

**Cairo, May 17, 2016 -TMG Holding reports EGP 1,214 MN consolidated revenue, EGP 208 MN consolidated net profit after minority and EGP 2,278 BN of new sales value for the first quarter of 2016.**

TMG Holding, the leading Egyptian community real estate developer is glad to announce its consolidated financial results for the first quarter ending March 31, 2016.

**Key Operational and Financial Highlights for the consolidated results of January 1<sup>st</sup> to March 31<sup>st</sup>, 2016**

- During 1Q-16, TMG continued to deliver healthy revenue and profits. The following comparison is provided to shed the light on the quarterly and year on year performance.
- Total consolidated revenues for 1Q-16 reached EGP 1,214 MN, 6% higher than EGP 1,140 MN consolidated revenues for 1Q-15. The increase in recognized revenue is the combined effect of:
  - (i) A 9% increase in the revenue recognized from real estate units. The increase in revenue is mainly due to higher number of units delivered in 1Q-16 compared to 1Q-15.
  - (ii) A18% decrease in the hotels revenue reflecting the drop in tourism flow.
  - (iii) A 33% increase in revenue from services represented in malls rentals and new revenue generated from operation of infrastructure facilities and maintenance work in Madinaty project.
- Gross Profit for 1Q-16 EGP 352 MN is 13 % higher than EGP 312 MN for 1Q-15, the increase in gross Profit is driven by the increase in profitability of units delivered due to the revenue mix recognized.
- Net profit after tax and minority of EGP 208 MN for 1Q-16 is 10 % higher than EGP 189 MN for 1Q-15. The increase in net profit is driven by a decrease in interest expenses and the increases of foreign exchange revenue, which both overcame the increase in SG&A that was driven by a wealth tax (non recurring item).
- At March 31, 2016, the Group's total assets reached EGP 61 BN, cash, marketable securities and other liquid investments amounted to approximately EGP 4.85 BN, and total debt amounted to EGP 3.04 BN (a net cash of EGP 1.8 BN). The debt to equity ratio is 1:9 times, reflecting the group's low gearing and prudent cash management.

## Operating Performance

### City & Community Complexes

#### ***EGP 2,278 BN in sales value achieved in 1Q 2016***

Total new sales of real estate units amounted to EGP 2,278 BN for 1Q-16, compared to EGP 1,825 BN for the same period last year. The value of new sales has increased by approximately 25% year on year, which TMG considers to be a very positive indicator for the upcoming year.

#### ***And cancellations remain within normal rates***

Total cancellations of the accumulated sales backlog since inception of related projects have not exceeded its normal rates of 4% up to the end of 1Q-16. Value of cancelled units is EGP 156 MN in 1Q-16 compared to EGP 31 MN for the same period last year.

At March 31, 2016: the backlog of sold but unrecognized units is around EGP 21.6 BN to be recognized as per the units' delivery schedule over the next four years.

### Hotels & Resorts

- Year on year, Revenue from operating hotels has reached EGP 152 MN in 1Q-16 compared to EGP 186 MN in 1Q-15. The hotels KPI's and operational results are summarized as follows:
  - Four Seasons Nile Plaza reported GOP of 49% and NP of 46% in 1Q-16 compared to 51.4% and NP of 43.4% in 1Q-15. Average room rate is USD 314 in 1Q-16 compared to USD 299 in 1Q-15 and average occupancy rate of 54% compared to 53% for the same period last year.
  - Four Seasons Sharm El Sheikh reported GOP of -6% and NP of 0.6% in 1Q-16 compared to 56.5% and NP of 41.3% in 1Q-15. Average room rates is USD 259.5 in 1Q-16 compared to USD 719 in 1Q-15 and average occupancy rate of 22% compared to 45% for the same period last year.
  - Four Seasons San Stefano reported GOP of 24% and NP of 20% in 1Q-16 compared to 27% and NP of 21% in 1Q-15. Average room rates is USD 228.5 in 1Q-16 compared to USD 251 in 1Q-15 and average occupancy rate of 55% compared to 43% for the same period last year.
  - Kempinski Nile Hotel reported a GOP of 45 % and 33 % NP in 1Q-16 compared to 38 % and 31 % NP in 1Q-15. Average room rates is USD 139 in 1Q-16 compared to the same rate in 1Q-15 and average occupancy rate of 56% compared to 49% for the same period last year.

