⁽⁵⁾ Revised completion	2026 2023	2011 2011	2020 2017	2006 2006	2012 2012	TBC N/a
Amenities	Various including: 36 hole golf course 10 schools 1 university 8 hotels commercial parks(offices & retail 1 hospital	4 schools 7 mosques 1 church 1 office park 2 shopping malls	3 Mosques 3 schools 1 shopping mall 1 club house	1 shopping mall Cinema 9 hole golf course Sports pavilion	9 hole golf course	TBC

1. Land area procured

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

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

4. Launch of sales

5. Delivery of final unit assumed in the CBRE report

6. Effective ownership

Hotels

The company has developed 3 large scale luxury hotels operated by the Four Seasons, and has two other H&R projects under developments.

Key performance indicators

Four Seasons Sharm El Sheikh, average occupancy increased from 58% in 2006 to 67% in 2007 coupled with increase in average room rate by 20% from US\$287 in 2006 to US\$345 in 2007. Moreover, RevPAR showed a 39% increase from US\$166 in 2006 to US\$231 in 2007.

As for Four Seasons Nile Plaza, average occupancy recorded 71% in both 2006 and 2007. In addition, average room rate increased by 25% from US\$292 in 2006 to US\$366 in 2007. Moreover, RevPAR showed a 25% increase from US\$208 in 2006 to US\$261 in 2007.

As for Four Seasons San Stefano and complex, average occupancy reached 48% (since the commencement of operation in 15 July 07) with an average room rate of US\$283 and a RevPAR of US\$135. Moreover, residential unit sales increased by 39 units from 766 units in 1H07 to reach 805 units in FY07.

Operating H&R projects



Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	Four Seasons San Stefano and complex
Key statistics	Key statistics	Key statistics
Rooms 200	Rooms 365	Rooms 127
Residential units sold 91	Units total 131	Residential units total 945
Average price EGP psm BUA 11,761	Units sold 93	Residential units sold 805
	Average price EGP psm BUA 11,204	Average price EGP psm BUA 8,033
Operating statistics (31/12/07)	Operating statistics (31/12/07)	Operating statistics (from 15/07/2007)
Occupancy 66.92%	Occupancy 71.27%	Occupancy 47.8%
Average room rate (USD) 344.52	ADR (USD) 365.65	Average room rate (USD) 283
RevPAR (USD) 230.54	RevPAR (USD) 260.62	RevPAR (USD) 135
Description	Description	Description
<ul style="list-style-type: none"> Consists of the hotel, villas and chalets. A golf course with surrounding villas are planned in 2009 	<ul style="list-style-type: none"> Residential units include 72 Plaza Suites Office and commercial spaces are fully sold and the 5,000 m² (approx) shopping mall leased on a 10yr contract Currently 10 of the residential units are managed as part of an owner rental scheme 	<ul style="list-style-type: none"> Mall area of 43,000 m² over 4 floors and accommodates 180 retail units, out of which 130 have been sold Offices comprise 10,000m² and a private marina

H&R projects in development



Nile Hotel: artist's impression



Marsa Alam: artist's impression



Nile Hotel		Marsa Alam	
Key statistics		Key statistics	
Rooms	221	Rooms	750
Residential properties	0	Residential rooms	2,250
Operator	TBC	Operator	TBC
Status	Expected to open early 2009	Status	TBD
Description		Description	
<ul style="list-style-type: none"> ■ Refurbishment project to create a business hotel in Cairo ■ To provide both a business centre and business facilities including state of the art conference and meeting centres, and fewer entertainment-related facilities such as food outlets 		<ul style="list-style-type: none"> ■ Developing tourism area following international airport that opened in 2001 ■ Current plan for four luxury hotels surrounded by a lagoon on a 3.3 million m² site benefiting from 2.2km of seafront ■ To include a downtown / entertainment area ■ TMG is in advanced discussions with an international hotel operator 	

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H&R projects in operation and development



