

Cairo, May 16, 2012 -TMG Holding reports EGP 1.3 BN consolidated revenue, EGP 174 MN consolidated net profit after minority and EGP 1.082 BN of new sales value for 1Q 2012

TMG Holding, the leading Egyptian community real estate developer is glad to announce its consolidated financial results for the first quarter ending March 31, 2012.

Key Operational and Financial Highlights for the consolidated results of January 1 to March 31, 2012

- During 1Q-12, TMG continued to deliver healthy revenue and profits. Total consolidated revenues for 1Q-12 reached EGP 1,303 MN compared to EGP 1,377 MN consolidated revenues for 1Q-11. The 5% decrease in recognized revenue is the combined effect of:
 - (i) a 7% decrease in the revenue recognized from real estate units. Deliveries from historical sales continued and recognized as revenues accordingly. However, the 2011 market conditions resulted in a few months shift of deliveries. Also, the revenue mix of 1Q 2012 is mainly apartments with very few land villas recognized and therefore, the decrease in recognized revenue.
 - (ii) an 18% increase in the hotels revenue indicating some recovery from the effect of a severe decline in tourism flow and tourists spending of 1Q-11 on the hotels operations as further explained in “hotels and resorts” operating performance below.
 - (iii) A 12% increase in revenue from services for reasons of enhanced malls rentals and new revenue generated from madianty services.
- Gross Profit for 1Q-12 is EGP 327, 6% lower than EGP 348 MN for 1Q-11 in line with the decrease in the real estate reported revenue.
- Net profit before tax for 1Q-12 is EGP 207 MN, 21% higher than EGP 171 MN for 1Q-11. This is mainly due to a positive net change in market value of financial investments, an improvement in the investment income and other income and very minor foreign exchange loss relating to hotel borrowing in USD. However the Net profit after tax and minority of EGP 174 MN for 1Q-12 is only 3% higher than EGP 169 MN for 1Q-11 due to an increase in income tax and deferred tax.
- At March 31, 2012, the Group’s total assets reached EGP 53.83 BN, cash, marketable securities and other liquid & financial investments amounted to approximately EGP 1.9 BN, and total debt amounted to EGP 3.5 BN. Debt to equity ratio is 1:7 times, reflecting the group’s low gearing and prudent cash management.

Operating Performance

City & Community Complexes

EGP 1,082 MN in sales value achieved in 1Q 2012

Total new sales of real estate units amounted to EGP 1,082 MN for 1Q 2012, compared to EGP 568 MN for the same period last year. The value of new sales has nearly doubled on a year on year basis which is a healthy indicator even though the prevailing general market conditions have not reached a point of complete stability yet.

And cancellations remain within normal rates

Total cancellations of the accumulated sales backlog since inception of projects have not exceeded its normal rates of 4.5% up to the end 1Q-12. Value of cancelled units is EGP 278 MN in 1Q 2011 compared to EGP 174 MN for the same period last year.

At March 31, 2012: the backlog of sold but unrecognized units exceeds the level of approximately EGP 19 BN to be recognized as per the units' delivery schedule over the next four years.

Hotels & Resorts

- Revenue from operating hotels has reached EGP 87 MN in 1Q-12 compared to EGP 73 MN in 1Q-11. On an operational level, the hotels KPI's and operational results are summarized as follows:
 - Four Seasons Nile Plaza reported a GOP of 38% and NP of 30 % in 1Q-12 compared to 34% and 29 % respectively in 1Q-11. Average room rate is USD 220 in 1Q-12 compared to USD 293 in 1Q-11 at an average occupancy rate of 34 % compared to 26% for the same period last year.
 - Four Seasons sharm el sheikh reported a GOP of 21% and NP of 11 % in 1Q-12 compared to 29% and 22 % respectively in 1Q-11. Average room rates is USD 285 in 1Q-12 compared to USD 388 in 1Q-11 at an average occupancy rate of 36 % compared to 30% for the same period last year.
 - Four Seasons San Stefano reported a GOP of 14% and a negative NP in 1Q-12 compared to a negative GOP and NP in 1Q-11. Average room rates is USD 208 in 1Q-12 compared to USD 221 in 1Q-11 at an average occupancy rate of 44 % compared to 26% for the same period last year.
 - Kempinski Nile Hotel, soft launched in July 2010, a GOP of 3% and a negative NP in 1Q-12 compared to a negative GOP and NP in 1Q-11. Average room rates is USD 156 in 1Q-12 compared to USD 169 in 1Q-11 at an average occupancy rate of 35 % compared to 22% for the same period last year.