## Key Operational Highlights for the first quarter ending March 31, 2016

	1Q-16		1Q-15		
	EGPmn		EGPmn		change
<b>Revenues breakdown</b>					
Revenues from units sold	947	78%	868	76%	9%
Revenues from Hotels	152	13%	186	16%	-18%
Other revenues	115	9%	86	8%	33%
<b>Total consolidated revenue</b>	<b>1,214</b>	<b>100%</b>	<b>1,140</b>	<b>100%</b>	<b>6%</b>
<b>COGS breakdown</b>					
Real Estate & Construction Cost	(669)	71%	(652)	75%	3%
Hotels Cost	(94)	61%	(108)	58%	-13%
Services Cost	(99)	87%	(68)	79%	46%
<b>Total cost of goods sold</b>	<b>(862)</b>	<b>-71%</b>	<b>(828)</b>	<b>-73%</b>	<b>4%</b>
<b>Gross profit</b>	<b>352</b>	<b>29%</b>	<b>312</b>	<b>27%</b>	<b>13%</b>
Selling, General and Administrative Expenses	(118)	-10%	(55)	-5%	114%
Depreciation expense	(33)	-3%	(32)	-3%	4%
interest expense	(15)	-1%	(28)	-2%	-47%
interest income	30	2%	30.5	3%	-3%
investment income	(4)	0%	4.7	0%	-177%
net change in market value of financial investments	6	0%	(0.7)	0%	-919%
Other income (expense)	30	2%	29	3%	2%
Capital gain	0.2	0%	0.5	0%	-60%
Foreign exchange difference	43.7	4%	14.3	1%	207%
Net profit before tax	<b>292</b>	<b>24%</b>	<b>276</b>	<b>24%</b>	<b>6%</b>
income tax and deferred tax	(92)	-8%	(90)	-8%	3%
<b>Net Profit</b>	<b>199</b>	<b>16%</b>	<b>186</b>	<b>16%</b>	<b>7%</b>
Minority's share	8	1%	2	0%	301%
<b>attributable to shareholders</b>	<b>208</b>	<b>17%</b>	<b>188</b>	<b>17%</b>	<b>10%</b>

Translation of Financial Statements  
 originally issued in Arabic

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

**CONSOLIDATED INCOME STATEMENT**

For the period from 1 January 2016 to 31 March 2016

	Notes	From 1/1/2016 to 31/3/2016 LE	From 1/1/2015 to 31/3/2015 LE
Revenue	(28)	1,213,746,074	1,140,348,154
Cost of revenue	(28)	(861,738,040)	(828,426,129)
<b>GROSS PROFIT</b>		<b>352,008,034</b>	<b>311,922,025</b>
General and administrative expenses, marketing and sales expenses		(117,622,154)	(54,912,888)
Depreciation and amortization	(4,5)	(33,070,117)	(31,690,063)
Credit interest	(32)	16,491,036	8,835,395
Interest on bonds	(32)	995,249	11,418,662
Bonds amortization	(10)	1,354,252	188,923
Income from treasury bills	(32)	10,817,922	10,020,900
Finance cost		(14,509,946)	(27,590,159)
Dividends revenue from financial assets at fair value through profit and loss	(29)	625,750	274,999
(Loss) Gain on sale of financial assets at fair value through profit and loss	(30)	(1,224,574)	3,137,241
Gain (Loss) of revalue financial assets at fair value through profit and loss	(11)	5,571,301	(680,252)
Share of (loss) gain of associates	(8)	(3,018,613)	1,260,317
Other income	(31)	29,627,099	29,072,740
Capital gain	(4)	188,408	466,542
Board of directors allowances		(198,050)	(178,950)
Foreign exchange gain		43,735,322	14,251,764
<b>NET PROFIT FOR THE PERIOD BEFORE TAX</b>		<b>291,770,919</b>	<b>275,797,196</b>
Income tax	(27)	(89,120,984)	(83,669,143)
Deferred tax revenue	(27)	(3,256,677)	(5,696,933)
<b>NET PROFIT FOR THE PERIOD</b>		<b>199,393,258</b>	<b>186,431,120</b>
<b>NET PROFIT FOR:</b>			
Parent Company Shareholders		207,809,579	188,584,514
Non-Controlling Interest		(8,416,321)	(2,153,394)
		<b>199,393,258</b>	<b>186,431,120</b>