	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Nile Hotel	Marsa Alam
% owned⁽¹⁾	61%	58%	84.67%	99.99%	100%
Location	Sharm El Sheikh	Cairo	Alexandria	Cairo	Marsa Alam
Rooms	200	365	127	221	750
Units Sold	146	131	945	0	2,250 resi. rooms
Ave. price	91	93	805	n/a	n/a
	EGP 11,761 psm	EGP 11,204 psm	EGP 8,033 psm	n/a	n/a
Commence Complete⁽²⁾	November 1998 May 2002	September 1997 August 2004	February 1999 July 2007	August 2003 Early 2009	TBC TBC
Star rating	5 Star	5 Star	5 Star	Planned 5 Star	Planned 4/5 Star
Facilities	8 restaurants 2 lounge bars Spa Ballroom 4 meeting rooms Business centre	9 restaurants Spa Ballroom 11 meeting rooms Business centre Shopping mall	9 restaurants Marina Shopping mall Offices Casino Ballroom	4 restaurants 4 meeting rooms Business centre Executive club Mini business centre	4 hotels Central lagoon

1. % owned by ICON, which is 74% indirectly owned by TMG

2. Commencement of operations

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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: LE 20.30 bn

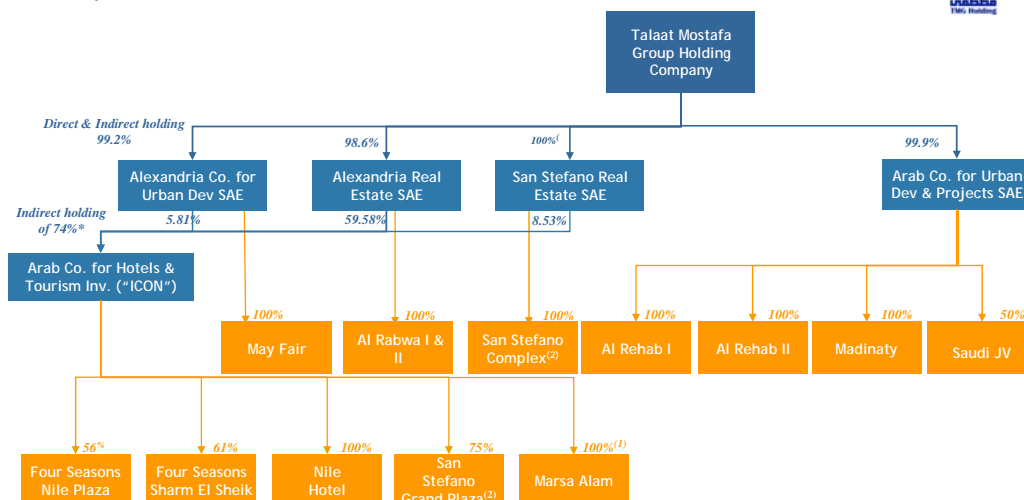
Number of shares: 2.03 mn at a par value of LE 10/share

Shareholders' structure:

- TMG RE & Tourism Investment (including Talaat Mostafa Family, Saudi group and NBE) 47.85%
- Other major shareholders 27.15%
- Free Float 25.0%*

*TMG offered 395 mn shares through an IPO and a private placement at a ratio of 16.5% and 83.5%, respectively. The private placement took place over two tranches at a price of LE 11.6/share; the primary tranche amounted to 215 mn shares, while the secondary tranche amounted to 115 mn shares. The IPO, amounting to 65 mn shares, was executed at a price of LE 11/share, a 5% discount from the private placement price. Results of the offerings revealed an outstanding interest from Arab and international investors, whereby the subscription to the private placement was covered 17x with total bids of LE 65 bn, while the IPO was covered 41.4x, receiving total bids of LE 29.6 bn. Finally, on November 28, 2007, TMG's shares were floated on CASE.

Corporate structure



* To be increased to 75% through capital increase

(1) These percentages reflect the interests that are expected to be owned following acquisitions that are in process

(2) ICON holds only the assets of the hotel, which do not include the residential units or the commercial property. These components of the complex are held by San Stefano Real Estate

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Investor Relations Contacts:

Investor Relations
 TMG Holding
 Tel: +2 (02) 33355708
 Fax: +2 (02) 33016894
 E-mail: jsawaftah@tmg.com.eg

PRO-FORMA INCOME STATEMENT

31 December 2007

	Notes	2007 LE
Revenue		1,866,725,214
Cost of Revenue		<u>(1,016,499,942)</u>
GROSS PROFIT		850,225,272
Selling, general and administrative expenses		(283,748,218)
Interest income on fixed deposits		82,741,509
Other income		42,927,388
Investment income		69,151,518
Capital Gain		989,333
Gain on sale of investments		560,072,751
Increase in company's share of the net fair value determined in the assets and liabilities acquired by purchasing cost		501,536,713
Net change in the market value for the investments		10,584,241
Foreign exchange difference		(3,463,190)
PROFIT BEFORE TAX		1,831,017,317
Income tax expense		(50,810,332)
Deferred tax expense		(721,559)
PROFIT FOR THE YEAR		1,779,485,426
ATTRIBUTABLE TO:		
Minority interest		<u>(455,087,854)</u>
NET PROFIT FOR THE YEAR		1,324,397,572