Key Operational Highlights for the first quarter ending March 31, 2012

| | 1Q-12 | | 1Q-11 | | change |
|-----------------------------------------------------|--------------|-------------|----------------|-------------|------------|
| | EGP mn | | EGP mn | | |
| Revenues breakdown | | | | | |
| Revenues from units sold | 1,184 | 91% | 1,275 | 93% | -7% |
| Revenues from Hotels | 87 | 7% | 73 | 5% | 18% |
| Other revenues | 32 | 2% | 29 | 2% | 12% |
| Total consolidated revenue | 1,303 | 100% | 1,377 | 100% | -5% |
| COGS breakdown | | | | | |
| Real Estate & Construction Cost | (883) | 75% | (949) | 74% | -7% |
| Hotels Cost | (71) | 82% | (64) | 87% | 11% |
| Services Cost | (22) | 68% | (17) | 60% | 29% |
| Total cost of goods sold | (976) | 75% | (1,029) | 75% | -5% |
| Gross profit | 327 | 25% | 348 | 25% | -6% |
| Selling, General and Administrative Expenses | (97) | -7% | (94) | -7% | 4% |
| Depreciation expense | (32) | -2% | (32) | -2% | 1% |
| Provision expense/provisions no longer required | 0.033 | 0% | - | 0% | |
| interest expense | (41) | -3% | (48) | -3% | -15% |
| interest income | 11 | 1% | 13 | 1% | -14% |
| investment income | 4 | 0% | 2 | 0% | 84% |
| net change in market value of financial investments | 12 | 1% | (12) | -1% | -198% |
| Other income (expense) | 17 | 1% | 10 | 1% | 66% |
| Capital gain | 5 | 0% | 5 | 0% | 2% |
| Foreign exchange difference | (0.166) | 0% | (22) | -2% | -99% |
| Net profit before tax | 207 | 16% | 171 | 12% | 21% |
| income tax and deferred tax | (44) | -3% | (20) | -1% | 125% |
| Net Profit | 163 | 12% | 151 | 11% | 8% |
| Minority's share | (11) | -1% | (18) | -1% | -39% |
| attributable to shareholders | 174 | 13% | 169 | 12% | 3% |