 Chairman  
  
 Tarek Talaat Mostafa

Financial Director

  
 Ghaleb Ahmed Fayed

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

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

**CONSOLIDATED BALANCE SHEET**

As of 31 March 2016

	Notes	31/3/2016 LE	31 /12/2015 LE
<b>Non-Current Assets</b>			
Property and Equipment	(4)	3,925,200,711	3,940,105,212
Intangible Assets	(5)	2,394,043	3,005,967
Projects Under Constructions	(6)	1,663,946,800	1,553,958,615
Goodwill	(7)	14,646,653,099	14,646,653,099
Investments in Associates	(8)	1,805,371	4,823,984
Available for Sale Investments	(9)	52,557,686	47,137,342
Investments in Financial Assets Held to Maturity	(10)	1,678,692,893	1,598,493,043
<b>Total Non-Current Assets</b>		<b>21,971,250,603</b>	<b>21,794,177,262</b>
<b>Current Assets</b>			
Work in Progress	(13)	19,549,888,483	19,214,437,756
Inventory	(14)	33,422,733	36,406,252
Finished Unites		23,108,613	23,108,613
Accounts and Notes Receivable	(12)	14,828,297,782	15,272,825,351
Prepayments and Other Debit Balances	(15)	2,176,672,641	2,003,610,082
Available for Sale Investments	(9)	27,491,897	27,491,897
Investments in Financial Assets Held to Maturity	(10)	469,189,781	463,167,759
Financial assets at fair value through profit and loss	(11)	65,050,738	66,676,753
Cash on Hand and at Banks	(16)	1,814,113,107	1,541,478,907
<b>Total Current Assets</b>		<b>38,987,235,775</b>	<b>38,649,203,370</b>
<b>Total Assets</b>		<b>60,958,486,378</b>	<b>60,443,380,632</b>
<b>Equity</b>			
Authorized Capital	(21)	30,000,000,000	30,000,000,000
Issued and Paid up Capital	(21)	20,635,622,860	20,635,622,860
Legal Reserve	(22)	236,367,496	220,633,894
General Reserve	(23)	61,735,404	61,735,404
Net unrealized gains on available for sale investments	(24)	15,758,903	11,735,024
Accumulative translation adjustment		378,125	378,125
Retained earning		5,498,682,441	5,062,917,270
Net profit for the period / year		207,809,579	761,576,314
<b>TOTAL PARENT COMPANY SHAREHOLDERS EQUITY</b>		<b>26,656,354,808</b>	<b>26,754,598,891</b>
Non-Controlling Intrest		888,884,053	900,990,061
<b>TOTAL SHAREHOLDERS' EQUITY</b>		<b>27,545,238,861</b>	<b>27,655,588,952</b>


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

**CONSOLIDATED FINANCIAL POSITION**

As of 31 March 2016

	Notes	31/3/2016 LE	31 /12/2015 LE
<b>Non-current Liabilities</b>			
Non-current Loans	(25)	1,836,089,149	1,733,699,976
Non-current Liabilities	(26)	1,804,675,327	1,804,013,215
Deferred Tax Liability	(27)	73,080,996	69,824,319
<b>Total Non- Current Liabilities</b>		<b>3,713,845,472</b>	<b>3,607,537,510</b>
<b>Banks Overdraft</b>			
Banks Overdraft		2,968,984	10,475,294
Creditors and Notes Payable	(17)	3,803,246,095	4,107,698,872
Bank Facilities	(25)	814,749,100	854,938,020
Current Portion of Loans and Facilities	(25)	395,519,477	366,469,448
Customers Advance Payment	(18)	19,765,597,821	19,317,708,695
Dividends Creditors	(19)	400,292,527	89,869,957
Accrued income tax	(27)	441,930,949	438,639,181
Accrued Expense and Other Credit Balances	(20)	4,075,097,092	3,995,068,756
<b>Total Current Liabilities</b>		<b>29,699,402,045</b>	<b>29,180,868,223</b>
<b>Total Equity and Liabilities</b>		<b>60,958,486,378</b>	<b>60,443,380,632</b>