PRELIMINARY AND TENTATIVE
FOR
DISCUSSION PURPOSES
ONLY

The attached notes form part of these financial statements.
Auditor's review report attached

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

PRO-FORMA BALANCE SHEET

31 December 2007

	<i>Notes</i>	<i>2007 LE</i>
ASSETS		
Non-current assets		
Property and equipment		2,561,869,544
Projects under constructions		276,510,961
Goodwill		16,763,775,530
Available for sale investments		99,675,029
Investments in associates		33,707,750
Notes receivables		7,829,295,768
Constructions work		4,746,336,687
		<u>32,311,171,269</u>
Current assets		
Finished units		12,382,134
Constructions work		3,989,184,522
Inventory		22,203,776
Letters of credit		3,891,871
Accounts and notes receivables		1,730,581,429
Prepayments and other debit balances		728,027,689
Available for sale investments		65,853,609
Available for trading investments		909,614,313
Cash on hand and at banks		3,405,382,060
Total current assets		<u>10,867,121,403</u>
Current liabilities		
Provisions		41,647,092
Banks overdraft		51,592,368
Accounts and notes payable		212,563,643
Current portion of loans and facilities		357,115,674
Customers down payment		2,050,157,976
Other credit balances		1,002,773,114
Total current liabilities		<u>3,715,849,867</u>
WORKING CAPITAL		<u>7,151,271,536</u>
TOTAL INVESTMENTS		<u>39,462,442,805</u>
Financed as follows:		
Issued and paid up capital		20,302,035,500
Share premium		159,626,099
Other reserves		25,747,613
Treasury stocks		(3,009,297)
Profit for the year		1,324,397,572
TOTAL EQUITY		<u>21,808,797,487</u>
Minority interest		2,588,541,318
Non-current liabilities		
Loans and facilities		1,706,925,363
Long term liabilities		13,336,806,163
Notes payable		18,977,755
Deferred tax liability		2,394,719
Total non current-liabilities		<u>15,065,104,000</u>
Total finance of working capital and long term Liabilities		<u>39,462,442,805</u>

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PRO-FORMA CASH FLOW STATEMENT

31 December 2007

	<i>Notes</i>	<i>2007 LE</i>
OPERATING ACTIVITIES		
Profit for the year		1,324,397,572
Adjustments for:		
Depreciation		48,684,045
Change in market value for investments		10,584,241
Income tax		(50,555,924)
Cash from operations before working capital changes:		<u>1,333,109,934</u>
(Increase) in inventory		(22,203,776)
(Increase) in finished units		(12,382,134)
(Increase) in letters of credit		(3,891,871)
(Increase) in constructions work		(8,735,521,209)
(Increase) in short term notes receivables		(1,730,581,429)
(Increase) in prepayments and other debit balances		(728,027,689)
(Increase) in available for sale investments		(165,528,638)
(Increase) in investments in associates		(33,707,750)
(Increase) in available for trading investments		(920,198,554)
Increase in creditors and other credit balances		212,563,643
Increase in current portion of loans and facilities		357,115,674
Increase in customers down payment		2,050,157,976
Increase in other credit balances		1,053,329,038
Increase in provisions		41,647,092
Net cash from operating activities		<u>(7,304,119,692)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment and constructions work		(2,887,064,551)
Purchase of investments		(16,763,775,529)
Net cash used in investing activities		<u>(19,650,840,080)</u>
FINANCING ACTIVITIES		
Cash proceeds from issuing shares		20,302,035,500
Cash proceeds from premium shares		159,626,099
Increase in minority shareholders		2,588,541,318
Purchase of treasury shares		(3,009,297)
Reserves		25,747,613
(Increase) in long term notes receivable		(7,829,295,769)
Increase in long term creditors and notes payable		18,977,755
Cash received from loans and facilities		1,706,925,363
Cash received from long term liabilities		13,339,200,882
Net cash from (used in) financing activities		<u>30,308,749,464</u>
INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS		<u>3,353,789,692</u>
Cash and cash equivalents at the beginning of the year		-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR		<u>3,353,789,692</u>

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