Consolidated Financial Statements

 Translation of Financial Statements
 originally issued in Arabic

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

CONSOLIDATED BALANCE SHEET

As of 31 March 2012

| | Notes | 31/03/2012 LE | 31 /12/ 2011 LE |
|----------------------------------------------------------------|-------|-----------------------|-----------------------|
| Non-Current Assets | | | |
| Property and Equipment | (4) | 4,195,210,913 | 4,223,664,300 |
| Intangible Assets | (5) | 14,457,576 | 15,213,956 |
| Projects Under Constructions | (6) | 317,886,421 | 299,322,719 |
| Investment Property | (7) | 429,937,566 | 429,937,566 |
| Goodwill | (8) | 15,393,653,117 | 15,393,653,117 |
| Investments in Associates | (9) | 3,935,250 | 5030,166 |
| Available for Sale Investments | (10) | 55,174,990 | 55,094,990 |
| Investments in Financial Assets Held to Maturity | (12) | 541,169,087 | 516,701,569 |
| Deferred tax assets | (29) | - | 2,782,602 |
| Total Non-Current Assets | | 20,951,424,920 | 20,941,400,985 |
| Current Assets | | | |
| Work in Progress | (15) | 15,709,987,965 | 15,182,971,369 |
| Inventory – Net | (16) | 32,315,994 | 31,828,554 |
| Accounts and Notes Receivable | (14) | 13,419,080,621 | 14,063,875,859 |
| Prepayments and Other Debit Balances | (17) | 2,349,835,421 | 2,412,130,439 |
| Available for Sale Investments | (10) | 25,845,508 | 25,845,508 |
| Investment Debtors | (11) | 808,962,565 | 808,962,565 |
| Investments in Financial Assets Held to Maturity | (12) | 169,438,734 | 120,630,939 |
| Financial assets at fair value through profit and loss | (13) | 137,275,241 | 76,531,675 |
| Cash on Hand and at Banks | (18) | 228,949,370 | 225,133,147 |
| Total current assets | | 32,881,691,419 | 32,947,910,055 |
| Current Liabilities | | | |
| Banks Overdraft | | 64,689,374 | 45,619,076 |
| Creditors and Notes Payable | (18) | 1,807,459,315 | 1,998,464,418 |
| Bank Facilities | (26) | 686,991,337 | 513,659,948 |
| Current Portion of Loans and Facilities- Short-term | (26) | 647,651,747 | 608,829,395 |
| Customers Advance Payment | (19) | 15,978,731,763 | 16,368,682,636 |
| Dividends Creditors | | 20,128,663 | 14,886,950 |
| Accrue income tax | | 172,837,109 | 132,579,804 |
| Accrued Expense and Other Credit Balances | (20) | 1,721,160,531 | 1,668,906,309 |
| Total Current Liabilities | | 21,099,949,839 | 21,351,628,536 |
| WORKING CAPITAL | | 11,782,041,580 | 11,596,281,519 |
| TOTAL INVESTMENTS | | 32,733,466,500 | 32,537,682,504 |
| Financed as follows: | | | |
| Owner's Equity | | | |
| Authorized Capital | (22) | 30,000,000,000 | 30,000,000,000 |
| Issued and Paid up Capital | (22) | 20,635,622,860 | 20,635,622,860 |
| Legal Reserve | (23) | 216,758,638 | 216,645,653 |
| General Reserve | (24) | 61,735,404 | 61,735,404 |
| Net unrealized gains on available for sale investments | (25) | 3,880,000 | 3,800,000 |
| Accumulative translation adjustment | | 25,277,560 | 35,467,447 |
| Reduction of the shareholders equity in affiliated companies | (26) | - | (30,089,758) |
| Retained earning | | 3,984,653,921 | 3,451,543,281 |
| Net profit for year | | 173,737,743 | 577,509,293 |
| TOTAL MOTHER COMPANY SHAREHOLDERS EQUITY | | 25,101,666,126 | 24,952,234,180 |
| Minority Interest | | 1,325,653,096 | 1,349,841,769 |
| TOTAL SHAREHOLDERS' EQUITY | | 26,427,319,222 | 26,302,075,949 |
| Non-current Liabilities | | | |
| Loans and Facilities – non-current | (27) | 2,102,752,277 | 2,057,986,813 |
| Non-current Liabilities | (28) | 4,191,581,165 | 4,177,619,742 |
| Deferred Tax Liability | (29) | 11,813,836 | - |
| Total Non- Current Liabilities | | 6,306,147,278 | 6,235,606,555 |
| Total Shareholders' Equity and Nun- Current liabilities | | 32,733,466,500 | 32,537,682,504 |

Chairman

Financial Director

Auditors

Tarek Talaat Mostafa

Ghaleb Ahmed Fayed

Emad H. Ragheb

Magdy Hashish

 -The attached notes 1 to 39 are an integral part of these consolidated financial statements.
 -Review report attached.

Translation of Financial Statements
 originally issued in Arabic

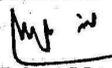
Talaat Mostafa Group Holding Company "TMG Holding" S.A.E

CONSOLIDATED INCOME STATEMENT

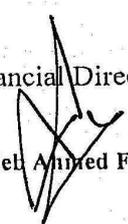
For the period from 1 January 2012 to 31 March 2012