Chairman  
  
Tarek Talaat Mostafa

Financia Director  
  
Ghaleb Ahmed Fayed

Auditors  
  
Emad H. Ragheb

Auditors  
  
Magdy Hashish

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

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

**CONSOLIDATED CASH FLOW STATEMENT**

For the period from 1 January 2016 to 31 March 2016

	Notes	From 1/1/2016 to 31/3/2016 LE	From 1/1/2015 to 31/3/2015 LE
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Net profit for the period before tax and minority interest		291,770,919	275,797,196
<b>Adjustment to reconciliation net profit with cash flow operating activities:</b>			
Depreciation & Amortization	(4,5)	33,070,117	31,690,063
(Discount) Financial Assets Held to Maturity Amortization	(10)	(1,354,252)	(188,923)
Credit Interests and Treasury Bills revenue	(32)	(28,304,207)	(30,274,957)
Dividends (revenue) of Financial Assets at Fair Value through Profit and Loss	(29)	(625,750)	(274,999)
Loss (Gain) from selling Financial Assets at Fair Value through Profit and Loss	(30)	1,224,574	(3,137,241)
(Gain) Loss of reevaluate Financial Assets at Fair Value through Profit and Loss	(11)	(5,571,301)	680,252
Share of loss (profit) of Associates	(8)	3,018,613	(1,260,317)
Capital (Gain) Loss	(4)	(188,408)	(466,542)
Foreign Exchange (Gain)		(43,735,322)	(14,251,764)
<b>Operating profit before changes in working capital</b>		<b>249,304,983</b>	<b>258,312,768</b>
Change in Work in Progress	(13)	(335,450,727)	(2,936,613,503)
Change in Inventory	(14)	2,983,519	649,731
Change in Accounts and Notes Receivables	(12)	444,527,569	630,199,652
Change in Prepayments and Other Debit Balances	(15)	(165,317,586)	(171,880,712)
Change in Creditors and Notes Payable		(304,452,777)	1,807,965,698
Change in long term Liabilities		662,112	(2,617,552)
Change in Customers Advance Payment		447,889,126	353,384,136
Change in Dividends Creditors		7,347,570	301,405,828
Change in Financial Assets at Fair Value through Profit and Loss	(11,30)	5,972,742	16,958,969
Paid of accrued income tax	(27)	(85,215,163)	(32,025,799)
Change in Other Credit Balances	(20)	81,666,336	180,101,361
<b>Net Cash flows provided from Operating Activities</b>		<b>349,917,704</b>	<b>405,840,577</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
(Payment) on Purchasing of Fixed Assets, Intangible Assets and Projects Under	(4,5,6)	(127,567,430)	(80,670,969)
Proceeds from sale Fixed Assets	(4)	213,961	701,589
(Payment) for Financial Assets Held to Maturity	(10)	(84,867,620)	(52,418,674)
Proceeds from Dividends revenue	(29)	625,750	274,999
<b>Net Cash flows (used in) Investing Activities</b>		<b>(211,595,339)</b>	<b>(132,113,055)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Collected Credit Interests and Treasury Bills Revenue	(32)	18,921,235	13,914,043
Proceeds (Payment) from Loans and Facilities	(25)	91,250,282	(119,597)
<b>Net Cash flows (used in) Financing Activities</b>		<b>110,171,517</b>	<b>13,794,446</b>
Foreign Exchange Impact		43,735,322	14,251,764
<b>NET CASH AND CASH EQUIVALENTS DURING THE PERIOD</b>		<b>292,229,204</b>	<b>301,773,732</b>
Cash Adjustments		(12,088,694)	(204,472,556)
Cash and Cash Equivalents at the beginning of the period		1,531,003,613	1,630,161,724
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	(16)	<b>1,811,144,123</b>	<b>1,727,462,900</b>

