

Madinaty Contract is Valid and Correct

Cairo, November 22, 2011 - TMG Holding, the leading Egyptian community real estate developer is proud to announce today's Administrative Court final ruling confirming that Madinaty Contract is valid and correct and in compliance with the Egyptian laws and consequently rejected the lawsuit filed to revoke the contract. The court has also requested the Administrative Authority to perform a revaluation of the unutilized land of the project.

To clarify, the Administrative Authority mentioned above is the Higher Committee of Valuation of the General Authority of Governmental Services; the same Authority that had previously conducted the valuation of the total land of Madinaty project upon signing the new contract in November 2010.

TMG Holding also wishes to clarify that utilized land area in the form of developments, utilities and infrastructure exceeds 75% of the total project's land area. Consequently, the area to be revalued (if need be) would not exceed 25% of the total project's land area. However, given the prevailing market conditions, the re-evaluation is not expected to be materially different from the valuation conducted by the Administrative Authority in November 2010.

In this respect, TMG, by way of protecting its investors' rights and interests, will appeal in front the Higher Administrative Court on the part of the verdict concerning the revaluation of the unutilized land issue.

In June 21 2011, the State Judicial council had issued its report recommending that the court should reject the case filed to revoke the new Madinaty contract. After months of studying the new contract and various legal documents presented, the council came to the opinion and conclusion that the contract is valid and complies with prevailing legal and procedural requirements and therefore recommended that the Administrative Court should reject the case.

Consequently, the Administrative court issued today its ruling to reject the case and confirm the validity of the contract.

The new Madinaty contract was signed November 8, 2010 after the New Urban Communities Authority had re-assigned the land to the Arab Company for Projects and Urban Development, a subsidiary of TMG Holding in accordance to Article No. 31 (repeated) of law 148 of 2006, issued in amendment to the law of Tenders and Auctions of 1998; to realize public interest requirements from Madinaty project.

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