| | Notes | From 1/1/2012 to 31 /3/ 2012 LE | From 1/1/2011 to 31/3/2011 LE |
|------------------------------------------------------------------------------|-------|---------------------------------------|-------------------------------------|
| Revenue | (30) | 1,303,063,662 | 1,377,279,418 |
| Cost of revenue | (30) | (975,625,465) | (1,029,475,039) |
| GROSS PROFIT | | 327,438,197 | 347,804,379 |
| General and administrative expenses, marketing and sales expenses | | (89,599,561) | (87,876,782) |
| Depreciation and amortization | | (32,007,239) | (31,543,633) |
| Provisions no longer required | | 32,783 | - |
| Rent expenses | | (7,343,261) | (5,656,896) |
| Operating Profit | | 198,520,919 | 222,727,068 |
| Credit interest | | 4,009,046 | 5,205,346 |
| Interest on bonds | | 6,931,290 | 7,555,602 |
| Income from treasury bills | | 64,155 | - |
| Finance cost | | (40,549,087) | (47,701,749) |
| Dividends revenue | (31) | 1,226,450 | 1,014,926 |
| Revenue on sale of financial investments | (32) | 3,814,794 | 239,638 |
| Revenue of reevaluate financial assets at fair value through profit and loss | (13) | 12,123,877 | (12,392,262) |
| Share of profit of associates | (9) | (1,176,117) | 884,081 |
| Revenue of reevaluate Investment Property | | - | - |
| Other income | (33) | 17,265,763 | 10,416,651 |
| Capital gain | | 4,818,849 | 4,743,005 |
| Board of directors allowances | | (171,500) | (174,750) |
| Foreign exchange (loss) | | (166,487) | (21,541,604) |
| NET PROFIT FOR THE PERIOD BEFORE TAX | | 206,711,952 | 170,975,952 |
| Income tax | (29) | (29,253,940) | (18,586,455) |
| Deferred tax expense | (29) | (14,596,438) | (915,282) |
| NET PROFIT FOR THE PERIOD AFTER TAX | | 162,861,574 | 151,474,215 |
| Minority interest | | (10,876,169) | 17,962,468 |
| NET PROFIT FOR THE PERIOD (MOTHER COMPANY SHAREHOLDERS) | | 173,737,743 | 169,436,683 |

Chairman


 Tarek Talaat Mostafa

Financial Director


 Ghaleb Ahmed Fayed

-The attached notes 1 to 39 are an integral part of these financial statements,

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

CONSOLIDATED CASH FLOW STATEMENT

For the period from 1 January 2012 to 31 March 2012

| | Notes | From 1/1/2012 to 31 /3/ 2012 LE | From 1/1/2011 to 31/3/2011 LE |
|-------------------------------------------------------------------------------|-------|---------------------------------------|-------------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Net profit for the period before tax and minority interest | | 206,711,952 | 170,975,952 |
| Adjustment to reconciliation net profit with cash flow operating activities : | | | |
| Depreciation & Amortization | | 32,007,239 | 31,543,633 |
| (Discount) Financial Assets Held to Maturity Amortization | (12) | (370,242) | (313,374) |
| Provisions (no longer required) | | (32,783) | - |
| (Revenue) Loss of revalue Financial Assets at Fair Value | (13) | (12,123,877) | 12,392,262 |
| Share of (profit) of Associates | | 119,917 | (1,534,081) |
| Credit Interests, Bonds and Treasury Bills revenue | (34) | (11,004,491) | (12,760,948) |
| Reconciliation on retained earning and Minority Interest | | (27,508,414) | 158,650,568 |
| Capital (Gain) | (4) | (4,818,849) | (4,743,005) |
| Foreign Exchange Loss | | 166,487 | 21,541,604 |
| Operating profit before changes in working capital | | 183,146,939 | 374,777,411 |
| Change in Work in Progress | (15) | (527,016,595) | (182,073,596) |
| Change in Inventory | | (487,440) | (5,392,365) |
| Change in Accounts and Notes Receivables | (14) | 644,295,021 | 483,264,511 |
| Change in Prepayments and Other Debit Balances * | (17) | 68,772,663 | 165,080,139 |
| Change in Creditors and Notes Payable | (19) | (191,005,103) | 20,046,391 |
| Change in current portion of non- current Liabilities | | 13,961,423 | - |
| Change in Customers Advance Payment | (20) | (389,950,873) | (861,197,480) |
| Change in Dividends Creditors | | 5,241,713 | 167,588 |
| Change in Financial Assets at Fair Value through Profit and Loss | (13) | (48,619,689) | (18,370,013) |
| Change in accrude income tax | | 11,003,363 | 21,247,507 |
| Change in Other Credit Balances | (21) | 52,254,222 | (179,377,699) |
| Net Cash flows (used in) Operating Activities | | (177,871,356) | (181,340,006) |

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

CONSOLIDATED CASH FLOW STATEMENT – Continued

For the year ended 31 March 2012

CASH FLOWS FROM INVESTING ACTIVITIES

| | | | |
|-----------------------------------------------------------------------------------|-------|---------------------|---------------------|
| (Payment) on Purchasing of Property and Equipment and Projects Under Construction | (4,6) | (21,973,050) | (10,703,121) |
| Proceed from sale fixed assets | (4) | 5,430,724 | 5,450,819 |
| (Payment) on Purchasing of Financial Assets Held to Maturity | (12) | (72,905,070) | (43,000,204) |
| (Payment) from Investments in Associates | (9) | (81,200) | (243,800) |
| Dividend received from Aassociates | (9) | 1,056,200 | 893,800 |
| Net Cash flows (used in) Investing Activities | | (88,472,396) | (47,114,906) |