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

## Summary of C&amp;C projects in Operation and Development

	Madinaty	Al Rehab I (9)	Al Rehab II	Al Rabwa I	Al Rabwa II
<b>Total Land area(1) (m2)</b>	33,600,000	6,140,400	3,760,000	1,318,800	819,028
<b>To be dev. land area(2) (m2)</b>	33,600,000	924,225	3,760,000	0	819,028
<b>To be dev. built up area(3) (m2)</b>	20,856,908	223,740	2,292,260	0	119,071
<b>CBRE Value – June 30, 2008</b>	EGP 17.82 BN	EGP 1.92 BN	EGP 5.86 BN		EGP 238.28 MN
<b>% owned(6)</b>	99.9%	99.9%	99.9%	98.6%	98.6%
<b>Location</b>	New Cairo	New Cairo	New Cairo	El Sheikh Zayed	El Sheikh Zayed
<b>Exp. Population</b>	600,000	120,000	80,000	3,240	1,725
<b>Commence(4)</b>	July 2006	November 1996	July 2006	December 1994	January 2006
<b>Expected Completion(5)</b>	2026	2012	2020	2006	2012
<b>Amenities</b>	Various including: 45 hole golf course 22 schools 1 university 8 hotels commercial parks (offices & retail) 1 hospital	4 schools 7 mosques 1 church 1 office park 2 shopping malls	4 Mosques 2 schools 1 shopping mall 1 club house	1 shopping mall Cinema 9 hole golf course Sports pavilion	9 hole golf course