CASH FLOWS FROM FINANCING ACTIVITIES

| | | | |
|----------------------------------------------------------|------|--------------------|------------------|
| Collected Interest | | 4,526,846 | 20,803,172 |
| Proceeds (payments) from Loans and Facilities | (27) | 256,919,205 | (19,355,584) |
| Net Cash flows Provided from Financing Activities | | 261,144,051 | 1,447,588 |
| Foreign Exchange Impact** | | (10,356,374) | (21,541,604) |

NET CASH AND CASH EQUIVALENTS DURING THE PERIOD

| | | | |
|-----------------------------------------------------------|------|--------------------|--------------------|
| Cash and Cash Equivalents at the beginning of the period | | 179,514,071 | 545,808,271 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD | (18) | 164,259,996 | 297,259,343 |

The following accrued revenues and expenses are eliminated:

*Change in Accrued Revenues amounted to LE 6,477,645 from other debit balances,

** includes the impact of foreign exchange in tanlation of foreign operation

Summary of C&C projects in Operation and Development

| | Madinaty | Al Rehab I (9) | Al Rehab II | Al Rabwa I | Al Rabwa II | Saudi JV |
|-----------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------|-----------------------------------------------------------|--------------------------------------------------------------------|--------------------|----------------------------------------------------------------------------------|
| Total Land area(1) (m2) | 33,600,000 | 6,140,400 | 3,760,000 | 1,318,800 | 819,028 | 4,000,000(8) |
| To be dev. land area(2) (m2) | 33,600,000 | 924,225 | 3,760,000 | 0 | 819,028 | 3,000,000 |
| To be dev. built up area(3) (m2) | 20,856,908 | 223,740 | 2,292,260 | 0 | 119,071 | 1,214,075 |
| % of sold residential BUA | 30% | | 54% | | 60% | |
| CBRE Value – June 30, 2008 | EGP 17.82 BN | EGP 1.92 BN | EGP 5.86 BN | | EGP 238.28 MN | SR 800.32 MN (8) |
| % owned(6) | 99.9% | 99.9% | 99.9% | 98.6% | 98.6% | 50% |
| Location | New Cairo | New Cairo | New Cairo | El Sheikh Zayed | El Sheikh Zayed | Riyadh (7) |
| Exp. Population | 600,000 | 120,000 | 80,000 | 3,240 | 1,725 | 16,800 |
| Commence(4) | July 2006 | November 1996 | July 2006 | December 1994 | January 2006 | October 2010 |
| Expected Completion(5) | 2026 | 2012 | 2020 | 2006 | 2012 | 2013 |
| Amenities | Various including: 45 hole golf course 22 schools 1 university 8 hotels commercial parks (offices & retail) 1 hospital | 4 schools 7 mosques 1 church 1 office park 2 shopping malls | 4 Mosques 2 schools 1 shopping mall 1 club house | 1 shopping mall Cinema 9 hole golf course Sports pavilion | 9 hole golf course | Medical centre Shopping mall Mosques Sports club Government services |

1. Land area procured

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. Riyadh – authorization obtained

8. Land value only –

Includes additional 1 MN sqm of land procured for future development

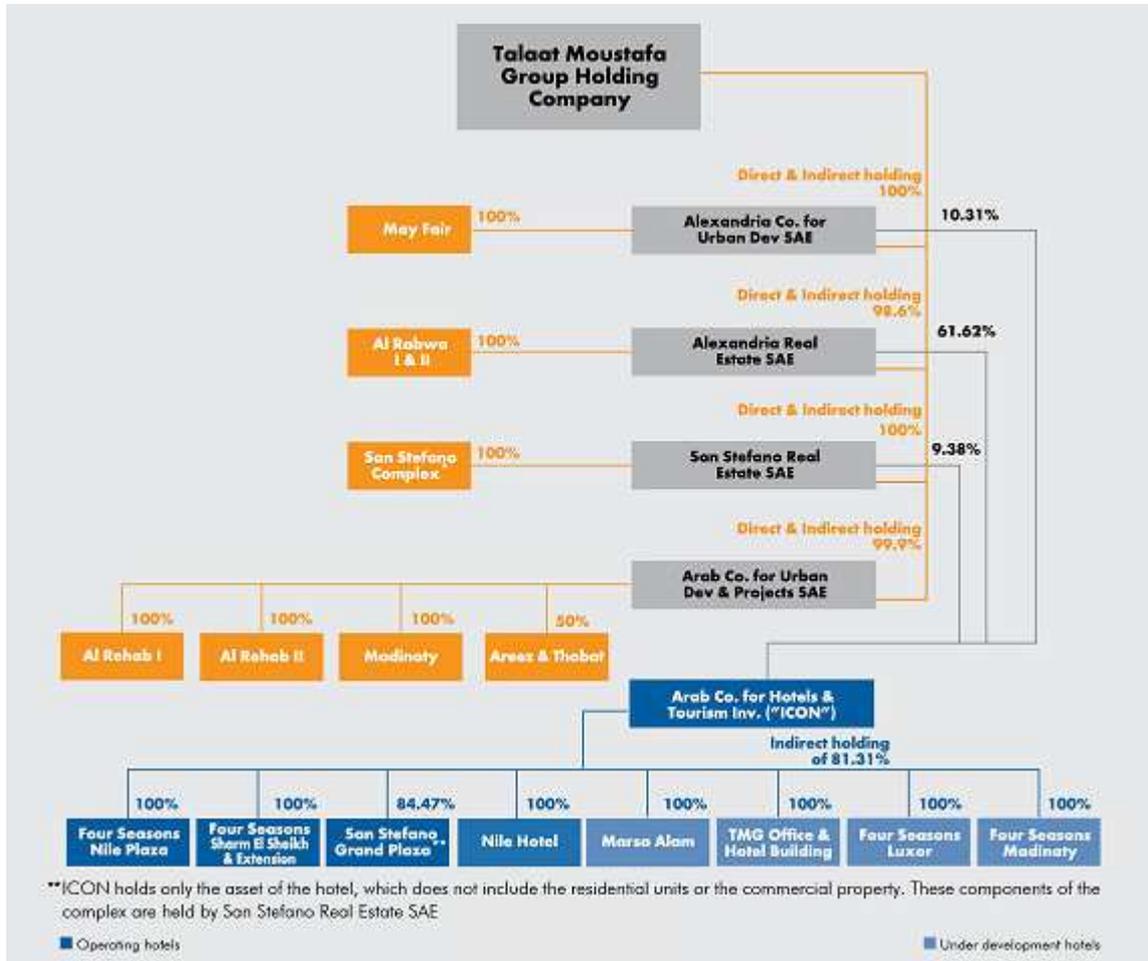
9. all sold except phase 6

Summary of H&R Assets in Operation

| | Four Seasons Sharm El Sheikh | Four Seasons Nile Plaza | San Stefano Grand Plaza | Kempinski Nile Hotel | |
|--------------------------------|---------------------------------|----------------------------|----------------------------|-------------------------|--|
| % owned(1) | 100% | 100% | 84.47% | 100% | |
| Location | Sharm El Sheikh | Cairo | Alexandria | Cairo | |
| Rooms/keys | 200 | 366 | 118 | 191 | |
| Units | 146 | 128 | 945 | 0 | |
| Sold | 144 | 121 | 893 | n/a | |
| Ave. price | EGP 26,435 psm | EGP 38,775 psm | EGP 14,920 psm | n/a | |
| CBRE Value (30-Jun-08) | EGP 1.99 billion (3) | EGP 2.44 billion | EGP 2.36 billion | EGP 523.57 MN | |
| Commence | Nov-98 | Sep-97 | Feb-99 | Aug-03 | |
| Complete(2) | May-02 | Aug-04 | Jul-07 | Jul- 10 | |
| Star rating | 5 Star | 5 Star | 5 Star | 5 Star | |
| Facilities | 8 restaurants | 9 restaurants | 9 restaurants | 4 restaurants | |
| | 2 lounge bars | Spa | Marina | 4 meeting rooms | |
| | Spa | Ballroom | Shopping mall | Business centre | |
| | Ballroom | 11 meeting rooms | Offices | Executive club | |
| | 4 meeting rooms | Business centre | Ballroom | Mini business centre | |
| | Business centre | 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
- Areez and Thabat

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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