1. Land area procured

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

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

4. Launch of sales

5. Delivery of final unit assumed in the CBRE report

6. Effective ownership

7. Land value only –

Includes additional 1 MN sqm of land procured for future development

8. all sold except phase 6

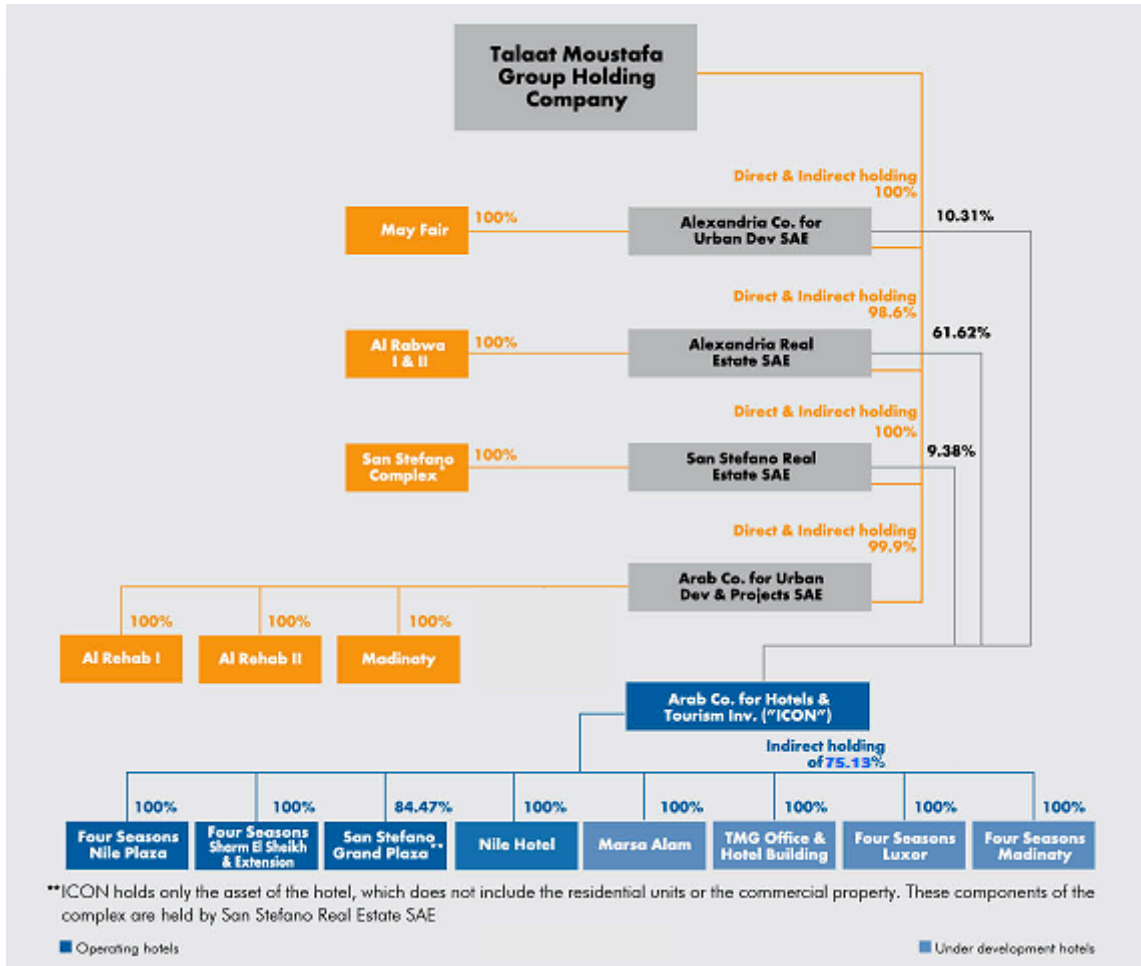


## Summary of H&amp;R Assets in Operation

	Four Seasons Sharm El Sheikh	Four Seasons Nile Plaza	San Stefano Grand Plaza	Kempinski Nile Hotel
<b>% owned(1)</b>	100%	100%	84.47%	100%
<b>Location</b>	Sharm El Sheikh	Cairo	Alexandria	Cairo
<b>Rooms/keys</b>	200	366	118	191
<b>Units</b>	146	128	945	0
<b>Sold</b>	144	125	924	n/a
<b>Ave. price</b>	EGP 26,435 psm	EGP 38,775 psm	EGP 14,920 psm	n/a
<b>CBRE Value ( 30-Jun-08)</b>	EGP 1.99 billion (3)	EGP 2.44 billion	EGP 2.36 billion	EGP 523.57 MN
<b>Commence</b>	Nov-98	Sep-97	Feb-99	Aug-03
<b>Complete(2)</b>	May-02	Aug-04	Jul-07	Jul- 10
<b>Star rating</b>	5 Star	5 Star	5 Star	5 Star
<b>Facilities</b>	8 restaurants	9 restaurants	9 restaurants	4 restaurants
	2 lounge bars	Spa	Marina	4 meeting rooms
	Spa	Ballroom	Shopping mall	Business center
	Ballroom	11 meeting rooms	Offices	Executive club
	4 meeting rooms	Business center	Ballroom	Mini Business Center
	Business center	Shopping mall		

1. % owned by ICON, which is 81% indirectly owned by TMG      2. Commencement of operations  
3. Including EGP 1.03 bn related to Marsa AL Sadeed (extension) which is 100% owned by TMG

Group Structure



## About TMG Holding

TMG Holding has under its umbrella a group of companies:

- Arab Company for Projects and Urban Development, which owns and manages:
  - AL-Rehab and Madinaty projects in New Cairo District
- Alexandria Real Estate Investment Company, which owns and manages:
  - AL-Rabwa Compound in EL-Sheikh Zayed City
- San Stefano Real Estate Investment Company, which owns and manages:
  - San Stefano Alexandria
- Alexandria Company for Urban Projects, which owns and manages:
  - May Fair Project in AL-Shorouk City
- Arab Company for Hotel and Tourist Investments, which owns controlling stakes in its investments in:
  - Four Seasons Nile Plaza in Garden City
  - Four Seasons Resort Sharm EL-Sheikh
  - Four Seasons Alexandria at San Stefano
  - Kempinski Nile Hotel in Cairo
  - Under development Hotels

## Capital:

Issued and paid-in capital: EGP 20.635 BN

Number of shares: 2.063 BN at a par value of EGP 10/share

## Shareholders' Structure:

- TMG RE & Tourism Investment (including Talaat Mostafa Family & Saudi group) 50.27%
- Other major shareholders 25.75%
- Other major shareholders including free float 23.98%

## Investor Relations Contacts:

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